

Natural Resources Canada

Canada's Critical Mineral Strategy



Submission

**United Steel, Paper, Forestry, Rubber, Manufacturing, Energy, Allied Industrial
and Service Workers International Union
("The United Steelworkers")**

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INTRODUCTION

1. This submission is filed on behalf of the United Steel, Paper, Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (hereinafter the "United Steelworkers", "USW", "Steelworkers", or the "Union") in response to the Natural Resources Canada's discussion paper, "Canada's Critical Minerals Strategy." The United Steelworkers welcomes the opportunity to comment on Canada's mining industry, one of the most important industries in the country.
2. Following a brief overview of the union and its mining membership, the union will in turn address the five core objectives of the critical mineral strategy. First, we will discuss how the strategy can support economic growth and competitiveness. Moving on from that discussion, we will comment on how the strategy can promote climate action. Finally, the union will highlight the role of the critical mineral strategy in advancing Indigenous reconciliation while fostering diversity and inclusivity in the workplace.

THE UNITED STEELWORKERS

3. The United Steelworkers is one of Canada's largest industrial unions with more than 225,000 members in Canada. Contrary to what the name may suggest, the United Steelworkers is one of Canada's most economically diverse unions, representing workers in every sector of Canada's economy. Steelworkers work in Canada's resource, manufacturing, service, healthcare, telecommunications, forestry and education sectors.
4. With approximately 20,000 miners represented by the United Steelworkers in Canada, our union is the pre-eminent representative of workers in this critical industry. The union's membership in the mining industry stems from its merger in 1967 with the International Union of Mine, Mill and Smelter Workers. Today,

Steelworkers are responsible for mining and processing a wide host of Canada's 30 critical minerals: from uranium, to nickel, zinc, copper and others. Below are geographical and sectoral breakdowns of the union's membership in the mining sector.

Fig 1: Provincial Breakdown of USW Mining Membership

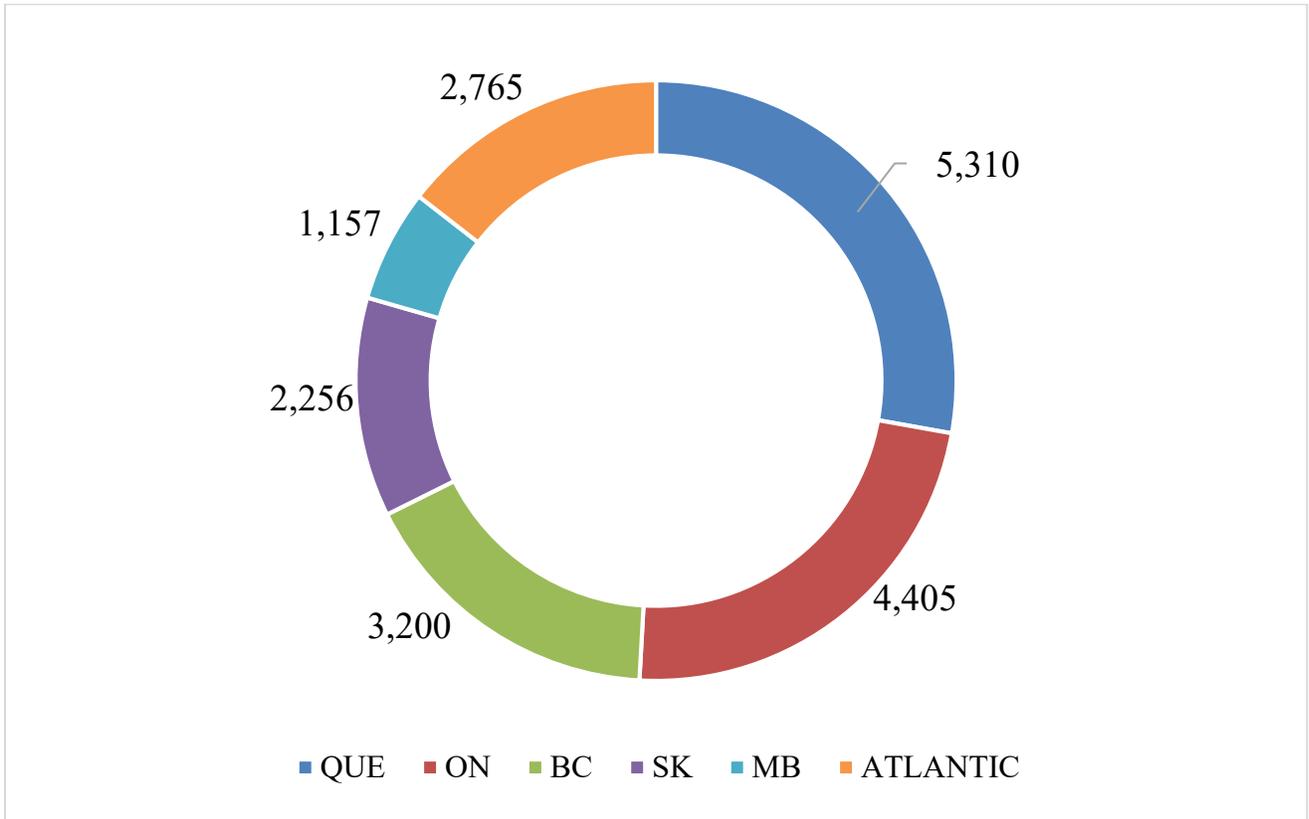
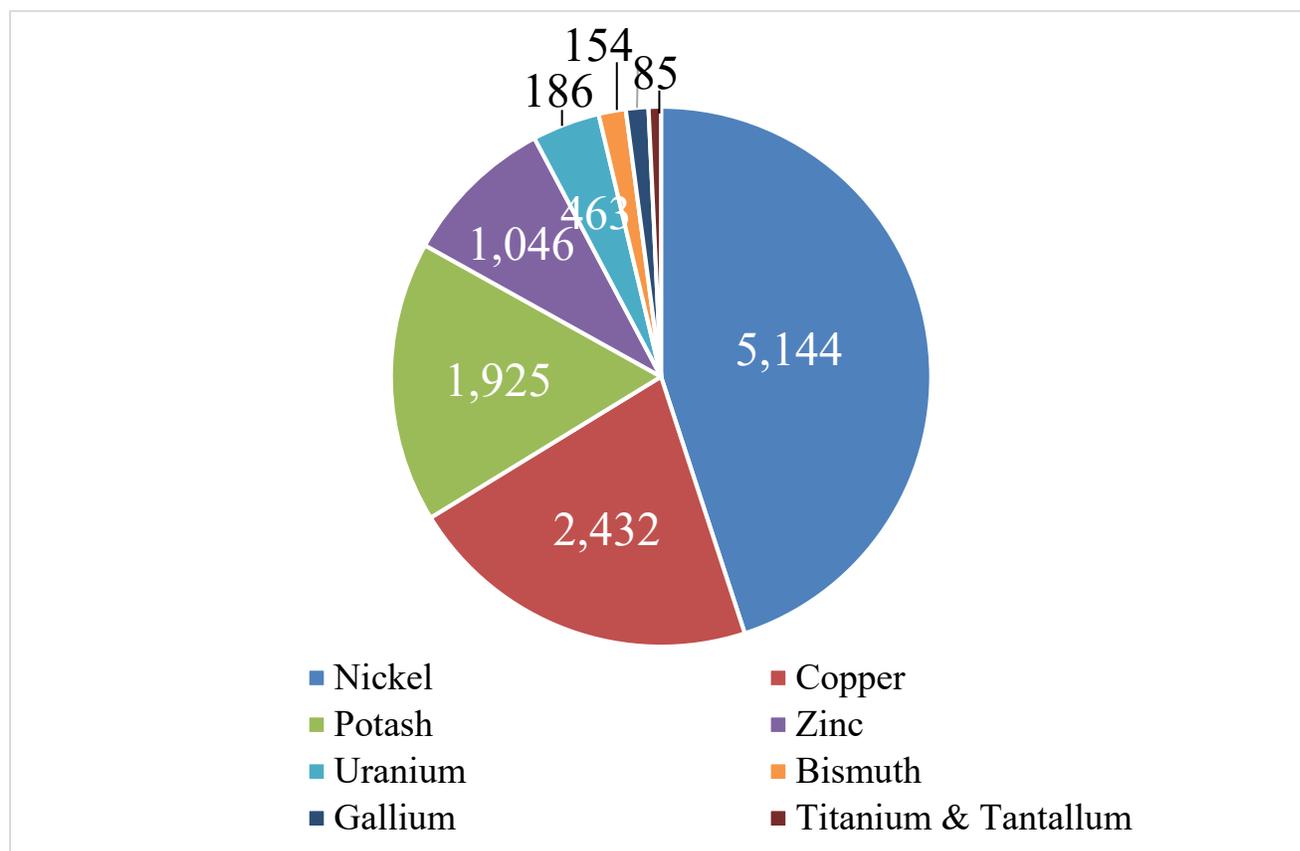


Fig 2: Critical Minerals: USW Membership



SUPPORTING ECONOMIC GROWTH AND COMPETITIVENESS

5. One of COVID-19's many lessons included the risk posed to Canadians by internationally concentrated supply chains. Increasing concentration of critical mineral supply chains in a few countries could expose Canada's economy to the risk of disruption. In particular, countries such as Japan, South Korea, China, and Germany are well on their way to establishing critical minerals refining capacity. Furthermore, many of these aforementioned countries have developed strategies to strengthen their expertise and intellectual property to support advanced manufacturing and clean technology supply chains. Canada's critical mineral strategy must provide a clear path to narrow the growing gap between Canada

and the aforementioned countries as it applies to critical minerals. These materials will be essential to Canada's secondary and tertiary industries as we work to reduce greenhouse gas emissions in our economy.

6. The International Energy Agency's "The Role of Critical Minerals in Clean Energy Transitions" highlights the importance of critical minerals in the transition to a clean economy. For example, demand for lithium, nickel, cobalt and copper is expected to increase, as those critical minerals will be needed for electric vehicle batteries; likewise, copper and zinc are required for offshore wind, to name a few¹. It is not solely the increased demand for critical minerals that will come from a shift towards cleaner energy, but the need for stable sources for these minerals. Canada, with its strong environmental and labour standards, must play a crucial role in ensuring a safe supply for domestic and global clean energy transformations.
7. One way to narrow the gap between Canada and the growing mineral capacity of other countries, is by taking a mine to mill approach. The establishment of entire supply chains, such as in the electric vehicle and battery manufacturing sectors, is expected to create further demand and opportunity within Canada's critical minerals mining and processing sector. Canada's vast riches in critical minerals – including copper, zinc, nickel and others mined by USW members across the country - can be leveraged to encourage domestic mining and processing that further anchor the high-value downstream activities in the electric vehicle supply chain. In particular, this can be achieved by taking a mine to mill product approach. Instead of having the steel that goes into electric cars imported, the Steelworkers believe that the steel should be exclusively produced onshore here in Canada. Rather than simply mining the iron ore, Canada should be investing in mining the iron ore, refining it, and turning it into the final steel products that go into the electric cars of the future. Not only will this assist in promoting the economic benefits of downstream manufacturing, it will also be of great environmental benefit. The

¹ IEA (2021), *The Role of Critical Minerals in Clean Energy Transitions*, IEA, Paris
<https://www.iea.org/reports/the-role-of-critical-minerals-in-clean-energy-transitions>

mining sector is energy intensive, and here in Canada, provinces like Ontario, home to significant mining activity, has one of the cleanest power grids in the world, with 99 % of the grid supplied by clean energy. ²

8. However, in order to ensure that Canada is able to take a mine to mill approach, Canada must first invest in ensuring we have the workers required to further undertake mine exploration, smelting and refining. For years, Steelworkers have witnessed firsthand the hampered operations at various mines due to a lack of hiring, training and retention. There is a looming shortage of trained miners, surface mill workers, smelter workers, and skilled trades. This shortage of workers has led to numerous companies contracting out the work. The Steelworkers submit that the strategy should have funds dedicated so that unions, along with their employers, can attract and retain the workers needed to work in this critical sector of our economy.
9. In addition to ensuring a steady supply of natural resources, Canada's critical mineral strategy must build Canada's capacity in chemical processing (especially for cobalt, nickel, graphite and lithium) and battery component manufacturing to establish an integrated battery supply chain. It is worth noting that this supply chain, whether it is in primary extraction (i.e. mining), processing, or manufacturing of goods, often employs high-wage, unionized jobs. Sectors that fall under the federal jurisdiction, such as uranium, must guarantee stringent labour standards to ensure worker's rights and safety.

PROMOTING CLIMATE ACTION

10. Cobalt, nickel, graphite and lithium processing facilities have high energy consumption. With the growing importance of environmentally sound policies and approaches to our economy, the high energy consumption of mineral processing

² Source: Electricity Generation by Fuel Type (2019), Canada Energy Regulator, accessed on September 14, 2022, <https://www.cer-rec.gc.ca/en/data-analysis/energy-markets/provincial-territorial-energy-profiles/provincial-territorial-energy-profiles-ontario.html>

facilities can pose a significant risk to the health and safety of Canadians across the country. That is why, in conjunction with expanding the processing capacity of Canada's mining sector, Canada's critical mineral strategy must lay out significant investments in clean energy. Partnering with provinces in ensuring their energy grid is as environmentally friendly as possible can help to mitigate the environmental related risk associated with expanding Canada's mineral processing capabilities.

11. Additional ways to support economic growth and competitiveness in Canada's mining sector, while adhering to strict environmental standards, include reducing mining waste by providing targeted support for research and development, and innovation that reduces the consumption of water and energy in mining and the production of waste rock in mining. Furthermore, reclaiming mine sites, is another way to address environmental factors related to expanding Canada's critical mining industry. Canada's strategy should ensure that best practices are followed in regards to ecosystem rehabilitation plans, improving financial assurance measures and addressing other environmental concerns related to orphaned and abandoned mines.

ADVANCING INDIGENOUS RECONCILIATION

12. The Steelworkers have long been at the forefront of the labour movement seeking to advance Indigenous reconciliation. In fact, the Steelworkers were one of the first union's in Canada to sign an impact benefit agreement with a mining company – in which a certain portion of positions were earmarked for Indigenous communities near the mine. Furthermore, the Steelworkers have negotiated agreements that have provided culturally sensitive provisions for Indigenous workers – namely, leaves for hunting, and other culturally significant practices for Indigenous miners.
13. While providing an exhaustive analysis of how Canada's critical mineral strategy can advance Indigenous reconciliation is beyond the purview of this brief

submission, there are few key areas discussed below that Canada's critical mineral strategy should prioritize.

a. Sharing benefits from resource development

14. Critical minerals represent a new opportunity for governments across Canada and Indigenous communities across the country to work together. Several provinces, such as Ontario and British Columbia, have committed to sharing the economic benefits from resource development with Indigenous communities through various resource revenue sharing agreements. These agreements support reconciliation with Indigenous peoples, as well as economic and resource development at the local level. The Steelworkers submit that the federal government should develop its own form of resource revenue sharing agreements.

15. Federal resource revenue sharing agreements could ensure that access to education is enhanced, as well as health care services. Furthermore, the revenue from these resource revenue-sharing agreements could help spur new economic development opportunities that bring good-paying jobs to various regions and support community and cultural priorities that help strengthen local planning and decision-making, along with increased control by Indigenous peoples over land use.

b. Enhancing capacity and supporting Indigenous businesses and workers

16. While some Indigenous-owned businesses currently participate in and benefit from mineral exploration and development, more work is needed to expand opportunities for Indigenous-owned business to benefit from their lands. The Steelworkers submit, that the strategy should create a fund that supports the capacity of Indigenous communities (and their workers) to participate in consultation, as well as education and relationship-building activities related to mineral exploration and development. The federal government can draw off of the experiences of other provinces, such as Ontario, which has created a three-

pronged approach, by supporting the creation of more mineral development advisors, values mapping projects and Indigenous-led technical and advisory tables.

17. Indigenous people and communities across Canada have developed businesses and corporations that not only employ many workers from their own communities but also provide services to the mining sector. There are many important contracting opportunities that flow from mineral exploration and Canada's critical mineral strategy should ensure that Indigenous businesses, and the workers they employ, should secure these contracts for economic development. Companies that benefit from access to federal lands, grants or other resources should be mandated to ensure that they have policies in place to create a diverse workforce, that supports and promotes the hiring of Indigenous people and prioritizes opportunities for Indigenous-owned businesses. Doing so will ensure that these Indigenous companies continue to benefit from opportunities to provide supplies and services in their communities.

c. Infrastructure investments

18. It is unconscionable that in a country as rich as Canada, there continues to be communities without access to clean water, reliable internet, or roads. Yet, that is exactly the predicament numerous Indigenous communities find themselves in. That is why the Steelworkers submit that it is imperative that Canada's critical mineral strategy ensures significant investments in high-speed internet, road upgrades and community supports are made.

19. In Ontario, the province has already committed close to \$1 billion to support legacy road infrastructure projects that will connect Indigenous communities to the Ontario highway network for the first time. The federal government should match this investment. In Ontario, these community-led northern road projects will benefit entire regions like the "Ring of Fire" or the "Road to Prosperity" by improving local access to social, health and education services. Furthermore, improved

infrastructure can provide Indigenous communities with safer travel options, and reduce inflationary pressures on the price of food, fuel and supplies.

FOSTERING DIVERSITY AND INCLUSIVITY IN THE WORKPLACE

20. While Canada's mining industry has made progress on inclusion, there is still considerable work to be done in regards to promoting gender equity and diversity. Recent research by McKinsey approximates that women represent an estimated 8 to 17 percent of the mining workforce. This extends beyond the mine to the executive level, where, shockingly, 98 per cent of executives are white. The situation for Indigenous and racialized workers is not much better, as Indigenous workers, whose lands are most impacted by mining, represent only 25 percent of the work force.
21. In order to remedy this situation, the Steelworkers propose various diversity initiatives. First, in conjunction with workers, and their representatives, companies must develop concrete goals to hold themselves to when it comes to creating a diverse workforce. In order to develop these goals companies must review their current business situation and their workforce, requiring, at minimum, that companies collect the relevant data about their workforce recruitment and retention. Furthermore, data on community benefit agreements, training, apprenticeship and outreach activities to historically marginalized communities would be useful information to collect and analyze by the federal government. Unions, like the Steelworkers, share a common goal in getting to know the workforce better and represent natural partners in this process. As such, labour management committees, a common feature of many collective bargaining agreements, provide a good starting point for workers and companies when embarking on this journey to get to know their workforce better.
22. Another means by which mining companies can foster greater diversity and inclusivity in the workplace is by cultivating potential applicants early on in their

university or trade school journey, or even in high school. Mining often represents one of the greatest employers of Canada's rural workforce, not only in sheer scale of opportunities, but also in terms of compensation. On average, according to NRCAN data, the mining sector pays Canadian workers on a total compensation basis \$127,300 per year; however, few, especially women and racialized peoples, know of the opportunities the industry presents. The Steelworkers submit that this can be remedied by early recruitment activities sponsored by Employment and Social Development Canada and various companies, that are centered around educational field trips, and grants.

CONCLUSION

23. The Steelworkers thank Natural Resources Canada's for the opportunity to comment on Canada's Critical Minerals Strategy. The Union believes that this strategy's approach should continue to build on extensive public and Indigenous consultations, as well as the recommendations found in previous reports, particularly those found in, "From Mineral Exploration to Advanced Manufacturing: Developing Value Chains for Critical Minerals in Canada." Furthermore, the Steelworkers submit that the industry is best served by a strategy that would be forward-looking, long-term, and iterative. We support an entire supply chain approach, ideally as part of a clean industrial strategy. The aim must be to create high-quality jobs in Canada from mining to manufacturing, to end-use, with the goal of moving towards a lower-carbon economy. A critical minerals strategy forms a key component of this shift. As such, engagement with key industry stakeholders, such as Indigenous groups, workers, environmental groups, businesses, and provincial governments, should continue on an ongoing basis with opportunities from all to comment on the strategy moving forward.

24. The Steelworkers look forward to the publication of the strategy in the months ahead, and welcomes any further opportunities to provide its commentary and those of the nearly 20,000 workers it represents in the sector.

All of which is respectfully submitted by the United Steelworkers.



Marty Warren
National Director
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