

## **Canadian Institute of Mining, Metallurgy and Petroleum**

This document provides an extension to information gathered for the report, *Irresponsible Science?: How the fossil fuel and arms industries finance professional engineering and science organizations*, published by Scientists for Global Responsibility (SGR) in October 2019.<sup>1</sup> Information sourced from the Canadian Institute of Mining, Metallurgy and Petroleum's publicly available documents is provided first, followed by commentary by SGR.

The Canadian Institute of Mining, Metallurgy and Petroleum—or simply CIM—is a large professional organization with over 10,000 members nationally and internationally.<sup>2</sup> Its creation dates to 1898, being formed as a vehicle to lobby for worker safety laws.<sup>3</sup>

### *Statement of purpose and values*

CIM summarises its purpose and vision as follows:<sup>4</sup>

#### *'Vision*

*The trusted authority and collective source for advancing mineral industry knowledge, guidelines and best practices*

#### *Mission*

*Cultivate knowledge, best practices and innovation to support our members, improve awareness of the minerals industry in society and evolve the industry responsibly*

#### *Purpose*

*Collaborating towards a sustainable future*

## **Investments and transparency**

According to its 2020 Annual Report, the CIM held CA\$3.77m in investments.<sup>5</sup> We were unable to obtain further details about these investments, giving the CIM zero transparency.

## **Investment policy**

The CIM does not appear to hold an ethical investment policy.

## **Corporate Patrons**

Two fossil fuel firms, Syncrude and Teck Resources, are listed as corporate patrons by CIM.<sup>6</sup> Both companies are investors in Alberta's tar sands developments.

## **Education programmes and grants**

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<sup>1</sup> <https://www.sgr.org.uk/publications/irresponsible-science/>

<sup>2</sup> <https://www.cim.org/about-us/>

<sup>3</sup> <https://www.engineersaustralia.org.au/About-Us/Overview/History>

<sup>4</sup> <https://www.cim.org/about-us/vision-mission-strategic-goals/>

<sup>5</sup> <https://issuu.com/cim->

[icm\\_publications/docs/cim-annual-report-2020-for-issuu?fr=sZWYyZDM1MDUyMDE](https://issuu.com/cim-publications/docs/cim-annual-report-2020-for-issuu?fr=sZWYyZDM1MDUyMDE)

<sup>6</sup> <https://www.cim.org/corporate-patrons/>

CIM does not appear to be accepting corporate sponsorship from fossil fuel companies for its education courses.

### **Events sponsorship**

CIM's 2021 Convention included Teck as a 'Gold sponsor'.<sup>7</sup> This means that the company donated between CA\$20,000-30,000 to support the event.

### **Environmental policy**

We were unable to find any evidence of an environmental policy or positions on climate change or loss of biodiversity. CIM does have an Environmental and Social Responsibility Society (ESRS) with the following goals:

#### *Vision*

*ESRS's vision is to provide leadership and professional development opportunities as they relate to the social and environmental responsibility and performance of the Canadian mining industry.*

*ESRS encourages leading practices, a culture of responsibility, and enhanced social and environmental performance management of the industry through collaboration with all interested and affected parties.*

#### *Mission*

*Educate and promote strategies to prevent conflicts and improve mining-community relations by moving towards integrated, inclusive and transparent planning & partnered developments, as well as striving to eliminate the environmental risks and impacts of mining.*

### **Other relevant information**

CIM is a partner with the Mining Association of Canada (MAC), a national organization that created the 'Towards Sustainable Mining' (TSM) standard.<sup>8</sup> This standard protects environments through a number of protocols, including biodiversity conservation, climate change, crisis management, and indigenous land rights amongst others.<sup>9</sup> MAC represents over 75% of Canada's minerals and metals production.<sup>10</sup>

CIM Magazine, the organization's publication, regularly includes articles on news relating to climate change.<sup>11</sup>

### **SGR comments**

SGR acknowledges that CIM's ESRS and its partnership with MAC signals some concern with the environmental effects associated with the mining industry.

SGR has continuing concerns, however, on the following aspects:

#### *Transparency*

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<sup>7</sup> <https://convention.cim.org/2021/en/partner-with-us/proud-sponsors/>

<sup>8</sup> <https://mining.ca/towards-sustainable-mining/>

<sup>9</sup> <https://mining.ca/towards-sustainable-mining/protocols-frameworks/>

<sup>10</sup> <https://magazine.cim.org/en/news/2021/new-tsm-protocol-emphasizes-climate-change-adaptation-en/>

<sup>11</sup> <https://magazine.cim.org/en/search/?search=climate+change&sort=relevance>

CIM has very low public transparency on its company investments, with there being no accessible information available on the types of funds where the CA\$3.77m highlighted in the company's 2020 financial report is held or which company is managing investments. Without this information or access to an investment policy, we are unable to determine whether investments are held in funds that include fossil fuel companies.

Given that many members of the public are deeply concerned about climate change and CIM's stated organizational purpose of 'Collaborating towards a sustainable future'<sup>12</sup>, any investment by the CIM in fossil fuel companies, whether directly or indirectly via mutual funds, would be concerning to say the least.

#### *Sponsorship (education, corporate)*

- Teck Resources
- Syncrude

According to the Transition Pathway Initiative (TPI), Teck Resources is not aligned with a pathway that would limit global warming to 1.5°C or below.<sup>13</sup> Syncrude is a joint venture between Suncor Energy, Imperial Oil Resources Limited, Sinopec Oil Sands Partnership and CNOOC Oil Sands Canada.<sup>14</sup> According to the TPI, Suncor Energy, Imperial Oil, Sinopec China Petroleum & Chemical and CNOOC are not aligned with a pathway that would limit global warming to 1.5°C or below.<sup>15</sup>

What's more, Teck Resources, Suncor Energy, Imperial Oil, Sinopec China Petroleum & Chemical, and CNOOC have not committed to meeting the rigorous criteria set by the Science Based Targets initiative for emissions reductions, which numerous other leading corporations have signed up to.<sup>16</sup> Until fossil fuel companies meet the criteria of the Science Based Targets initiative and have set targets to cut their emissions by 2050 in line with a 1.5°C limit to warming, we are urging thought leaders such as CIM to divest from these companies to keep up the pressure on them.

In addition, there are concerns about these companies' wider environmental and corporate performance:

#### *Teck Resources*

The organization was recently fined CA\$60m for the pollution of Canada's Elk and Fording rivers in 2012.<sup>17</sup>

While Teck has recently appeared keen to present itself as a diversified and sustainable mining company, the company was up until 2020 seeking approval for a C\$20.6bn tar sands mine.<sup>18</sup>

#### *Syncrude*

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<sup>12</sup> <https://www.cim.org/about-us/vision-mission-strategic-goals/>

<sup>13</sup> <https://www.transitionpathwayinitiative.org/companies/teck-resources-diversified-mining>

<sup>14</sup> <https://syncrude.ca/>

<sup>15</sup> <https://www.transitionpathwayinitiative.org/companies/>

<sup>16</sup> <https://sciencebasedtargets.org/companies-taking-action#table>

<sup>17</sup> <https://www.cbc.ca/news/canada/british-columbia/teck-fined-60m-contaminating-bc-rivers-1.5965646>

<sup>18</sup> <https://www.teck.com/media/2020-Sustainability-Report.pdf>;

<https://www.theguardian.com/world/2020/feb/24/canadian-mine-giant-teck-resources-withdraws-plans-tar-sands-project>

Syncrude is a significant joint venture in the controversial Athabasca tar sands project, producing nearly 375,000 barrels per day.<sup>19</sup>

SGR has concerns about investments in and financial ties to fossil fuel companies by professional science and engineering organizations for these reasons:

- Professional science and engineering organizations have considerable influence with politicians and the public and it's crucial that they put in place robust science-based targets and plans that are compatible with the goals of the Paris Agreement - and end lobbying behaviour that could undermine it;
- As the UK Health Alliance on Climate Change puts it, "engaging with companies whose business model relies on fuel extraction is of limited use—only divestment will stop extraction".<sup>20</sup> Worldwide, according to the Alliance, over 1,000 organizations with £7 trillion assets have committed to divesting from fossil fuels and instead investing in climate solutions.<sup>21</sup> Research indicates that divestment reduces the price of fossil fuel shares. According to a team at the University of Waterloo in Canada, "lower share prices increase the costs of capital for the fossil fuel industry, which in turn decreases their ability to explore new resources and exploit proven resources".<sup>22</sup> The greater the likelihood of these fossil fuel resources staying in the ground, the more likely we are to meet the international climate change targets agreed under the Paris Agreement in order to prevent potentially catastrophic climate change;
- In order to keep to the below 2°C target, only one-fifth of known fossil fuel reserves can be burned, putting these assets at risk of becoming stranded. The fraction is even smaller when considering how to meet the 1.5°C target. According to the UK Health Alliance on Climate Change, fossil fuels are an increasingly risky investment and fossil fuel free indexes equalled or outperformed unsustainable alternatives for 5-10 years. "Divestment announcements by prominent investors signal financial risks to the market, which in turn depress share prices," say the University of Waterloo researchers. "Therefore, divestment announcements can have a measurable impact on the fossil fuel industry." Shell said in 2018 that divestment had become a material risk to its business.<sup>23</sup> In 2020 fund manager CCLA, which invests on behalf of charities including Church of England dioceses, dropped its investments in oil giants Shell and Total for financial reasons.<sup>24</sup> On January 27<sup>th</sup> 2021, ratings agency S&P warned 13 oil and gas companies, including Royal Dutch Shell and Total, that it is considering downgrading their credit ratings. The agency has increased its risk rating for the oil and gas sector as a whole from "intermediate" to "moderately high" because of the move away from fossil fuels, poor profitability and volatile prices, according to news reports.<sup>25</sup> There are also signs that oil companies may struggle to recruit employees with the skills they need.<sup>26</sup>

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<sup>19</sup> <https://www.nationalgeographic.co.uk/environment/2019/04/worlds-most-destructive-oil-operation-and-its-growing> ; <https://www.mining-technology.com/projects/syncrude/>

<sup>20</sup> <http://ukhealthalliance.org/divestment>

<sup>21</sup> <https://www.divestinvest.org/11-trillion-counting-divestinvest/>

<sup>22</sup> <https://theconversation.com/how-divesting-of-fossil-fuels-could-help-save-the-planet-88147>

<sup>23</sup> <https://www.theguardian.com/commentisfree/2019/oct/13/divestment-bank-european-investment-fossil-fuels>

<sup>24</sup> <https://www.divestinvest.org/church-of-england-fund-drops-remaining-fossil-fuel-investments/>

<sup>25</sup> <https://www.theguardian.com/business/2021/jan/27/rating-agency-sp-warns-13-oil-and-gas-companies-they>

<sup>26</sup> <https://www.ft.com/content/3b53f1bd-4625-4733-afb9-af4301257506>

- Many fossil fuel companies are relying on carbon capture technology and nature-based solutions being deployed at a huge scale to offset their planned emissions.<sup>27</sup> Heavy reliance on the global scale deployment of carbon capture and storage technologies is misplaced given the lack of progress in this area for the last 20 years. According to an international group of 41 scientists and academics, such technologies are “expensive, energy intensive, risky, and their deployment at scale is unproven.”<sup>28</sup> It is irresponsible to base net zero targets on the assumption that uncertain future technologies will compensate for present day emissions.”

For those keen to retain support for the energy sector, there are plenty of companies that are much more progressive than fossil fuel companies in which to invest. For example, Orsted (formerly DONG, Danish Oil and Natural Gas) has shifted from being a fossil fuel dominated company to one heavily focused on renewable energy. Similarly, some large German engineering companies, such as Siemens and E.ON, have also made major shifts away from fossil-fuel related work.<sup>29</sup>

There is, of course, a narrow window of opportunity to keep global temperature rise below 1.5°C that warrants a fast transition away from fossil fuel dependency. We think that investment in the renewable energy and energy storage sectors would meet demand for energy more cost-effectively and more sustainably whilst continuing to provide jobs for geologists, investment in green chemistry would promote the use of alternative renewable feedstocks, and investment in energy conservation measures would reduce the energy demand.

As with the long-term financial risk associated with investing in fossil fuels, we propose that divesting fossil fuel firms as corporate patrons for the CIM will make this income stream more sustainable as a long-term proposition, as well as minimizing risk to the CIM’s reputation.

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<sup>27</sup> <https://insideclimatenews.org/news/16072020/oil-gas-climate-pledges-bp-shell-exxon/>

<sup>28</sup> <https://www.climatechangenews.com/2020/12/11/10-myths-net-zero-targets-carbon-offsetting-busted/>

<sup>29</sup> Siemens has committed to the 1.5°C target under the SBTi and E.ON’s carbon emissions are aligned with the below 2°C pathway according to TPI.