

## **Pan American Silver (formerly Tahoe Resources) silencing dissenting voices at Annual Shareholder Meeting**

<https://mailchi.mp/rightsaction/pan-american-silver-silencing-dissenting-voices>

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Angus Wong, Senior Campaign Manager with SumOfUs.

- Below: Financial Post article

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Pan American Silver ignores community demands at annual shareholder meeting  
By Mining Watch Canada, SumOfUs, Earthworks

<https://mailchi.mp/miningwatch/pas-shareholder-meeting-2022?e=1186657b4b>



The petition, with more than 85,000 signatures, was delivered to Pan American Solber: <https://actions.sumofus.org/a/sign-the-petition-to-stop-destructive-silver-mining-projects-now>.

*“People around the world are on to Pan American Silver’s business model – profit at all cost with a blatant disregard for the self-determination of Indigenous communities”*

Angus Wong, Senior Campaign Manager with SumOfUs.

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## **Pan American Silver's dance with non-profits shows why ESG is now the main risk for miners**

### **Losing your 'social licence' beats out supply chain disruptions, inflation and a slowdown in China as top business risk**

By Gabriel Friedman, [Financial Post](#), May 13, 2022

<https://financialpost.com/commodities/mining/pan-american-silvers-dance-with-non-profits-shows-why-esg-now-the-main-risk-for-miners>

Vancouver-based Pan American Silver Corp.’s shares have dropped about 30 per cent over the past month, so it would have been fair to expect executives were

due for a grilling over financials as shareholders gathered for the company's annual general meeting on May 11.

But that's not what happened. Pan American chief executive Michael Steinmann and his lieutenants got just as many questions about the company's relationship with the communities near its mines as they did about performance.

Call it a sign of the times. [ESG](#) — the acronym used to label the investing strategy that rewards companies that show commitment to the environment, social issues, and governance — now consistently ranks as the top business risk in mining industry surveys.

That's because disputes with local communities and governments can lead to permit losses, mine closures, or higher operating costs that affect long-term performance.

Pan American, which operates nine mines spread across Argentina, Bolivia, Canada, Mexico and Peru, also announced first-quarter results that flagged several headwinds: the pandemic continued to affect its workforce and costs are rising from the inflationary pressures around the world. Overall, gold and silver production remained essentially flat, but higher prices for the byproduct metals it produces, including zinc, lead, and copper (and a one-time accounting change) drove up revenue 16 per cent to US\$439 million in the quarter.

Like other miners in the precious metals sector, Pan American's share price has been a roller-coaster. Geopolitical tensions after Russia invaded Ukraine in February helped push its share price to US\$29.84 in mid-April, but fears about [inflation](#) and the economy have since dropped the price to around US\$22 as of May 13.

Nothing in Pan American's first-quarter results suggest that it risks losing a "social licence" to operate — an industry catchphrase that encapsulates both the chances of losing a mine permit and the likelihood of a road blockade. Indeed, the company has often said that ESG and human rights rank above everything else.

“Human rights is a really important issue to us, and we have human rights audits to ensure our best practices and compliance regarding principles on business and human rights,” Steinmann said at the annual meeting.

#### Key business risk

But Pan American has drawn consistent criticism from a half-dozen non-profit watchdogs who accuse the company of ignoring opposition to mining from communities near its projects. The stark contrast between Pan American’s view of itself and analysts’ perceptions of the company’s “social licence” illustrate why ESG is such a key business risk.

In February, an industry survey by [the global law firm White & Case LLP](#) found that ESG constituted the top risk for mining companies, beating out supply chain disruptions, energy and cost inflation, and a slowdown in the Chinese economy. The firm wrote that ESG “is now central in terms of both attracting investors and holding a social licence to operate.”

Indeed, this year, Pan American once again faced criticism at its annual general meeting from non-profits working on behalf of disaffected community members, particularly in places where it hopes to operate mines in the future.

Angus Wong, a senior campaign manager at Sum of Us, a Vancouver-based non-profit, accused the company of using a virtual format at last year’s annual meeting to ignore questions critical of its track record. Wong had collected 86,000 signatures for a petition that calls on Pan American to “respect community self-determination” near projects in Guatemala and Argentina. The company’s legal counsel denied him entry, but accepted his petition.

“I just feel like they’re trying to silence dissenting voices,” said Wong. “I feel like it is in their best interest to allow for free flow of dialogue.”

Ellen Moore, international mining campaign manager at Washington, D.C.-based Earthworks, said Pan American has ignored local opposition to its Navidad project in Argentina, and its Escobal mine in Guatemala.

The company in recent years has referred to both projects as potential catalysts, and analysts often ask about the projects.

Navidad, a potential silver mine, is located in the Chubut province of Argentina, where open-pit mining is banned by a years-old law. Last year, there were brief reports that the provincial government had repealed the ban. But Moore said the repeal sparked blockades on major roads, and the provincial legislature reversed course on a repeal amid an investigation into bribery.

Meanwhile, Escobal, one of the largest silver mines in the world, has been closed since 2017 amid court decisions in Guatemala that found local Xinka people, on whose territory the mine is located, were never consulted about its construction.

Pan American in 2019 gained ownership of the mine through its \$1.1-billion purchase of Tahoe Resources and subsequently paid an undisclosed sum to settle a lawsuit in British Columbia filed by protesters who were shot while standing in front of the mine's gate.

#### 'Areas of concern'

Moore cited issues at other Pan American projects, such as the forced relocation of families in Mexico into company-owned housing. In 2018, the United Nations High Commissioner of Human Rights in Mexico, in Steinmann's own words "identified areas of concern and opportunities for improvement from a human rights perspective" related to the relocated families access to water, electricity, roads, and other issues.

"It's sort of incredible to me, that they can talk their way around their lack of social agency in Guatemala and in Argentina," said Moore. "But apparently, shareholders continue to see these projects as possibilities."

Pan American stands by its track record in its communities, saying it continues to meet with residents and address any concerns, and that it contributes money to local schools and health-care services. It says that it always acts within the law.

Siren Fisekci, vice-president of communications for Pan American, also took issue with accusations that the company ignored questions at its annual general meeting last year. Some questions were handled after the meeting but other questions were statements, not "pertinent to the business of the meeting," she said. "It's not a forum for people to just air their grievances," Fisekci said.

She noted that the company hosts community meetings, does an annual call about ESG, and publishes a sustainability report. “ESG performance and reporting have long been at the core of our approach to long-term sustainability,” Steinmann said on the latest ESG call, held in September 2021.

The company sees itself as a leader on ESG issues, and says it sets ever higher goals each year.

Earthworks’ Moore granted that she has seen progress. “I would say communities in Guatemala and Argentina have been increasingly successful in stopping projects they see as harmful and getting that information out,” said Moore. “There are certain places where you can’t engage your way out of a conflict.”

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#### **TESTIMONIO: Canadian Mining in the Aftermath of Genocides in Guatemala**

Edited by Catherine Nolin (UNBC) and Grahame Russell (Rights Action)

Our recently published book TESTIMONIO includes a comprehensive article about the violent and widely opposed silver and gold mine that Pan American Silver took over from Tahoe Resources in Guatemala.

#### **“Tahoe Resources’ Violent Mining Operation”**

By Simon Granovsky-Larsen and Caren Weisbart

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Archives - Pan American Silver (formerly Tahoe Resources)

<https://rightsaction.org/tahoe-archives>

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To support land and environmental defender groups, and justice and human rights struggles in Honduras and Guatemala – including the land, human rights and environmental defense work of local communities affected by Pan American Silver’s “Escobal” mine, make check to "Rights Action" and mail to:

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