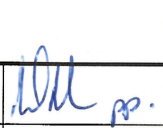
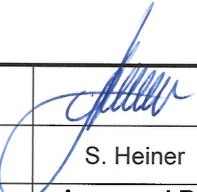


**Baffinland Iron Mines LP  
Mary River Expansion Stage 3**

**Definitive Study Report**

**Section 17 – Health Safety, Environment and Community**

						
2017-05-01	0	Internal / Client Review	O. Gamache	T. Bruce	S. Heiner	
Date	Rev.	Status	Prepared By	Checked By	Approved By	Approved By
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This report contains the expression of the professional opinion of Hatch, based upon information available at the time of preparation. Hatch has conducted this investigation in accordance with the methodology outlined herein. It is important to note that the methods of evaluation employed, while aimed at minimizing the risk of unidentified problems, cannot guarantee their absence. The quality of the information, conclusions and estimates contained herein is consistent with the intended level of accuracy as set out in this report, as well as the circumstances and constraints under which this report was prepared.

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## 17. Health, Safety, Environment and Community

### 17.1 Introduction

The purpose of this section is to describe the approach the Mary River Stage 3 Expansion will implement to ensure Baffinland Iron Mines Corporation's (Baffinland) commitments to health, safety, environment, and community are actualized, and Baffinland's regulatory requirements and commitments are met by all contractors and sub-contractors that will be working at the site.

### 17.2 Health and Safety

The fundamental goal of the Health and Safety Program is Zero Harm.

Strategies to enhance the projects ability to achieve Zero Harm are outlined in the PEP Part B1 – Health and Safety Management. These strategies are summarized as follows:

1. **Health and Safety Alignment**, between all project stakeholders.
2. **Legal Compliance**, by all project entities with the authorities having jurisdiction in Nunavut.
3. **Effective Emergency Response Plan**, that is well communicated and known by the entire workforce deployed to site.
4. **Continual Audit Program**, by all staff and craft deployed to the project.
5. **Leadership and Commitment**, from all Owner, EPCM and Contractor management deployed to the project.
6. **Involvement, Communication and Motivation**, that provides clarity, transparency and inclusion to all stakeholders with respect to the Health and Safety drivers on the project.
7. **Performance, Tracking and Accountability**, that attains visibility into metrics, trends, quickly investigates incidents and items of concern, applies corrective actions and demonstrates to the workforce that Safety is First in every operation on the project.
8. **Learning and Competency**, training programs that are relevant to the work, evolve with the work, and are tracked and catalogued for the workforce.
9. **Occupational Health and Hygiene**, programs that are established ahead of the work, establish baselines, provide the necessary information to engineer solutions, develop programs, or requirements for additional PPE to allow operations to continue while protecting the worker.

The strategies above will form the foundation of the Mary River Expansion Health and Safety Program.

### 17.3 Environmental Management Requirements

The capital cost estimate has been based upon project wide specifications (Standard Specifications) which were included in each contract package. Each contract includes Environmental Management Requirements (Attachment G), which is the Baffinland Environmental Protection Plan, and contains the following information:

- Purpose.
- Environmental Approvals.
- Responsibilities.
- Operational Environmental Standards (OESs).
- Documentation Logs and Forms.

Operational Environmental Standards (OESs) identify and address Project environmental issues and concerns and provide guidance and control measures (which may be field fit as required), to avoid potential negative impacts to the environment and/or minimize or mitigate these impacts to the greatest extent practicable. The OESs are not comprehensive and are intended to be used in conjunction with relevant documents such as Environmental Management Plans (EMPs), Standard Operating Procedures, Environmental Permits, Licenses, and Regulation, etc.

#### 17.3.1 Environmental Management Plan

Contractors were required to submit the following documents with their bid submission in which their pricing was based upon:

- Contractor's Environmental Management Plan.
- Curriculum Vitae of the Environmental Officer.
- Undertaking to compliance with the Employer's Environmental Management Policy and/or list of deviations to the Employer's Environmental Management Policy.

Each contractor must submit a Contractor Environmental Management plan with their bid submission, which is reviewed by the Project for compliance with Baffinland's Environmental Protection Plan. If the bid evaluation process determines that there are any shortfalls in the Contractor's environmental management system, then a rectification action plan will be established with the bidder prior to contract award.

### 17.4 Local (Inuit) Content Requirements

Inuit content requirements are stipulated in all contract documents as the Standard Specification for Inuit Content Requirements. Contractors are required to adhere to the specification, which provides the following: relevant definitions related to Inuit content; responsibilities for the contractor and employer; hiring requirements for Inuit employees; the

use of Inuktitut on site, and during the recruitment and employment process; training and education; the use of designated Baffin Inuit Firms and Designated Inuit Firms; the Contractors Inuit Content Plan; and record keeping.

#### **17.4.1 Minimum Inuit Employment Goal (MIEG)**

The Minimum Inuit Employment Goal (MIEG) for each contract is expressed as a percentage and is calculated as follows:

$$\text{MIEG} = (\text{total number of training hours provided to Inuit} + \text{total number of hours worked by Inuit employees}) / (\text{total number of hours worked by Contractor on site})$$

For the purposes of each contract, Baffinland has established a MIEG that represents the percentage of Inuit employment that each contractor is expected to achieve. The MIEG may change over the course of the contract. For example, the average annual MIEG may be 10 percent in the first year but may increase to an average annual MIEG of 20 percent during the second year of the contract.

The contractor is required to consider these MIEG requirements when completing the Contractors Inuit Content Plan (CICP). The contractor is solely responsible for maximizing Inuit Content, including all subcontractors.

Contractors are required to acknowledge and accept the incentive and penalties associated with the MIEG established in the contract.

#### **17.4.2 Contractors Inuit Content Plan (CICP)**

The Contractor's Inuit Content Requirements establishes the minimum requirements as they relate to the Contractor's Inuit Content, which the contractor will be required to follow during all Project-related aspects of their work activities. The Contractors Inuit Content Requirement document identifies minimum requirements for the contractor to maximize Inuit employment and subcontracting opportunities.

Inuit content is evaluated based on the components included in this document and those described in the Contractors Inuit Content Requirements. In particular, Contractors shall submit a detailed Inuit Content Strategy (refer to section in table below) describing their Inuit employment, retention, and training strategies. In order to accurately assess the Contractor's commitment to Inuit Content, the Contractor shall provide the following information:

- Firm designation (where applicable): Designated Inuit Firm (DIF), Designated Baffin Inuit Firm (DBIF), head office located in the Baffin Region.
- Identification of roles and responsibilities to ensure Inuit Content is thoroughly planned and implemented: Project Manager, Human Resources Representative, Training Representative.
- Estimated percentage of work hours and proportion of wages according to the following categories:

- ◆ North Baffin Inuit communities of Pond Inlet, Igloolik, Clyde River, Hall Beach, Arctic Bay.
- ◆ Other Baffin communities.
- ◆ Other Nunavut Land Claim beneficiaries.
- ◆ Employees from other Canadian provinces or territories.
- ◆ Foreign employees.
- Workforce Plan, including estimated number of Inuit and non-Inuit employees at all levels of employment, from entry-level to senior management.
- Inuit Education and Training: training to Inuit in all areas of the contract. All areas of the contract will be considered for training opportunities. The Contractor will develop their own education and training policies subject to the Company's review and approval. The Contractor will identify and list training opportunities and programs to be available to Inuit staff for a defined list of job classifications.
- Subcontracts: best efforts used to maximize subcontracting opportunities for qualified Inuit Firms. The contractor is required to identify and list potential subcontracting opportunities, anticipated workforce breakdown, and the value of the contracts.
- Purchases from Inuit Firms: best efforts used to maximizing goods purchases from for qualified Inuit Firms. The contractor will identify and list the potential suppliers and associated goods.
- Detailed description of employment, retention, and training strategies to maximize Inuit content throughout the execution of the contract.
- Reporting: monthly and periodic submission of an Inuit Content Reporting Form, on key performance indicators.