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INTRODUCTION

Africa has over 30 percent of the world’s global mineral reserves1. The continent produces over 60 different metals and minerals and has huge potential for exploration and production2. There is a considerable history of mining across Africa with artisanal and small scale mining of gold tracing back to the 15th Century3. Africa’s enormous mining potential, along with improvements in political systems, and changes in fiscal and regulatory environments has led to a rise in investments over the years.

In 2010, mining in Africa amounted to 8 percent of the total global mineral exploration and extraction budget4. Gold, Copper, Coal, Iron Ore, Bauxite, Manganese, Aluminium, Nickel, Lead, Titanium, Platinum, Zinc, Diamonds and precious Gemstones are some of the most sought after minerals in Africa. More than half of the countries on the continent export some major mineral commodity, and for several countries, such as Botswana, Democratic Republic of Congo, Mozambique, and Guinea, mining accounts for more than half of their export revenues5. New players are emerging in the mining industry and there is growing interest from companies belonging to BRIC nations (Brazil, Russia, India, and China) to invest in Africa’s mining sector. India and China are not only becoming important investors in Africa, but are also the main destinations of coal being exported from countries such as Mozambique6.

For countries in Africa, mining has the potential to contribute significantly to economic growth and to help lift millions of people out of poverty. However, there have been concerns that the benefits of the resource boom are not widely shared and do not always translate into local development. Large scale mining investments have not always led to the generation of local employment opportunities, nor have they contributed significantly to poverty alleviation, which can leave communities feeling excluded from the benefits and the wealth made by extractive industries7. Challenges such as poor governance, and non-transparency are key issues hindering growth and development in the region8. Large scale mining companies are also faced with potential conflicts with artisanal miners which can lead to a loss of production. Governments are increasingly recognising the importance of ensuring an enabling environment for mining that supports development, boosts the economy, and reduces social tensions9.

The extractive industry, by its very nature has a massive ecological footprint and given the nature of the industry, mining companies have developed operational policies and procedures for managing these impacts. Mining operations, both large scale open pit mining as well those carried out by artisanal miners, have far reaching consequences for human health and the environment10. Land use can have implications on livelihoods and on food security if agricultural land is changed for mining purposes. Obtaining and maintaining a ‘social licence to operate’ and building relationships with local communities is a critical issue for the sector.

Companies are increasingly looking to standards to help them to manage the environmental and social impacts of their operations and ensure their licence to operate. The International Council on Mining and Metals (ICMM) has helped to frame the agenda for sustainable mining and provides guidance on key issues for the sector. Around the world there are increased calls for transparency from extractive companies in terms of their payments to governments where they operate. Many countries in Africa have, or are in the process of, enacting local content laws requiring the extractive industry to take an active role in ensuring that local suppliers play a significant role in their supply chain and that they maintain a high threshold (75-95 percent) of country nationals in their labour force (at senior, intermediate and lower levels). Many mining companies recognise that engaging with communities and strategic community investment are important aspects of their operating strategy.

Businesses in the region are faced with a multitude of different pressures and are increasingly recognising that long-term success will mean effectively managing relations with communities where they operate. Ernst and Young’s report (2013-14) on the business risks facing mining and metals listed ‘social licence to operate’ and ‘sharing the benefits’ among the top ten risks facing mining companies11. Companies that can do business in a way that provides opportunities for benefits sharing, community participation and local procurement, generates decent work and jobs, respects human rights and protects the environment can better manage risks and seize opportunities. They can also help to build more resilient communities and create and foster sustainable livelihoods.

IFC, a member of the World Bank Group, is the largest global development institution focused exclusively on the private sector in developing countries. The Sustainable Business Advisory (SBA) unit of IFC works with companies to adopt environmental, social, and governance practices and technologies that create a competitive edge, which can help to transform markets and enhance benefits to communities. The SBA team in Africa is working with businesses and their stakeholders to create long term value for companies, communities and the environment. It is engaging with companies across industry sectors and helping to share and disseminate good practices for more sustainable business.
WHY THIS GUIDE?

This guide has been prepared to assist mining companies operating in Africa, particularly new comers, to manage risks related to the mining sector’s sustainability issues and to share examples of good practice. This guide has been prepared based on a review of literature and a scan of practices in countries which were prioritised by IFC for the research and supplemented by interviews with companies, IFC and World Bank staff, non-governmental organisations (NGOs) and consultants in the industry.

The sections that follow outline sustainability issues in the context of mining, along with key risk areas for business. It should be noted that any viewpoints expressed in the text are those of the consultant tasked with preparing this and may not necessarily reflect those of IFC. This guide is not exhaustive but is intended to be introductory and will be more relevant to managers or companies who are new to working in sustainability and need a basic understanding of the issues in a Sub-Saharan African context. It includes SBA’s framework for working with companies and examples of practices which address sustainability through standards, resource efficiency, supply chains and community engagement.

- Appendix 1 provides a basic tool that companies can use to get started on building systems to manage key issues.
- Appendix 2 provides a summary of existing guidance, standards, and tools relevant for sustainable mining.
SUSTAINABLE AND RESPONSIBLE MINING
– WHAT ARE WE TALKING ABOUT?

Sustainable development is about ‘meeting the needs of current generations without compromising the needs of future generations to meet those needs’\(^{12}\). Sustainable mining is about balancing financial, social and environmental issues, to ensure the success of the company as well as the sustainable livelihoods of the communities. It involves community engagement and investments, respecting human rights, protecting the environment, being transparent, and acting with integrity. Companies that are better positioned to manage the social and environmental risks and challenges in business will be better able to deliver sustainable growth and returns. ICMM articulates a framework for sustainability in the context of mining based on 10 principles which member companies are committed to implement and measure progress against (see Box 1).

Different stakeholders will have different perspectives on sustainability. Africa’s Mining Vision, which was adopted by Heads of State and Government in 2009 advocates for “transparent, equitable and optimal exploitation of mineral resources to underpin broad-based sustainable growth and socio-economic development”\(^{13}\). Mining companies interviewed noted the need to balance environmental, social, and economic and governance issues. Others mentioned the importance of taking into account the different interests of diverse stakeholders from local communities where the mine is located, the national governments, as well as the shareholders and balancing the inherent trade-offs. Table 1 shows some of these expectations from government, companies, and civil society / communities.

Table 1: Stakeholder Expectations for Sustainable Mining in Africa

<table>
<thead>
<tr>
<th>Government</th>
<th>Companies</th>
<th>Civil Society / Communities</th>
</tr>
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<tbody>
<tr>
<td>• Local economic development</td>
<td>• Mitigate risks</td>
<td>• Improve well being</td>
</tr>
<tr>
<td>• Address capacity needs of the local government</td>
<td>• Reputational issues</td>
<td>• Build capacity</td>
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<td>• Poverty reduction</td>
<td>• Social licence to operate</td>
<td>• Reduce poverty</td>
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<tr>
<td>• More prosperous and resilient communities</td>
<td>• Increased development impact</td>
<td>• Respect for human rights</td>
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<tr>
<td>• Better infrastructure</td>
<td>• Responding to shareholder concerns</td>
<td>• Access to improved infrastructure and</td>
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<tr>
<td>• Shared prosperity</td>
<td>• Reduce negative impact</td>
<td>services (water, energy, education,</td>
</tr>
<tr>
<td>• Clean environment</td>
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<td>health, security)</td>
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The mining sector is diverse and involves a range of actors, including large scale mining groups, junior companies and artisanal and small scale miners (ASM). While large scale mining companies are involved in the extraction and processing of several different mineral products with sophisticated technology, junior companies are mostly small to medium companies that are involved in exploration and discovery of mineral deposits. Artisanal and small scale mining on the other hand is a livelihood generating activity with no or very limited technology. The life cycle of a commercial mine will encompass exploration, development, operation and closure. Diagram 1 (below) shows a typical project cycle for a mining operation. Each stage will see different impacts (both positive and negative) and stakeholder expectations will also change through the life of a mine. There is obviously no guarantee that exploration will lead to a development project with high commercial risk and often low success rates at the exploration stage. Given the diversity of types of businesses in the sector, it is also important to remember that “communities usually do not distinguish between exploration and construction, the smaller and the larger company, the junior and the buyer”\(^{14}\).

Diagram 1: A Mine Life Cycle
Companies in the sector need to manage a complex array of social and environmental issues as well as stakeholder expectations. They are often working in remote locations and potentially in conflict or post conflict situations where there is limited capacity in local institutions.

Sustainable business practices can help mining companies:

- Obtain and maintain a social licence to operate
- Manage risk
- Reduce negative impact
- Build reputation
- Build relationships with investors and the financial community
- Build relationships with government and the local community

For companies getting started on a journey to a more sustainable business, there are some key steps that can be taken to support continuous improvement.

- **Understand the issues:** Companies need to understand the important social and environmental and governance issues, which are relevant to their stakeholders and which can also impact their business. Briefings such as this one can provide businesses with a first step and a general overview of the issues of significance in the sector.

- **Engage with stakeholders:** To understand the issues, companies need to engage with their stakeholders. There are various tools and resources to support companies to do this. IFC’s “Stakeholder Engagement: A Good Practice Handbook” and Early Strategic Stakeholders Engagement for Junior Companies Handbook are two examples of useful business tools.

- **Demonstrate leadership and accountability:** Managing complex social and environmental issues starts from the top. Businesses can review how sustainability is reflected in their company values and principles and how they demonstrate leadership. For example, is there a Board Member appointed to oversee sustainable business practices?

- **Define policies, standards and objectives:** Businesses need to ensure they have policies and codes of conduct, which define their company’s commitments and strategies regarding sustainability. Based on these, objectives and targets can be established.

- **Ensure resources and capacity in place:** It is important to ensure that sustainability related initiatives are properly resourced (both human and financial) and that there is appropriate capacity as to fulfill commitments.

- **Measure, monitor, review and evaluate:** Recognising the old paradigm that you cannot manage what you cannot measure, businesses should ensure that systems are in place to measure and monitor impacts and outcomes and integrate findings for continuous improvement.

- **Communicate and report:** Being transparent about the business and its social and environmental impacts and ensuring strategies to address these are part of being a responsible company. By understanding the concerns and expectations of stakeholders, businesses can ensure that appropriate communication channels are in place. Numerous tools and guidelines exist for sustainability reporting at a company level. See Appendix 2 for links to tools and guidance.

Context is critical: Effectively managing and implementing sustainable business strategies requires that these fit within the local context and are appropriate to the size and scale of the business.

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**Box 1: ICMM 10 Principles for Mining and Sustainable Development**

1. Implement and maintain ethical business practices and sound systems of corporate governance.
2. Integrate sustainable development considerations within the corporate decision-making process.
3. Uphold fundamental human rights and respect cultures, customs and values in dealings with employees and others who are affected by our activities.
4. Implement risk management strategies based on valid data and sound science.
5. Seek continual improvement of our health and safety performance.
6. Seek continual improvement of our environmental performance.
7. Contribute to conservation of biodiversity and integrated approaches to land use planning.
8. Facilitate and encourage responsible product design, use, re-use, recycling and disposal of our products.
9. Contribute to the social, economic and institutional development of the communities in which we operate.
10. Implement effective and transparent engagement, communication and independently verified reporting arrangements with our stakeholders.

KEY SUSTAINABILITY ISSUES

Through their engagement with stakeholders, mining companies can identify and build understanding of the importance of sustainability issues, analyse their potential impact on the company, and prioritise. How and when companies engage with the communities in which they operate is of critical importance and helps companies to identify issues which are locally relevant and important. While many issues will be similar for all mining companies, others will affect companies differently at different stages of their operations and will vary between countries based on the country context.

While the sustainability issues are interconnected, the following section has grouped these issues within the broad headings, which IFC uses: economic, social and environment as shown in Table 2 below.

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<thead>
<tr>
<th>Economic &amp; Governance</th>
<th>Social</th>
<th>Environment</th>
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<td>Economic growth and revenue management</td>
<td>Human rights</td>
<td>Water</td>
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<td>Corruption</td>
<td>Poverty</td>
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<td>Local content</td>
<td>Land use and acquisition</td>
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ECONOMIC

Growth, Revenue Management and Distribution

A mine must be profitable in order to be sustainable. Managers will need to generate profit responsibly for as long as possible by keeping costs to a minimum while maximizing revenue. Ensuring profitability can help to maximise benefits for all stakeholders “including employees, local communities and businesses, which depend on the mine, as well as the governments that benefit by means of taxes and royalties.” 15

The mining industry has emerged as a powerful engine of economic growth in Africa16. The boom in investment and resource prices has contributed to the continent's Gross Domestic Product (GDP) growth by 64 percent between 2000 and 201117. The continent's growth rate has remained robust; averaging more than 5 percent over the past 10 years with further acceleration anticipated18. Mining projects have contributed to development in the continent through taxes and royalties, creating jobs and local procurement, and companies have also supported communities through community investment projects. Recently, there is a growing attention on benefit sharing mechanisms through which mining companies can better contribute to development efforts1. Particularly for fragile and post-conflict states, analysts have pointed to the fact that “the mining sector has been essential in kick-starting economic and social progress through its willingness to invest where other investors are more wary”19. Small scale mining is also an important sector and in Burkina Faso, for instance, gold produced by artisanal mining is the country's third largest export.

Particularly for low income countries, mining can be a primary source of foreign direct investment. It is a source of tax revenues and royalties and a key component of many poorer countries’ total productive activity. Studies from Ghana for example found that in 2005, the mining industry paid US$26.76 million to the government as royalty, which increased to $38.46 million in 2006 and $53.80 million in 200720 and that those regions that have a high level of mining activity have experienced faster declines in poverty levels than other regions. “There is also evidence that mining is contributing substantially to economic development and poverty alleviation in mining areas. Mining is both a provider of an increasing number of well-paid jobs, and mining companies have long been active in supporting community infrastructure and development. General poverty has fallen faster than the national average in the two major mining Districts of Wassa West and Adansi West”21

However, for some resource rich countries the ‘resource curse’ has been used to describe the paradox whereby states who have large reserves of natural resources are less developed than others. In some countries, the income derived from resource extraction ends up being distributed to the political,
military and commercial elites rather than being invested in economic and social development projects. This can, in turn, increase pressure on companies by surrounding communities who do not see the benefits of mines and look to the companies to provide access to basic services and to support local development projects.

The transparency and accountability of the extractive sector and the revenue flows to host governments are under intense (and increasing) scrutiny. Mining (and other extractives such as oil and gas) can bring in substantial revenues for host countries and enable them to achieve their development objectives and improve living standards. However, much depends on the capacity within countries to manage revenue and ensure an enabling environment for sustainable development. How governments manage the use of resources and build transparency and accountability in the use of mining resources is critical for overcoming this risk and many countries across the region are looking to put systems in place to ensure mining contributes to national economic growth and local development.

Most of the African mining countries have joined the Extractive Industry Transparency Initiative (EITI) and through the EITI reporting process, the revenues accruing to governments from extractive sectors are documented and publicly disclosed. This process enables citizens to understand how much money is being paid to the government from different sources, which can help to ensure accountability for how those resources are managed.

Other countries around the world are also implementing strategies to bring more transparency to the sector. On 9th April 2013 the European Union reached tentative agreement on new rules which will require oil, gas, mining and logging companies to publish payments of more than €100,000 (US$ 140,000) made to the government (at a project and government level) in the country they are operating in, including taxes levied on their income, production or profits, royalties, and licence fees. Similar rules came into effect in the US with Section 1504 of the Dodd-Frank Act and the final rules by the US Securities and Exchange Commission (SEC). The purpose is to “shine a light on legitimate payments by corporates to governments in order to make it more difficult for those governments to hide their receipts from scrutiny and corruptly to misuse those funds.” Section 1502 of the Dodd-Frank Act has specific requirements for companies demonstrating their non-use of conflict minerals in their supply chains.

Analysts have also pointed towards the fact that companies are not always paying the taxes that they should be. It is estimated that tax avoidance, in favour of profits by firms is taking a huge toll on Africa, costing about $38bn (£25bn) per year. Mining companies operating in Africa can put in place policies related to ensuring they do not avoid tax, develop local benefit agreements with host countries, and be transparent in their payments of taxes and royalties.

Mining companies can help to support wider sector transparency (which can in turn help the company manage potential risks) and ensure transparency in their own operations through publishing what they pay and disclose payments to governments.

**Corruption**

Unfortunately, corruption is a critical problem in many resource rich countries around the world and in Africa.

On Transparency International’s Corruption Perception Index for Sub-Saharan Africa, 90 percent of the countries scored below 50 (with a score of 100 indicating high level of corruption and 0 being very clean). Botswana was perceived to be the least corrupt and Somalia the most corrupt. However, the region is still perceived as being better than others with the worst perceived regions being Eastern Europe and Central Asia.

If corruption involves politicians it can deplete a country’s national wealth, particularly if projects are granted based on exchange for personal gains. Corruption undermines economic, social, and environmental goals, and keeps people and communities poorer. For the mining sector, corruption can mean that the benefits of mining projects do not translate into local development if the benefits sit in the hands of a few. If corruption involves officials, it can result in revenues generated from mining not being invested in much needed infrastructure and social development but instead being used for officials own benefit. Nigeria is an often cited example of a resource rich country whose oil wealth has been not been used to ensure wide-spread benefits. Equatorial Guinea is also an example of how impressive growth in the country has not translated to improvements in health, education and nutrition. Equatorial Guinea has a per capita income level, which is on par with the European Union (EU); however, extreme inequality forces most of its people to live in extreme poverty.

On a project level, corruption can impact the safeguards of standards, whereby those who are entrusted with ensuring workplace or product safety could be paid money to overlook issues. For example, In Burkina Faso the review of the Mining Code aimed to “put in place more robust mechanisms to protect the interests of local communities affected by mining and to change the distribution of revenues in their favour.”
example, one report noted that “inspectors in Burkina Faso are often said to turn a blind eye to evident hazards (e.g. an explosives depot exploded immediately after an inspection that deemed it safe) and/or mining companies taking advantage of the disadvantaged position of the inspectors to bribe them to ‘keep quiet’.”

Access to land titles may require payments of bribes, putting companies and their employees at risk. Transparency is needed to facilitate land acquisition, valuation and compensation issues. Corruption can undermine trust in institutions, and contribute to a lack of or non-enforcement of environmental laws and regulations, leading to unsustainable exploitation of natural resources.

It is pointed out that there is sometimes lack of clarity between gift-giving and bribery and corrupt practices. Whether a gift can be construed as a bribe ultimately depends on the motivation, reason or intention behind it. The African Union’s Convention on Corruption Article 4 defines corruption as: “the solicitation or acceptance, directly or indirectly, by a public official or any other person, of any goods of monetary value, or other benefit, such as a gift, favour, promise or advantage for himself or herself or for another person or entity, in exchange for any act or omission in the performance of his or her public functions.”

Companies and communities can benefit from ensuring transparency and countries in the region are taking action. Burkina Faso has adopted a National Anti-Corruption Policy in 2004, which aims at strengthening regulatory and legal measures and making the existing monitoring system more effective in tackling corruption. An 11 member anti-fraud squad was established to focus on gold mining and issue laws to regulate gold marketing and curb fraud cases. Ghana has introduced a host of policies and measures and Guinea has introduced a new mining code with strict laws against bribery and corruption including an obligation on companies to submit an annual anti-corruption surveillance plan and an obligation on all individuals and companies engaged in the sector or applying for a permit to sign a code of good conduct with the minister in charge of the mining sector.

Mining companies can ensure transparency and accountability, publish what they pay and disclose payments to governments, have an anti-bribery policy in place, have a zero tolerance policy, provide training and ensure there is an appropriate system for due diligence throughout the organisation and in its relationships with contractors and other business partners.

**Local Procurement**

A key challenge for many mining companies in Africa is meeting the strict local content requirements. Many countries in Africa have, or are in the process of, enacting local content regulatory frameworks requiring the extractive industry to take an active role in ensuring that local suppliers play a significant role in their supply chain including development of local skills, technology transfer, and use of local manpower and local manufacturing. For example, Article 30 of the Guinea Mining Code requires companies to support local businesses and create community development plans. Part XVI of the Sierra Leone 2009 Mines and Minerals Act requires small and large scale mining licence holders to assist in the development of mining communities that are affected by their operations, in order to promote sustainable development.
Companies can impact local development through procuring locally – purchasing goods and services from local businesses. Such strategies are referred to as supplier engagement; local procurement; business linkages, local supplier development, local content or local sourcing which can help to provide increased employment opportunities and skills development, investment, technology and local revenue.

For mining companies, making these linkages and finding local suppliers who have the required technical, financial and management capacity to effectively compete and deliver goods and services in line with the required technical standards, quality and timeliness required by the sector is a challenge. In addition, there are issues in how ‘local’ is actually defined as “many governments and mining companies consider “local” companies to be those which are registered nationally, rather than fully considering the degree of value addition and the levels of participation by local individuals”39. Research by the ‘Making Most of the Commodities Programme’ found that many procurement decisions are made at the design stage “without any consideration for local economic capacity” and that for the construction phase of the mine, there are relatively few contractors globally who could win a mine construction tender40. Once a site is operational, many of the procurement decisions will have already been made with contractors already in place for services.

Companies can take a pro-active approach by ensuring they have a policy in place regarding local procurement which is understood by all, develop community benefit agreements (CBAs) and optimize local procurement and planning by aligning supplier development policy with governments industrial and education policy. If there are not the skills needed locally then companies can identify which jobs can be filled locally and help to provided skills development for other positions.

Relations with Artisanal Miners

Artisanal and Small-scale mining (ASM) refers to informal mining activities carried out using low technology or with minimal machinery. While there are local benefits for ASM, it often takes place alongside large scale operations and can cause risks for large mining operations (as well as for the miners, surrounding communities and environment) such as “difficulties and delays with exploration, feasibility planning, construction and operation of a mine”39. For example, in Guinea there have been numerous conflicts between mining companies and artisanal miners, and between mining companies and local communities due to land rights, inadequate compensation, pollution and loss of livelihoods. How companies manage and mitigate these risks is an important part of obtaining and maintaining a social licence to operate, however these issues are complex and strategies will differ from country to country based on the local operating environment. For mining companies operating in Africa there may be no distinction from the communities perspective in terms of ASM or LSM activities and any negative impacts (on environment, health, and other areas) will be blamed on the company.

According to the ICMM, artisanal mining provides a direct or indirect livelihood for over 100 million people in the developing world. It is an important source of livelihoods in Africa, especially in rural areas where there are fewer alternatives39. Conservative estimates show that in the Democratic Republic of Congo, nearly 2 million people are actively involved in mining and are responsible for producing 90 percent of the minerals exported from the country. In Burkina Faso, before opening up to commercial mining in 2007, ASM miners produced about 20 percent of the gold output, generating more than US$200 million in foreign reserves which was estimated to provide a livelihood for 650,000 people. Likewise, in Mozambique, over half a million people directly depend on ASM activities across the country and artisanal gold miners earn somewhere between US$75 – US$ 1500 per month40, which is sufficiently higher than other sources of incomes in rural areas.

The relationship between LSM and ASM has predominantly been conflictual in nature. This is largely because both parties are often competing for the same resources41. Artisanal miners find the presence of large mining companies as a threat to their livelihood and economic activities, and can look to disrupt formal mining activities. In Ghana, for example, there were reports of employees of mining companies faced with heightened insecurity as artisanal miners resorted to the use of sophisticated weapons to protect their operations42. The Obuasi mine of AngloGold Ashanti in Ghana has been under threat by the activities and operations of illegal miners with reports of theft of high-grade ore from the company's trucks and loading areas.

This is a challenge for mining companies because conflicts with ASM can interfere with the company’s operation of a mine, with potential loss of production due to stoppage or blocking of mines. It can also entail safety and security risks for employees. One of the main reasons for this is that artisanal miners are usually untrained and often use poor operational techniques and outdated technology for the extraction of minerals. This not only causes huge environmental degradation but can also threaten the geological balance of other mines in the vicinity causing occupational hazards for mine workers and impacting production as well as causing security risks.
Mining companies also run a risk of significant reputational and financial damage from the negative publicity resulting from any conflict with artisanal miners. Companies come under criticism for disrupting the livelihoods of artisanal miners, and also can be blamed for any accidents and deaths amongst ASM within the licensed area of the mining company. Mining companies may also be accused wrongly for the community health problems and environmental degradation caused by artisanal miners reworking old abandoned mines and using outdated mining techniques.

While the issues are complex, some larger companies have been working with stakeholders to find ways to co-exist with ASM in a way that supports viable mining together with host communities and governments. The Section on Community (below) provides some examples of how companies are managing relationships and engagement with ASM. IFC’s ‘Strategic Approach to Early Stakeholder Engagement: Good Practice Handbook for Junior Companies in the Extractive Industries’ provides a useful matrix with different strategies and tools for dealing with ASM operations.

The ICMM ‘Working Together Toolkit’ also provides tools for companies on how to manage relationships with ASM to minimise risk and ensure security, manage reputational risk; maximise community development opportunities; respond to pressure for corporate accountability and maximise company benefits for exploration and improved closure.

**SOCIAL**

**Poverty**

Overall poverty in Africa has declined. The proportion of people living below the poverty line decreased to 40 percent in 2008 from 47 percent in 1990, making it the first ever reversal of the long term poverty trend. A UNDP report for the region notes that by 2008, about 32 million people moved out of extreme poverty (below $1.25 a day). The fall in poverty is related to a multitude of factors but widespread economic growth has been critical for this shift.

While poverty, health and education indicators across the region have increased, challenges still remain. High levels of illiteracy still exist across much of the region, particularly in rural areas and poverty has been exacerbated by low investments in health and education. Poverty reduction has still been slower in Africa than in other parts of the world and there are wide discrepancies between and among nations. HIV/ AIDS and malaria have taken huge tolls on the potential workforce. Mining often takes place in poor areas where lack of infrastructure and social services such as health and education are widespread.

African women still face high levels of adult illiteracy, low levels of enrolment in schools as well as completion of primary education, low levels of capital accumulation and fewer employment opportunities. Women in African countries continue to face high risk of mortality during pregnancy and childbirth. While women are generally at a disadvantage, poor rural women are impacted even further, lacking access to even the most rudimentary care. As gender gaps widen, women all over the continent are facing the consequences of poverty, unequal opportunities for education and employment, and poor healthcare.

There are growing expectations on companies to fill in the gaps and provide basic services where the government is lacking. While investment in the continent is on the rise, several issues still remain. The Africa Progress Report 2013 highlights that the benefits of the resource boom are not felt by the majority. While mining does tend to improve general employment opportunities in the region, direct employment resulting from large scale mines have been debated. ICMM notes that in relation to overall country employment mine employment is generally low in developing countries, often only representing between 1 and 2 percent of employment.

Research from Mozambique found that the communities residing near and around mega-mining projects, for instance (such as those in Tete and Nampula Provinces), benefit in part from employment opportunities and improved access to infrastructure, but also experience a variety of negative impacts, such as inflation (with the disparity in incomes amongst local populations and migrant workers growing) and that many promised community investments (water and electricity) never materialised. However, through their core business models and additional community investments, companies do have the opportunity to build shared value, so that the business benefits and communities thrive. Local sourcing and procurement and strategies to build skills and capacity in the local workforce can help to contribute to local development. While the way in which companies operate and the strategies that they take will have the biggest impact on communities, additional community investment and support for local development, whether it is in capacity building, access to social services and infrastructure, livelihoods development, skills transfer, microfinance, and other areas “can help companies gain a social license to operate, access land, reduce project and reputational risks, boost productivity, meet government requirements or global standards, and/or successfully compete for the next venture.”
Human Rights

Mining companies in Africa are faced with potential human rights risks either directly in their own operations or through potential complicity due to human rights abuses of others that they are associated with. Each year Maplecroft ranks countries in relation to human rights risks for business. Sub-Saharan Africa’s regional risk score decreased from 4.56/10 in 2008 to 3.34/10 in 2014. This is due to countries such as Sudan (ranked 2nd worst), DR Congo (3rd worst) and Somalia (5th worst) which remain among the five most extreme risky countries for business in terms of human rights in the world. In 2012 there were numerous cases of security clashes with striking mining workers in South Africa which resulted in deaths and injuries highlighting the issue of human rights and security for businesses. In other countries there are community complaints against alleged human rights abuses of mining companies.

“Human rights” refers to the fundamental rights and freedoms that all individuals are entitled to regardless of nationality, place of residence, sex, national or ethnic origin, colour, religion, language, or any other status. The International Bill of Human Rights, consisting of the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights, and the International Covenant on Civil and Political Rights, together with the core labour standards of the International Labour Organisation (ILO), “form the most widely accepted codification of human rights standards as enshrined in international law.” Countries enshrine rights in national constitutions or laws. National and regional bodies also provide guidance, monitoring and support. The African Commission on Human and Peoples’ Rights is an international body which seeks to provide supranational monitoring and rights to citizens of Africa.

All businesses have the ability to positively or negatively affect human rights and economic development can help to ensure the realisation of rights. Human rights issues in the mining industry in Africa can include security, corruption, discrimination, child labour, labour conditions, environmental damage, land acquisition and resettlement, loss of culture and local community economic development along with specific issues for indigenous peoples.

In the past decade a number of companies have come under fire as a result of not meeting society’s expectation for their management of human rights impacts. Businesses benefit where there is a healthy and educated workforce and a stable political situation, where there is respect for human rights, the rule of law and proper administration of justice.

The ‘Guiding Principles on Business and Human Rights’ clarify the state’s responsibility to protect rights, business responsibility to respect rights and a shared responsibility for remediation. Companies are expected to have a human rights policy and a process of due diligence to identify, prevent, mitigate and account for how they address their human rights impacts, as well as processes to enable the remediation of any adverse human rights impacts they cause or contribute to. The ‘Voluntary Principles on Security and Human Rights’ established in 2000 aim to guide extractive companies in conducting a comprehensive human rights risk assessment in their engagement with public and private security providers and to ensure human rights are respected in the protection of company facilities and premises. The ‘African Mining Vision’ (AMV) which was adopted as the basis for the development of the African mining sector aims to eliminate human rights abuses in the mining sector and the possibility of natural resources fuelling conflicts.

Companies should ensure they have a policy commitment for human rights and a due diligence system to identify actual and potential human rights impacts, develop management approaches, communicate and report, and ensure systems for remedy are in place. Additionally, through their community initiatives, companies can help to improve access to basic services such as the provision of health, education and clean water. Through these activities and through their safety and health and labour policies, environmental protection initiatives, transparency and good governance can also potentially have a positive impact on human rights.
Indigenous Peoples

Mining companies around the world have faced operational risks due to poor relationships with indigenous peoples. Given the often special relationship with the land, as well as different governance structures and ways of decision making which might be different than their non-indigenous neighbours, there are additional challenges and responsibilities for mining companies when exploring for or developing resources on indigenous lands.

There are approximately 2,000 indigenous languages spoken across the African continent. Identification as indigenous can be complex and does not necessarily only relate to origination from the continent. While there is no single global definition for what constitutes ‘indigenous’, the ILO Convention 169 on Indigenous and Tribal Persons uses the following language in describing the peoples it aims to protect: “Peoples in independent countries who are regarded as indigenous on account of their descent from the populations which inhabited the country, or a geographical region to which the country belongs, at the time of conquest or colonisation or the establishment of present state boundaries and who, irrespective of their legal status, retain some or all of their own social, economic, cultural and political institutions.” The Indigenous Peoples of Africa Coordinating Committee notes that “groups claiming to be ‘indigenous’ in Africa are mostly those who have been living by hunting and gathering; by trans-human (migratory nomadic) pastoralism and those practicing traditional dry lands horticulture including oasis cultures.”

IFC Performance Standard 7® deals specifically with Indigenous Peoples noting that they “may be exposed to different types of risks, and the impacts associated with project development may be more severe than on non-indigenous communities” which can include “loss of identity, culture, and natural resource-based livelihoods, as well as exposure to impoverishment and diseases.”

ICMM members make specific commitments in regards to respecting the rights of and engaging with indigenous communities. In 2013 the position was updated with commitments to:

- respect the rights, interests, special connections to lands and waters, and perspectives of Indigenous Peoples, where mining projects are to be located on lands traditionally owned by or under customary use of Indigenous Peoples
- adopt and apply engagement and consultation processes that ensure the meaningful participation of indigenous communities in decision making, through a process that is consistent with their traditional decision-making processes and is based on good faith negotiation
- work to obtain the consent of Indigenous Peoples where required by the position statement.

IFC Performance Standards require Free Prior and Informed Consent (FPIC) where indigenous peoples’ land, natural resources are impacted. FPIC refers to informed, non-coercive negotiations between companies and local communities—prior to development of business activities. It recognises indigenous peoples’ inherent and prior rights to their lands and resources. It involves ensuring information about and consultation on any proposed initiative and its likely impacts are detailed in a way which communities will understand. It also involves meaningful participation of indigenous peoples and representative institutions. Stakeholders interviewed for this research continued to tell us that building relationships with and engaging effectively with local communities is critically important for the long term success of the mine and there are additional issues which companies need to consider in their engagement with indigenous peoples.

Cultural Heritage

Africa is rich in cultural heritage. There are 129 UNESCO designated World Heritage sites in Africa. According to the recent World Wilderness Congress 2013, one quarter of all World Heritage Sites in Africa are now threatened by mining. Cultural heritage can be found in tangible forms (such as objects, property, sites, structures, or features of places such as sacred groves, rocks, and waterfalls) as well as intangible forms (such as cultural knowledge and practices of communities) and "incorporates places, objects and practices of cultural significance" both old and new. Culture forms the basis of social identity and development and the heritage of culture is what each generation receives and passes on and is "an important component of the cultural identity of communities, groups and individuals, and or social cohesion".

Companies need to understand the local legal framework which may include customary laws, regional and national cultural heritage laws, and international charters, conventions and other agreements applying to the country of operation. These instruments have varying degrees of legal status. Legislation will often differ between and within countries and differing laws in place to protect heritage of different groups in the same jurisdiction. Guidelines for heritage impact assessments exist in some countries such as Zimbabwe, South Africa and Botswana.

Recognising the role that culture and heritage plays in the communities in which they work will help to strengthen the quality of mining companies’ relationships with local communities. Not managing this well can lead to conflict. IFC Performance Standard 8 deals specifically with cultural heritage and can help companies manage and mitigate any risks through potential impacts on cultural heritage affected by the mine. Managing this involves identifying, assessing, deciding and taking decisions regarding cultural heritage. Companies need to understand the local cultural heritage and their values and how the project may impact on it. Cultural heritage is best protected by preservation in its place, as removal may cause irreparable damage or destruction. Developing appropriate management systems and procedures such as a ‘chance find’ procedure are also important. Companies can also take additional steps to preserving cultural heritage through their community investments.

Land

The total amount of land used in mining is relatively small compared with agriculture. However, given the huge cultural and historical significance of land to its people, the use or acquisition of land and the nature of the impacts of mines on the land can often be significant and therefore must be carefully managed by companies. The use of land for mining also comes at a time when there is also growing demand for land for agricultural use and a growing increase in land acquisitions. Mining companies often acquire large tracts of farming land for surface mining operations and given that agriculture is an important economic activity in rural areas, the loss of arable land can deprive communities of their source of livelihoods. The Ghanaian Ministry of Mines and Energy notes that 30 percent of the land in Ghana is used for mining which could potentially affect food security in the region. Land acquisition and land use can be a significant risk depending on how it is managed.

Companies have also found themselves faced with community protests and global campaigns if they have not ensured that they are respecting land rights. It is particularly an issue where indigenous communities are concerned.

Different countries have different ways of managing land rights although the state often retains a central role in making land available to private operators. In Mozambique and Ethiopia land is nationalised. In Ghana it is estimated that 80 percent of land is vested in traditional authorities, a central role in making land available to private operators. In Mozambique and Ethiopia land is nationalised. In Ghana it is estimated that 80 percent of land is vested in traditional authorities, a central role in making land available to private operators. Recognising the role that culture and heritage plays in the communities in which they work will help to strengthen the quality of mining companies’ relationships with local communities. Not managing this well can lead to conflict. IFC Performance Standard 8 deals specifically with cultural heritage and can help companies manage and mitigate any risks through potential impacts on cultural heritage affected by the mine. Managing this involves identifying, assessing, deciding and taking decisions regarding cultural heritage. Companies need to understand the local cultural heritage and their values and how the project may impact on it. Cultural heritage is best protected by preservation in its place, as removal may cause irreparable damage or destruction. Developing appropriate management systems and procedures such as a ‘chance find’ procedure are also important. Companies can also take additional steps to preserving cultural heritage through their community investments.

In Ghana, there has been a series of land-use disputes between small- and large-scale miners and the local community. Often, a land concession is leased by the Minerals Commission to a large-scale mining company, and, following intense prospecting, illegal ASM (galamsey) are discovered to be working on the same plot because of a lack of alternative livelihood options. Moreover, because of cultural relationships with the land — namely, ancestral ties — a significant number of galamseys have been reluctant to relocate, which in turn have resulted in a number of disputes over mineral rich land concessions. The mining communities in the Talensi District of Ghana are demanding...
compensation from the Shaanxi Mining Company Limited, a subsidiary of China Gold Resources Group Company, which is operating in the area claiming that the company’s mining activities have destroyed their farmlands and economically disempowered them62. However, there have also been some partnerships forged between large- and small-scale miners in Ghana, which has enabled both parties to coexist within the same land concessions63.

One of the other major impacts of mining is related to displacement and resettlement of peoples from their current places of residence. Displacement and resettlement often involves loss of physical and non-physical assets, including homes, communities, productive land, income-earning assets and sources, subsistence, resources, cultural sites, social structures, networks and ties, cultural identity and mutual help mechanisms64. Mining can therefore exacerbate local poverty by causing joblessness, marginalization, food insecurity, loss of resources, increased exposure to health and safety risks, disruption of social and communal harmony and involve human rights abuses. Mining can also affect some groups of people more than others – for instance, indigenous peoples, and women are considered to be more vulnerable to displacement, which often up marginalizing them further and pushing them into deeper poverty65. Mining companies need to minimise to the extent possible, and to mitigate where required, any impacts related to land, assets or access to assets upon the local communities. This is a complex area for companies and IFC Performance Standard 5 covers land use and acquisition requiring companies to avoid or at least minimize displacement, wherever feasible, by exploring alternative project designs, avoiding forced eviction and mitigating any adverse social and economic impacts from land acquisition or restrictions on land use. This would include providing compensation and improving or restoring livelihoods and standards of living of people who have been displaced.
Working Conditions, Health and Safety

Mining is one of the most hazardous occupations and although it only employs around 1 percent of the global labour force, it generates 8 percent of fatal accidents. The working conditions vary from country to country but stories from mines frequently include descriptions of poor health and safety standards, regular 12-hour and 18-hour work shifts, and anti-union activity. Workers may also face the threat of being fired if they refuse to work under unsafe conditions. Mining is a much riskier business for ASM since these operations are informal in nature and because artisanal miners often have poor knowledge of health and safety issues required for operating and managing a mine. Most large companies on the other hand now prioritise health and safety issues in their operations and work to ensure adequate systems are in place to manage potential hazards.

In addition to the possibility of collapse, risks of fires, floods or explosions, other hazards include: ingesting and contact with dust and chemicals; high temperatures and extreme heat for miners; risks of accidents from machinery and transportation. Health impacts can include hearing losses caused by blasting and use of equipment; silicosis due to scilia dust; risk of minimata disease (mercury poisoning); as well as injury and death due to accidents. Working on mining sites involves carefully managing health and safety risks to prevent injuries and fatalities.

The International Labour Organisation’s (ILO) Convention 176 on mining safety establishes workers’ rights to refuse work they consider unsafe, to leave a mine they consider dangerous and to elect their own health and safety representatives. The Convention has been around for 13 years, and has been adopted by many African countries.

Characteristics of safe mines include a commitment to risk management; appropriate attitudes and behaviours; reporting systems need to be in place; a focus on education and training; and a focus on processes and equipment.

Key elements of systems include:

1. Leadership and Personal Commitment
2. Training and Competence
3. Risk Management
4. Operational Controls and Procedures
5. Health and Wellness
6. Contractor Controls
7. Incident Investigation
8. Emergency Preparedness
9. Performance Measurement and Assessment

Child labour is an issue for ASM and for companies who have ASM on their ground or for those who purchase minerals from smaller mines child labour can be a risk. The ILO estimates that as many as a million children between ages 5 and 17 work in the small-scale gold mines of Africa. In Burkina Faso, children as young as age 6, have been found working in the mines. Liberia’s Ministry of Lands, Mines, and Energy estimates that at least 1,500 children are currently employed in the diamond mines after dropping out of school. While it is illegal to employ anyone under the age of 18 to work in diamond mines, many ASM operators hire children because their small bodies fit into the narrow tunnels and tight space of the mines.
The 2012 strikes which occurred on mining sites in South Africa drew attention to relations between workers and their employers, and resulted in the loss of lives. The rights to freedom of assembly and association have been formally enshrined in the constitutions of almost all sub-Saharan countries. However, “despite such entrenchment, these freedoms have not been enjoyed in the region”.

Companies have recognised that they need to have policies and codes of conduct in place, which meet both national laws and international standards and include topics such as fair employment practices; health and safety; prohibition of forced and child labour; non-discrimination on the basis of race, gender, sexuality, national origin, or religious beliefs; and prohibition of harassment and abuse. In addition to workplace-specific risks and hazards, companies need to identify external risks which can negatively impact them and put in place action plans to eliminate these. Ensuring workers have a voice and communication channel with management (trade unions or other forms of representation) is crucial, as is a grievance mechanism. If companies are dealing with any form of child labour, they should ensure that decisions are taken with the best interest of the child in mind.

**Gender**

Mining has “environmental, social and economic impacts that change women’s lives, often in ways that are dramatically different from their effect on men.” Evidence shows that gender bias exists in the distribution of risks and benefits in mining projects. While the risks generally tend to befall heavily on women, men often reap the benefits from mining projects in the form of employment, greater income, and compensation. Poor distribution of benefits has a huge impact on the socio-economic well-being of women and can exacerbate previously existing gender inequality.

Mining projects often result in women facing additional risks such as loss of agricultural land and property rights, lack of access to resources, heightened insecurity and violence, limited voice in decision making, health risks from pollution, heightened socio-economic vulnerability, increased prostitution and greater exposure to sexually transmitted diseases, such as HIV/AIDS. Additional health and safety risks can be faced by women when personal protective equipment (PPE) is designed for the average size of a man.

See IFC Performance Standard 2: Labour and Working Conditions
Cultural perceptions on the role of women also play a huge role in promoting or hindering women’s involvement and socio-economic development. Understanding the cultural perceptions and attitudes towards women can help mining companies understand how their presence can create a positive or negative impact on them. In areas, where women’s participation in the formal employment sector is limited and weak, mining companies can create specific policies which can help promote women’s employment opportunities and access to resources. There is growing evidence that women and girls often suffer from discrimination and experience significantly more negative consequences as well as lesser benefits from mining as compared to their male counterparts. For instance, women are responsible for a majority of food cultivation and production and play an enormous role in farming. Women often earn a small income by the sale of any surplus agricultural products in the local markets thereby sustaining themselves and their families. Men however, hold the formal land title, which gives them greater access to consultation and compensation. Women are often left out of such consultations and important decisions, which can cause a loss of livelihoods, leading to increased insecurity and marginalization.

Giving considerations to gender and gender balance are important because it cuts across all aspects of social life and community well-being at large. Mining companies should work to ensure that men and women have equitable access to the benefits of resource development, and that neither are disproportionately placed at risk. This requires a gender sensitive response, and understanding all the gender dimensions at play, including involving women in community-level project consultations, and in national-level policy dialogues on extractive industries. Women must also be involved in education, and in the decisions that affect their lives, and the future of their communities. Gender-sensitive consultation is a means to ensure that policies in the extractive industries meet the needs of women and enhance their well-being. Taking gender bias into account and incorporating ways to address is also central to the development effectiveness and sustainability of mining projects.

Community Health and Safety

Mining companies operating in Africa will be faced with different health issues in and around the communities in which they are operating. Communicable diseases, peri-natal conditions and nutritional deficiencies are commonly related to the environment, poverty and poor access to health services and are more often a cause of death in the region than non-communicable diseases such as cancer, lung disease, diabetes and cardiovascular disease although this is likely to change in the future.

The recent Millennium Development Goal (MDG) progress report for Africa noted that the region has sustained progress toward several MDGs and is on track to achieve the targets of lowering HIV/AIDS prevalence among 15-24 year olds and increasing the proportion of the population with access to antiretroviral drugs. The report notes that performance on health indicators such as infant, under-five and maternal mortality is still improving but not fast enough to achieve the goals. Malaria mortality rates in Africa have declined by more than a third since 2000 owing to increased prevention and control measures.

Large scale mining can involve use of hazardous chemicals, such as cyanide, for leaching purposes, which, if not properly managed, can lead to harmful soil and groundwater contamination. In Mambia, Guinea, large areas of land previously used for cultivation are believed to have been contaminated through toxic water pollution and local people’s water sources have become undrinkable. Improper mine closure can cause leakage of toxic materials used in mining, and the lack of reclamation of the mine site to its original condition and preservation of top soil leads to irreversible environmental degradation. In addition, pollution of air, soil and water bodies can also expose the communities to a whole host of health issues such as rise in water borne diseases, respiratory ailments and poisoning as a result of eating contaminated food.

Mining communities are also increasingly seeing a rise in in sexually transmitted diseases, such as syphilis and HIV/AIDS. A large presence of migrant workers in the industry can bring with it an increase in sex trade. In Mozambique for instance, prostitutes from within and from the neighbouring Zimbabwe are reported to be brought in truckloads every Thursday, for the miners which has reportedly resulted in the gold mining region of Manica having the highest HIV prevalence rate in the country.

Lessons learned by companies in terms of managing community health issues include: the importance of engaging with communities to understand actual and perceived health needs; having clearly defined company priorities with policies and standards and managing stakeholder expectations; working with partners who have the technical and implementation capacity to run health projects; integration with government health systems and where required, supporting capacity building.
ENVIRONMENT

Water

Given the importance of water for mining and the necessity of water for all life on the planet, how mining companies use and protect water sources is a critical and important issue. Operations both impact and depend upon water sources and water scarcity is a growing area of concern, especially in Africa, as demand for water continues to increase as the potential impacts of climate change and other factors continue to threaten availability. Water use will depend on the type of mining activity that is taking place, and the efficiency of the operation.

All stages of mining operations depend on water – exploration, mining, processing, smelting, refining, through to rehabilitation and employees and surrounding communities require water for drinking and other purposes. Water requirements for operations have sometimes led to diversion of water streams. This is a particularly significant challenge in areas where there is a water scarcity and is a big source of conflict between communities and large scale mines. Mining of certain kinds of minerals, such as Bauxite, causes a disturbance of hydrology – the movement, quality and distribution of water. Bauxite mining also severely affects the water retention capability of the soil.

Much of Africa has high water related risk due to the fact that many areas experience either flooding and drought, or both. Water related risks relevant to Africa include:

- Desertification;
- Reduced freshwater availability;
- Deforestation (leading to reduced soil water retention);
- Water related health challenges;
- Drought; and
- Flooding.
Metal mining can result in acid mine drainage, cyanide and mercury contamination and other forms of contamination (such as arsenic, iron, manganese and heavy metals) of land and water resources. Due to these potential challenges, companies must conduct careful impact assessments, develop comprehensive integrated management plans and predict the physical, regulatory and reputational risks associated with their projects.

Many of the most serious environmental impacts associated with mining are related to water quality. Water transports toxic waste and mine effluents resulting in regulatory, legal, and reputational risks for companies. Project delays or mine shut downs can take place when water quantity is insufficient and many mining operations require significant volumes of water to operate.

Water risk is increased due to climate change impacts and many arid and semi-arid regions rich in metals and minerals will be heavily impacted by water shortages. In order to ensure that mining does not result in contaminated water, companies must implement robust waste management strategies. Mining operations must be aware of the local hydrology and potentially extreme seasonal variations in temperature and rainfall that may lead to difficult operating conditions and conflicts with other stakeholders in terms of water needs. It is important to understand the quantity of water needed for a mining operation as well as the discharges that will occur to the environment.

Most of the stakeholders interviewed for this research mentioned water as an important issue that companies need to manage. Mitigation steps that companies can take include: preventing or minimizing water pollution; reusing or reclaiming contaminated water; treating water that cannot be reclaimed; reusing treatment water; and safely discharging or disposing of excess water. Through their community investment companies can also seek to ensure that people within the area of a mine have access to safe drinking water.

**Biodiversity**

Biodiversity, or biological diversity, refers to the variability of life on Earth, including: terrestrial, marine and other aquatic ecosystems. We depend upon biodiversity for: food security; reduced vulnerability to natural hazards; health; material wealth; and culture. Africa is home to some of the most unique species and habitats in the world. Biodiversity is important for Africa's economy because it is closely linked to nutrition, food security, traditional medicines, modern pharmaceutical products, building materials, fuel, craft materials, spiritual and cultural values, pollution control and nature based tourism.

Land use change and habitat loss driven by development, such as mining, is seen as one of the most prominent threats to global biodiversity and ecosystem services. Deforestation, forest degradation, construction of infrastructure, pollution and pressures from associated migrant workforces lead to significant impacts to biodiversity, which must be measured and mitigated. Failure to address these risks can have notable impacts on mining projects.

Each stage of a mining project's lifecycle, impact biodiversity in different ways, from exploration, development, construction, operation, material transportation, material preparation/separation and mine abandonment. Typically low at the start, the intensity of the impact of a mining operation on biodiversity would increase through the construction and operation phases and then diminish with closure. The main direct impacts are a result of the mines’ footprint, however, indirect impacts related to the activities of migrant workforces and associated impacts related to infrastructure such as roads, pipelines and ports also contribute to the degradation of biodiversity.

Impacts to biodiversity can result in large reputational risk, financial liabilities, inability to obtain a licence to operate, lack of regulatory goodwill and risks related to access to land and resources.

Many countries are evaluating the national and global status of their biodiversity and the associated ecosystem services upon which they depend. As the risks and economic implications of declining biodiversity become more apparent, the companies that can demonstrate good management and strong performance in relation to biodiversity are likely to receive greater access to resources, maintain their licences to operate, secure financing and retain employees.

Many countries have specific legal requirements regarding how potential impacts to biodiversity are managed; these are often outlined within National Biodiversity Strategy and Action Plan (NBSAP). When proposed mining projects are located in or near particularly sensitive areas such as protected areas, forest reserves, Natural World Heritage Sites and other important biodiversity areas, projects may not be able to proceed or companies will be required to pay special attention to managing and offsetting potential impacts.
A comprehensive understanding of the impacts that development, including mining, has upon biodiversity is an important component of project planning. Careful risk mitigation can result in lower impacts to biodiversity, ecosystem services and local communities.

IFC Performance Standard 6 on Biodiversity Conservation and Sustainable Management of Natural Living Resources, for example, provides detailed information and resources concerning how companies can measure and mitigate impacts to biodiversity and manage risks. The mitigation hierarchy (to avoid, minimise, restore and offset) is championed as an effective framework within which the mining sector can manage risks and impacts to biodiversity, ecosystem services and people. It is important that mining projects first avoid any impacts where possible (through careful design and planning); secondly, the mining project should minimise impacts (smaller project footprint or a re-routing of associated infrastructure such as roads or power lines); thirdly, the mining project should restore areas that have been impacted (this step is also often referred to as rehabilitation); and finally, based on the residual impact remaining, the mining project should design a biodiversity offset that addresses the remaining impacts.

Climate Change

Climate change is a critical issue and mining companies both contribute to and are affected by climate change. Mining is an energy intensive industry and globally, ICMM estimates that the mining and metals industry accounts for approximately 2 percent of Greenhouse Gas (GHG) Emissions. In South Africa, the Department of Minerals and Energy (DME) estimates that the mining industry uses 6 percent of all the energy consumed in South Africa. Coal mining (the majority of which takes place in South Africa with additional operations in Zimbabwe, Morocco and Egypt) is both energy intensive during extraction and emits large amounts of GHGs during its use leading to increased climate change impacts.

ICMM estimates that globally, around half of the industry’s emissions are from fuel use in mining and processing, for transportation and from fugitive emissions with the other half from electricity (primarily in refining and smelting). Changes in land use due to the development of mining operations also cause an increase in GHG emissions. For example, deforestation currently accounts for approximately 18 percent of global GHG emissions, which is a larger contribution than the global transport sector as a whole. Increasing energy efficiency and reducing GHG emissions are the main mechanisms of mitigating these contributions to climate change.

Mining companies operating throughout Africa note that the impacts of climate change, such as temperature increases and water shortages, will be felt acutely in the communities where they operate. Much of Africa is particularly vulnerable to climate change due to the fact that many areas are sensitive to both flooding and drought. Climate change related impacts relevant to Africa include:

- Desertification;
- Sea level rise;
- Reduced freshwater availability;
- Cyclones;
- Coastal erosion;
- Deforestation;
- Loss of forest quality;
- Woodland degradation;
- Coral bleaching;
- Spread of malaria; and
- Food security.

Due to the wide geographic distribution of mining operations in Africa, climate change will have complex impacts on the sector. Climate change presents particular challenges to mining operations due to the fact that these projects are often located in challenging areas, have long project lifecycles, involve global supply chains, rely on natural resources (water, energy and the asset) and must balance the interests of many stakeholders. Climatic conditions affect the stability and effectiveness of infrastructure and equipment, transportation networks, environmental management and mine closure practices.

- Mitigating and adapting to climate change are important issues for mining companies to manage:
- Avoiding, minimising and offsetting emissions will contribute to mitigating the impacts of climate change;
- Understanding how water and energy supply will vary due to changing climatic conditions will assist with adaptive management;
Increased attention to health and safety considerations will ensure that risks related to rising levels of communicable diseases, exposure to heat-related illnesses and the likelihood of accidents related to rising temperatures, flooding and extreme weather are appropriately assessed.

Ensuring that obtaining and maintaining a social license to operate is considered when operating near communities that are increasingly vulnerable to climate change; and

Securing project finance in an increasingly risky operating environment.

By measuring, managing and working to reduce GHG emissions throughout the life cycle of a project, mining companies can ensure that they limit their contribution to climate change. There are a range of options at every stage of the mining project lifecycle to reduce the impacts of land-use change. These options bring benefits not only in terms of reduced GHG emissions but also in increasing the adaptability of mine operators and the local area to the forecasted physical impacts of climate change, reducing environmental impacts on water and biodiversity and increasing benefits to local communities.

Pollution and Waste Management

The extractive industry, due to the very nature of its operations, is known to have an adverse impact on the environment, if not properly managed. Mining projects can significantly impact the environment and local communities through pollution and ineffective waste management. Common pollutants and waste from mining include:

- **Cyanide** (mainly used for mining of gold and silver as it dissolves these metals and their ores. Highly toxic.);
- **Arsenic** (leached from some metal ores by cyanide or acid rock drainage and emitted from smelting. Toxic (carcinogen).);
- **Manganese** (used for its sulphur-fixing, deoxidizing, and alloying properties. Toxic.);
- **Other heavy metals** (used or produced during the smelting of metals and purification of nuclear fuels such as uranium-235 (235U) and plutonium-239 (239Pu). Heavy metals bio-accumulate and bio-magnify. Many heavy metals are toxic).
- **Waste rock**;
- **Dust** (especially from bauxite/alumina industries); and
- **Noise pollution** (construction, operations and heavy machinery).

Other pollutants such as mercury are used primarily in gold and silver artisanal mining to increase recovery rates and to form mercury-gold amalgam.

Much of this pollution and waste leads to contaminated water and crops, reduced soil quality, and other human health and environmental impacts. The management of chemical hazards and risks is an important component of an integrated risk management approach. Classifying hazards is an important step towards ensuring that the risks associated with the extraction, production, transportation and storage of ores and ore concentrates containing hazardous metal compounds are properly controlled.

Environment is one of the areas that is very well covered by international standards and practices all over the world. Most of the African countries have adopted environmental legal frameworks that are based on polluter pays so that companies will have to comply with country's requirements and international standards (ISO 14000 and industry guidelines). Mining companies have environmental management systems and will have environmental impact studies (based on which they will receive the mining license) and environmental management and monitoring plans (EMPs).

Companies must monitor and evaluate pollution and waste that originates from their operations. It is only by carefully measuring the levels of pollution and waste that action can be taken to reduce impacts. Incorporating clear pollution reduction targets within a well-designed environmental management system will ensure that companies continuously improve upon their pollution and waste management strategies. Some strategies could include: recycling, reusing, treatment, recovery, minimization, mitigation, prevention, controls and remediation. Adopting leading environmental management practices on mine sites makes excellent business sense.
MANAGING ISSUES FOR MORE SUSTAINABLE BUSINESS

There are different ways of characterising and categorising the approaches that companies take to manage these complex issues. For the Sustainable Business Advisory (SBA) unit of the International Finance Corporation, interventions cut across 3 areas: standards; community and supplier engagement and resource efficiency.

SBA Focus Area: Standards

In the past decade there has been an increase in standards and guidelines for the mining sector in managing sustainability issues. Standards can help companies clarify their commitments, put management systems in place and demonstrate to others how they are managing social, environmental and governance issues in their business. This in turn can build investor confidence, and increase access to markets.

IFC Performance Standards provide guidance on how to identify risks and impacts, and are designed to help avoid, mitigate, and manage risks and impacts as a way of doing business in a sustainable way. They integrate guidance on stakeholder engagement and the disclosure obligations of the client in relation to project-level activities. Together, the eight Performance Standards establish requirements for the client to meet throughout the life of an investment by IFC. All IFC clients must adhere to the Performance Standards. The World Bank also produces industry technical guidelines for the Environment, Health and Safety of mining companies with examples of Good International Industry Practice (GIIP). Similarly 77 Banks have signed up to the Equator Principles which are based on aligned with IFC Performance Standards and the GIIPs. Equator Principle Financial Institutions (EPFIs) now finance over 70 percent of global project finance in emerging markets.

For mining companies, in addition to IFC Performance Standards, there are other principles, guidance and standards which are considered important for the industry. These can relate to specific types of commodities, key issues or for specific countries. A summary is included in Appendix 2. Some examples include:

- **International Council on Mining and Metals (ICMM) 10 Principles**: The ICMM is widely recognised as the centre-point for guidance and standard on sustainable business practices for the mining sector. The 10 principles cover ethics, sustainable development, human rights, risk management, health and safety, environmental performance, biodiversity and land use, product stewardship, community development, and disclosure (see box 1). ICMM produces numerous guidance and toolkits on issues such as biodiversity, community health, and many other topics.

- **Extractive Industry Transparency Initiative (EITI)**: EITI is an international standard that ensures more transparency around countries’ oil, gas and mineral resources. It is developed and overseen by a coalition of governments, companies, civil society, investors and international organisations. Companies can apply the standards by publishing what they pay to governments, and governments will publish what they receive in an EITI report.

- **Voluntary Principles on Security and Human Rights**: The Principles provide broad guidance to extractive companies so that they can ensure that security forces – public or private – protecting the companies’ facilities and premises operate in a way that protects the company’s assets while respecting human rights and fundamental freedoms.

- **Environmental Guidelines for Mining Operations**: Published by the United Nations Department of Economic and Social Affairs (UNDESA) and the United Nations Environment Program (UNEP), it is a guide to environmental management, standards and guidance documents for regulators, practitioners, managers, government officials, and mining companies.

- **Kimberley Process**: This joint government, industry and civil society initiative to stem the flow of conflict diamonds – rough diamonds used by rebel movements to finance wars against legitimate governments is open to all countries that are willing and able to implement its requirements. Angola, Botswana, Cameroon, Cote D’Ivoire, Central African Republic, Ghana, Guinea, Lesotho, Liberia, Mali, Namibia, Republic of Congo, Sierra Leone, South Africa, Swaziland, Tanzania, Togo, Zimbabwe are all participants.

- **Responsible Jewellery Council Code of Practice**: This is an international standard on responsible business practices for diamonds, gold and platinum group metals. The Code of Practices addresses human rights, labour rights, environmental impact, mining practices, product disclosure and many more important topics in the jewellery supply chain.

- **Initiative for Responsible Mining Assurance (IRMA)**: The Initiative for Responsible Mining Assurance (IRMA) was launched in Vancouver, Canada, in June 2006, to develop and establish a voluntary system to independently verify compliance with environmental, human rights and social standards for mining operations.
The development of standards and guidelines for addressing sustainability issues in the sector has helped companies to better understand the risks as well as the opportunities for more sustainable business practices. At the same time, research points to the complexities of managing the issues at a head office level vs. ‘on site’, as well as the inherent differences between various types of companies. The International Institute for Environment and Development (IIED)’s 2012 report on ‘Mining, Minerals and Sustainable Development’ MMSD+10: Reflecting on a decade of mining and sustainable development, notes that “despite good intentions at the strategy level and examples of good practice, the complexity of situations at the mine site means implementation across the sector is highly variable". While some companies have worked to adopt standards, guidelines and good practices, this is not necessarily widespread across the industry. Even for those companies that have made commitments, managers on the ground are faced with competing priorities.

SBA can help firms meet market demands and improve performance by adopting better environmental, social, industry standards to make supply chains more sustainable.

Standards in Practice – Examples
Biodiversity and International Standards - Ambatovy, Madagascar

Madagascar contains a vast amount of biodiversity and has high levels of endemic species (those that are not found anywhere else on the planet). Ambatovy is a large-tonnage, long-life nickel and cobalt mining enterprise. Madagascar is also one of the world’s poorest countries. Both the social and biodiversity related challenges create a difficult environment in which to operate. In order to address these challenges, Ambatovy has developed integrated environmental and social policies that aim to ensure no net loss, and preferably a net gain, of biodiversity while ensuring socioeconomic benefits for local communities.

Ambatovy adheres to strict environmental standards including the Equator Principles, the World Bank Group's IFC Performance Standards and the principles of the Business and Biodiversity Offsets Program (BBOP). Ambatovy works in close collaboration with the Malagasy regulator, the National Environment Office, which must approve all environmental plans for implementation. Mitigation measures and strict monitoring ensures that impacts are minimized. Ambatovy will progressively reclaim land by planting replacement forest. Noise, air, water, soil quality, and biodiversity are monitored on an ongoing basis using experts as well as participatory approaches involving the local community members. A sophisticated multi-component biodiversity offsets program is being implemented that will achieve no net loss and possibly a net gain, of biodiversity. Ambatovy is often championed as a case study for best practice in biodiversity management.

SBA Focus Area:
Community & Supplier Engagement

Mining has the potential to contribute significantly to economic growth as well as local community development depending on the strategies and approaches that companies take. Critical areas include strategic community engagement and investment, including managing relationships with ASM, supporting local procurement and supplier development and addressing gender issues.

If mining companies have poor relationships with communities, this has business implications as it can distract management from running an efficient operation and if tensions rise and escalate it could result in disruptions, damages to reputation and shareholder value. Through taking proactive approaches to engaging and investing in the communities surrounding mining operations, companies can manage risk, obtain and maintain a social licence to operate while at the same time helping to contribute to local community development.

Community Investment

There are often high expectations that mining companies will have a positive impact on poverty in and around the areas of their operations. As noted earlier, much depends on the local operating context, and whether or how governments reinvest profits into social services and basic infrastructure. Many companies recognise that investing in different community programs, such as skills training, health and agricultural assistance can help reduce project related risks and gain and maintain a social licence to operate.

Stakeholder engagement is a critical aspect of any sustainable business strategy and effective community investment depends on understanding the local needs as well as the assets and strengths of host communities, the roles of various institutions and host government development priorities. In planning for community investment, companies need to consider their own business drivers, site level risks and opportunities and the local context. Some companies have community investment guidelines and clear criteria for investments which can help with decision making on the ground. Different resources available to companies may include staff, expertise, facilities, equipment, and contacts which can be leveraged for community programs. Lessons learned from mining companies over the years also points to the importance of having an exit and handover strategy and putting in place strategies to avoid community dependency in the long term. While many companies have good will and seek to support local causes, a strategic approach to community investment which focuses on returns for both the business and for the community can help to bring shared benefits.
Examples of Company Practices – Strategic Community Engagement and Investment

Newmont recognises that construction and operation of a mine will have an impact on local communities which, while potentially creating employment and business opportunities can also potentially disrupt livelihoods and cultural traditions. Newmont takes a proactive approach to increase local participation in identifying problems, solutions and contributing to long-term development goals. In 1998 it established the Newmont Ahafo Development Foundation (NADeF) to fund local sustainable development initiatives. Newmont Ghana allocates $1 per ounce of gold sold and 1 percent of its annual net profit to the fund, which totalled more than $12 million at the end of 2012. Support for human resource development, economic empowerment, sports and cultural heritage, social amenities and natural resources protection are all part of the Foundation's programs. In addition, it has provided $44,000 worth of micro-loans to 220 businessmen and women and invested nearly $2.5 million in community projects and programs over recent years with 21 new development projects in communities around the Ahafo mine.

Rio Tinto has been present in Guinea since 1997 and the Simandou project is being developed in south-eastern Guinea by Rio Tinto with Aluminum Corp of China and IFC. The company has completed a number of studies, including social baselines for the port, railway and mine in 2009, which included a gender analysis. In consultation with women, civil society and local authorities a number of specific interventions targeted at improving the status of women in the area have been developed. In partnership with an international NGO already operating in the area, Rio Tinto has supported a parents’ association literacy programme linked with income generating activities. This has helped women to add value to agricultural projects. Revenue generated then goes to purchase school materials for students.

Other activities in education, sanitation, gender and HIV are also being supported.

Nordgold has a range of community projects near the Taparko mine in Burkina Faso. They include providing assistance setting up and maintaining sheep farming and vegetable gardening; improving local health-clinic facilities, and a number of educational programs.

Avocet has also undertaken a number of initiatives in Burkina Faso to promote local employment and local business development in the Inata area where Avocet and its contractors are the main source of permanent direct employment. Wherever possible, Inata aims to source its purchases from local businesses and encouraged contractors to follow the same principles to create further, indirect employment as supporting enterprises develop to service our operations and its employees. The company reported that this initiative has resulted in an increased level of openness and transparency between the company and the surrounding community as well as an increased level of mutual understanding.

IAMGOLD announced in 2011 that it is embarking on an innovative Canadian Public-Private Partnership to improve educational opportunities and provide greater access to ‘job-readiness’ training for the youth of Burkina Faso in West Africa. The Canadian International Development Agency (CIDA) approved funding of CDN$5,654,980 to support this five-year project which was jointly proposed by Plan Canada and IAMGOLD. Together, Plan Canada and IAMGOLD have committed CDN$1,919,830 to the project, which represents one of the largest public/private partnerships with an extractive company in CIDA’s history.
Building Relations with Artisanal Miners

As mentioned earlier, a complex area of community relations for companies involves relationships with artisanal miners. While there are no easy answers, some companies have worked to develop strategies whereby ASM can operate in designated areas of the company’s area as well as being able to sell their mined product onto the company. The positive impact of this interaction is the guarantee of a market for the small-scale miners and the possibility of having better working tools supplied by the large-scale mining company. However, for some companies this brings with it risks of potential liabilities and other stakeholders have raised concerns over negative impacts related to social benefits, working hours, safety regulations and pricing of the product — which is determined by the company\(^9\). Others are working to develop cross sector partnerships which involve governments, large mining companies and other organisations which can help to ensure sustainable livelihoods for ASM and manage complex issues which requires joined up efforts.

Example – Tanzania: Government, World Bank and Industry Partnership

The World Bank is supporting the Government of Tanzania to address issues related to ASM. A pilot project involves: supporting the formalization of the chain of custody of small-scale and artisanal mining; building government’s capacity to manage ASM and comply with conflict minerals legislation (mainly Dodd-Frank); and leveraging technical assistance to support the sustainable development of ASM. Companies involved are exploring activities around (i) technical assistance extension services for ASM, particularly in the area of geology and mining methods and processing; (ii) supply chain development, including value-added activities; and (iii) integration of ASM into local development planning\(^9\).

Example – Gold Fields Ghana

Gold Fields Ghana (formerly Tarkwa Goldfields Ltd) managed an underground complex through to the end of 1999, and commenced operations at its main Tarkwa surface mine in April 1998. The area, however, was long occupied by thousands of artisanal miners (galamsey), some of whom were displaced workers from neighbouring large-scale mines. In an attempt to prevent disputes over the use of land, the company worked to improve relations between the parties by identifying which areas of the land contained alluvial gold deposits suitable for small-scale mining, and awarding concessions to small-scale miners. The mined product could also be sold at market rates to the company on site.

Example – Fairtrade Mining and ‘Fairmined’

The NGO, Solidaridad has been working with small-scale mining communities to improve practices, legalize their activities, form associations and build sustainable livelihoods. This includes more efficient production, zero release of toxics like mercury, and safe working practices free from child labour. The organisation is helping them to meet Fairtrade and Fairmined standards so that certification can give access to new markets and at fair prices.

Example – Anglo Gold Ashanti and ASM

Artisanal and small-scale mining (ASM) is a material issue at the company’s operations in Ghana, Guinea, Tanzania, and to a lesser extent in Mali, and the Democratic Republic of Congo (DRC). The company recognises that a key challenge is to develop a strategy which permits co-existence and promotes the development of orderly, viable small-scale mining sectors in collaboration with host communities and governments and takes a multi-stakeholder approach working with governments, other large-scale miners, communities, NGOs and development agencies. A number of projects are under way, and structures have been created to address these issues at both an international and local level.
• During 2006 AngloGold Ashanti initiated external baseline studies of ASM in the DRC and Ghana, and an internal review is also under way in Guinea.

• The company plans assess and work with governments and other interested and affected parties in promoting a regulatory environment, which acknowledges the existence and inevitability of ASM and, which seeks to promote its orderly development and control in ways, which complement large-scale commercial mining.

• Working with other interested stakeholders, the company will also continue to develop programmes to promote health and safety, environmental protection and efficient mining practices in the small-scale industry. Working in association with government, AngloGold Ashanti will reinforce its efforts to develop lawful and properly regulated small-scale mining industries in the countries where it does business.
Supplier Engagement

Mining companies can impact local development through procuring locally – purchasing goods and services from local businesses. Such strategies are referred to as supplier engagement, local procurement, business linkages, local supplier development, local content or local sourcing which can help to provide increased employment opportunities and skills development, investment, technology and local revenue. Local procurement can bring numerous benefits to a wide range of stakeholders. Local businesses, entrepreneurs and communities can benefit from new business opportunities, increased employment and skills development, newer technologies, and access to wider markets all of which can help alleviate local poverty. Local procurement also has benefits for mining companies, who can reduce their costs and lead times, secure their supplies, enhance their reputation and gain their social license to operate.

Example – Ahafo Linkages Programme

Implemented by Newmont, in partnership with IFC the Ahafo Linkages Programme is an example of a mining policy to support local procurement. Established in 2007, the program’s intention was to increase local procurement in low-value items such as tools, paints, hospitality services, low-level maintenance and construction, and vehicle rental services. Since the inception of the program, local procurement increased, contributing greatly to the local economy. In 2006, the value of local procurement from 25 SMEs was US$1.7m, which then increased to US$4.7m from 125 SMEs in 2008. The program closed in 2010, having trained 53 local enterprises and contributed to local procurement of approximately US$14m.

Example – Global Alumina Corporation

In Guinea, the Global Alumina Corporation in partnership with IFC established a program to support SMEs to develop capacity to supply to the mines. Support has included enterprise training, support for business plan preparation, and facilitation of links with international businesses.

Example – Rio Tinto

In Guinea IFC is working in partnership with the international mining company Rio Tinto, to ensure the participation of local businesses in its supply chain for the development of the Simandou iron ore project. This work builds on IFC’s pilot program, “Guinea Linkages,” in which local businesses that improved their capacity were awarded over $9 million in mining sector contracts. The project was intended to help build capacity of local suppliers to participate in the supply chains of international mining companies and improve their access to finance, help create new jobs in local businesses, improve access to information on opportunities in the mining sector and create local management training market and capacity building for training firms utilizing IFC Business Edge program. Along with new jobs and local supplier development in Guinea, this project also helped Rio Tinto to develop the “Guinea Buy Local Program” which encompasses Rio Tinto’s local procurement policies, procedures and activities to meet its commitment to increase local sourcing in Guinea.

Example – Moza1

Mozal found that with the right kind of enabling environment, mining can also generate indirect employment locally through procurement strategies and service industries. Moza1, aimed to develop upstream business linkages through the Mozlink program co-run with IFC. This succeeded in increasing Moza1’s operational spending on local companies from $5 million in 2002 to $17 million in 2007, covering 240 SMEs100. In addition, there are reportedly a significant number of foreign (mainly South African) companies that have set up businesses in Mozambique in order to benefit from local procurement objectives from Moza1. However, analysts have pointed out that although this program boasts a clear increase in local procurement it appears low relative to the weight of Moza1 in Mozambican output (Moza1 accounted for 7 percent of Mozambican GDP in 2005). In addition, there are reportedly a significant number of foreign (mainly South African) companies that have set up businesses in Mozambique in order to benefit from local procurement objectives from Moza1 but actually sell imported goods which can undermine attempts to develop upstream linkages in the economy.

Example – Avocet

In Burkina Faso, Avocet has undertaken a number of initiatives to promote local employment and local business development in the Inata area where Avocet and its contractors are the main source of permanent direct employment. Wherever possible, Inata aims to source its purchases from local businesses and encourage contractors to follow the same principles to create further, indirect employment as supporting enterprises develop to service operations and employees. The company has reported that this initiative has resulted in an increased level of openness and transparency between the company and the surrounding community as well as an increased level of mutual understanding101.
Mining companies are faced with pressures on resources and must find ways to make more efficient use of water, reduce fossil fuel inputs and reduce greenhouse gas emissions.

Environmental (and social) management systems can help businesses to manage their risks and impacts. This typically involves ensuring there is a policy in place, identifying impacts, planning and setting targets, checking and reviewing for continuous improvement. Measuring resource use and its related environmental, economic and social impacts through appropriate indicators and tools helps to monitor resource use and is also a pre-requisite for monitoring progress towards defined targets. The efficient use of resources can reduce costs and increase profitability. Investing in relevant technologies can help reduce waste and greenhouse gas emissions, even as companies’ output levels rise.

Water

IFC has made water efficiency one of the two core themes of its water strategy, and was recently part of a collaborative effort with the Water Footprint Network (WFN) to publish the Water Footprint Assessment Manual. The manual breaks new ground by presenting a scientifically rigorous method for companies to understand their dependency and impact on global water resources. It also offers guidance on response strategies that conserve water for industry, communities, and nature.

IFC has a new initiative which involves working with companies, governments and other stakeholders to develop a framework to integrate technical and social approaches towards co-management of water through shared risk, leadership, accountability and value. This has so far been implemented in Mongolia and Chile but with plans in place to start in Africa.

Examples of Company Practices - Water

**BHP Billiton’s** policies and strategies include considering strategic water planning, improving operational performance through effective water management, identifying conservation opportunities and promoting industry projects. As part of their water management strategy, the company focuses on addressing water stress and quality, which allows the company to reduce its water usage. One of their key strategies is to identify material sites where high quality water use exceeds, or is anticipated to exceed 3,000 mega litres per annum for a project or where water management may be a material risk issue. The company then develops water reduction cost curves, and identifies opportunities, including water substitution and water stewardship. In FY 2012, the company achieved their water target with a 29 percent improvement in the ratio of water recycled/used to high quality water consumed when compared with the FY 2007 base year.

**Rio Tinto:** The Rössing Uranium mine in Namibia is the longest running and one of the largest open pit mines in the world. It is situated in the Namib Desert, Namibia, where the climate experiences low and erratic rainfall, soaring temperatures and strong seasonal winds that cause high water evaporation rates. The mining and milling process requires some three million cubic metres of water each year. In 2005, a formal water strategy was implemented in the mine, building on previous water management plans. A water risk assessment was carried out with key stakeholders, which identified further opportunities for water savings and improving the mine’s water balance and accounting. Rössing has also worked to reduce its water footprint through water recycling, reusing water, and minimising high evaporative water losses, using alternative lower quality water sources and creating awareness to conserve water. Water used for cleaning and dust suppression is also returned to the mills. Effluent from workshops is piped into an oil separation plant where the separated water is mixed with semi-purified sewage effluent and re-used in the mine. Ongoing water activities at the mine include a study to assess the true value of water in the local context, continuing cooperation with local farmers, enhancing water recovery system and raising water awareness.

**AREVA Resources** has made a commitment to minimize its environmental footprint and to reduce water consumption in Namibia. The company’s mining sites are often located in areas where access to safe drinking water is a major issue. Hence, the company’s approach to water management is crucial, and needs to take into account the local social, regulatory, and economic issues. Currently, the group is working towards a global target to reduce overall water consumption by 35 percent (from 2008 levels) by improving water efficiency at all operations; implementing water standards for each operation; taking efforts to characterize surface and groundwater resource availability, quality, use and sustainability; identifying and estimating present and future water use by area and types of user groups, making recommendations for the sustainable use of water resources and reducing water needs for new projects. Additionally, at water-stress sites, interdisciplinary water committees have been established to assess local issues pertaining to water.

**DeBeers:** Around 95 percent of the company’s rough diamond production comes from arid regions in southern Africa. The region faces the challenge of reduced rainfall and water availability, which affect could potentially affect their production capacity and costs and also pose a risk to relations with communities with whom they share water resources. The company works with multi-stakeholder initiatives such as the UN Global Compact CEO Water mandate, which commits members to responsible water stewardship. The group which is known as ‘Debswana’ in Botswana, works with the Government of Botswana and the UNDP to promote long-term, integrated water resource planning throughout Botswana. In its South African mines, 50 percent of the water used by the company comes from recycled sources.
Energy

Mining is one of the most energy intensive industries. Mining companies are beginning to introduce energy efficiency measures and management. Mining industry’s uses a diverse range of energy intensive processes such as excavation, mine operation, material transfer, mineral preparation and separation.

Examples of Company Practices – Energy

Anglo Gold Ashanti recognises that it is a notable GHG emitter and needs to address climate change holistically. In December 2007, the company set a short to medium-term target for reducing energy consumption by 15 percent per ounce of gold produced and a medium to longer-term target of reducing greenhouse gas emissions (GHGs) by 30 percent per ounce of gold produced\textsuperscript{106}. In South Africa, the company has focused on reducing compressed air consumption at its deep underground operations, and has achieved a 30 percent reduction in compressed air use since 2004 using technologies including off-peak pressure reduction, optimal compressor scheduling and leak repair strategies\textsuperscript{107}. These projects have been projected to result in a saving of approximately 140GWh per year. In addition, vapour compression heating systems are being installed in residential facilities at Anglo Gold’s South African operations with a further saving of 15GWh per year. Operations in Ghana and Brazil already make extensive use of hydro power – both via national grids, and the latter through their own hydropower facilities and the Mponeng Mine in South Africa also uses an innovative in-shaft hydro-power system to power its drilling, cleaning and other equipment.

Barrick Gold is working on innovative renewable energy strategies as part of an overall energy efficiency strategy. In 2012, 19.4 percent of the company’s electrical power, both self-generated and purchased, was sourced from renewables\textsuperscript{108}. Additionally, Barrick has built natural gas, geothermal, solar, and wind facilities at its operations in the Americas. The company is already using biodiesel at its underground operations in North America and is exploring options for similar fuels in Africa\textsuperscript{109}.  

MEASURING THE IMPACT

Measuring the impact of sustainable business strategies – including adherence to standards, supply chains and community investments and resource efficiency, is important to understand the benefits for companies and for affected communities.

- For mining companies, the impact can be in better relationships with stakeholders including governments, financers, employees and communities, as well as more efficient operations.
- For communities, the impact can be in areas such as access to jobs and income generating activities, better health, better education.

Companies are starting to see the benefits of ensuring that they understand their community impacts and transition from measuring their inputs and activities (what they provide and what they do), to really understanding the differences that their sustainability strategies can make. Ensuring a high level of transparency with regards to disclosing impact assessments, mitigation plans, adaptive management processes and performance indicators will help maintain investor confidence and a social licence to operate. There is emerging evidence of the impact of standards, resource efficiency and supply chain and community investment both in terms of business benefits as well as for affected communities and a few examples have been included below.

Standards:

Implementation of standards helps business to manage risks and address issues and comply with best practice which ultimately helps both the company and the community. More research needs to be done to fully understand the impacts of standards and the benefits to the business and to affected communities. Standards encompass a range of issues covering governance, environmental and social impacts and through having appropriate systems in place companies can manage operations to meet stakeholder expectations. However, in the case of working conditions, while there is clear evidence that standards have had demonstrated impacts in improving specific issues such as health and safety, there has been less evidence of improvements in other more context specific issues, such as freedom of association110. In 2011 Solidaridad undertook a review of key standards for the mining industry and noted that “the mining industry still lags behind other industries in pushing for and adopting voluntary standards that safeguard people and the environment” and that “little comprehensive research has been done on the actual effectiveness over time of these standards to prevent impacts at mine sites”.

For mining companies the benefits of applying standards will be in areas such as compliance with local regulations and international guidelines, improved efficiency, reduction in operating costs, and better relationships with stakeholders including governments, financers, employees and communities. For communities the benefits of standards should be in terms of improved livelihoods (which encompasses indicators such as income generation, health, environmental quality, positive social relations, skills and education and other aspects).

Resource Efficiency:

Investing in relevant technologies can help reduce waste and greenhouse gas emissions, even as companies’ output levels rise. Comprehensive environmental management plans that integrate climate change, water and biodiversity risk management are an important tool for mining companies operating in high-risk environments. Understanding the benefits of resource efficiency is usually more straightforward as it often results in both cost savings as well as resource savings. For example, Anglo Platinum’s joint venture Bafokeng Rasimone’s started re-using water from its return water dam for operational processes in 2009. An investment of R2.8 million (US$330,000) was required and a sand filter to remove unwanted solids was installed. The company has reported water savings with the use of potable water that the process plant needed fell from 150,000 m3 in 2008 to less than 60,000 m3 in 2009 which has already off-set the initial investment.

Some key indicators which mining companies should track include, but are not limited to: direct and indirect energy consumption; energy saved due to conservation and efficiency improvements; initiatives to reduce indirect energy consumption and reductions achieved. Regarding emissions, companies should track both direct and indirect GHG emissions and initiatives to reduce emissions and reductions achieved. By showing the financial savings from reduced energy used, companies can easily show the linkages to the bottom line. Indicators often used for water include: total water withdrawal by source; water sources affected by withdrawal of water; percentage and total volume of water recycled and reused. For communities, the benefits of resource efficiency would be demonstrated in access to clean drinking water, pollution prevention, and other aspects.

Supply Chain and Community Investment:

Local procurement can bring numerous benefits to a wide range of stakeholders. Local businesses, entrepreneurs and communities can benefit from new business opportunities, increased employment and skills development, newer technologies, and access to wider markets all of which can help alleviate local poverty. Local procurement also has benefits for mining companies, who can reduce their costs and lead times, secure their supplies, enhance their reputation and gain their social license to operate. Research by the World Bank found that local procurement can bring benefits for the purchasing company such as the minimisation of logistics and stock holding costs, lead time reductions, security of supply and enhanced reputation as well as improving or maintaining their social licence to operate. Local businesses and entrepreneurs benefit from “increased access to business growth opportunities, increased stability and diversity of markets, and improvement of business capabilities, including access to capital, productivity, technology, and HSE practices”111.

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1 See more about Solidaridad – Benchmark Study of Environmental and Social Standards in Industrialized Precious Metals Mining at: http://www.solidaridadnetwork.org/what-we-do/cases/benchmark-study-environmental-and-social-standards-industrialised-precious-metals-miIstshas.aolVhCHX.dpdf
Mining companies that see community activities as ‘investments’, should therefore be looking to understand both the benefits to the business and the benefits to communities. Many companies have historically focussed on what they have provided for communities (i.e. the inputs) which could range from health and education facilities, clean water pumps and other basic infrastructure. However, by ensuring that the lens of analysis is focussed on outcomes and impacts, companies can look to understand how community investments have helped them create and protect value for the business as well as supporting the development of more sustainable and resilient communities.

IFC has developed a Financial Valuation Tool for Sustainability Investments (FV Tool) together with the Mining Sustainable Community Development Fund (IFC CommDev), Rio Tinto, Deloitte and the Multilateral Investment Guarantee Agency (MIGA), with the support of the Government of Norway, which articulates value (protected and created) of returns from community investments and calculates the financial value of risks mitigated through such activities. It is a desktop tool designed to supplement a company’s traditional discounted cash flow valuation model and compares different sustainability investment scenarios based on risks and opportunities faced by a mine (or other asset/operation) and can help managers decide which scenario is likely to yield the most value for the company via creating a positive impact for surrounding communities. Rio Tinto has used the tool to determine that investing very early in local workforce development would bring high benefits in the later phases of life of the asset particularly since the specific asset was in a very remote area where local jobs were limited and the company might be dependent on expensive expatriate workers.

Sustainable Business and Sustainable Communities

Successful mining operations depend on obtaining and maintaining a social license to operate. Companies need to ensure that there are shared benefits (and shared value) which can help to manage potential risk and ensure a social licence to operate. In measuring impacts to business and to communities, it can be beneficial to consider the various types of capitals important for both business and for sustainable livelihoods. Sustainable livelihoods is a concept that has been used by many development agencies recognising the interconnectedness of poverty alleviation with environmental sustainability, capacity of institutions, and social networks and the vulnerability to shocks, seasonality and changes*. A sustainable livelihood framework can support companies in thinking widely about the different benefits and includes notions of the following types of capitals:

- **Human Capital**: including local community health, education, knowledge and skills
- **Natural Capital**: such as access to water, land, and other resources
- **Physical Capital**: access to energy, communications, transportation, tools and technology
- **Social Capital**: decision making structures, participation and engagement mechanisms
- **Financial Capital**: such as money, wages, savings, credit and debt

Businesses also depend on various forms of capital for their success and sustainable business strategies can help to build and maintain necessary capital for long term success. This idea is underpinning the International Integrated Reporting Framework* and the current draft framework emphasises the importance of:

- **Financial Capital**: includes availability of funds to use for production of goods and services
- **Manufactured Capital**: includes buildings, equipment and infrastructure available for the business
- **Intellectual Capital**: intellectual property, knowledge, systems and procedures as well as brand value
- **Human Capital**: people’s competencies and capabilities
- **Social and Relationship Capital**: institutional and community relationships
- **Natural capital**: renewable and non-renewable environmental resources and processes

Companies will need to determine the specific indicators that are most relevant for their operations. However, combining these two concepts can provide a framework for business to consider the long-term impact of its work and its sustainability – both for the business and for the community. Activities undertaken in relation to standards, resource efficiency and smallholder engagement should ultimately be bringing shared benefits and helping to ensure the long term capital for both the business and for the community.

![FIGURE 2: SUSTAINABLE MINING FOR SHARED VALUE AND BENEFITS](image)

COMMUNITY BENEFITS (as per a Sustainable Livelihoods Framework*)

- **Human Capital**: What is the impact on the health of the local community? What are the impacts on the standard of child education in the local community? Is there evidence of development of skills and transfer of knowledge in the local community?
- **Financial Capital**: Are farmers and workers able to meet basic needs? What income does the business bring to the wider community? What credit facilities are available?
- **Natural Capital**: What impact does the site have on the local environment?
- **Physical Capital**: How has the business helped or hindered local infrastructure? What tools and technology are available?
- **Social Capital**: Are there mechanisms to enable workers and the local community to engage with the business on matters that affect them?

*See www.ifad.org/sla

BUSINESS BENEFITS (as per the Integrated Reporting Framework*)

- **Financial Capital**: Does the strategy help further accesses to financing and funding?
- **Manufactured Capital**: As a result of the sustainability strategy does the company benefit from better access or improved buildings, equipment and infrastructure?
- **Intellectual Capital**: Is the sustainable business strategy helping to develop and retain intellectual property, and knowledge? Are there improved systems and procedures as well as brand value?
- **Human Capital**: Is the strategy supporting recruitment and retention of workers and staff and furthering the development of people’s competencies and capabilities?
- **Social and Relationship Capital**: Are institutional and community relationships being strengthened and helping to achieve and retain a social licence to operate and market access?
- **Natural capital**: Will the strategy help protect renewable and non-renewable environmental resources?

*See www.theiirc.org

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*For more information on a Sustainable Livelihoods framework see resources from IFAD online at http://www.ifad.org/sla/

*For more information on the IIRC see the draft framework for consultation online at http://www.theiirc.org/
CONCLUSION

With mining in Africa on the rise and with more and more interest from international companies and investors, there is a need to further identify and understand business practices which can bring shared benefits for companies and for communities. As noted in this briefing, businesses in the region are faced with a multitude of different pressures and are increasingly recognising that long term success will mean effectively engaging with communities and addressing issues such as poverty and community development, and water scarcity. Companies that can do business in a way which provides opportunities, generates decent work and jobs, respects human rights and protects the environment can better manage risks, seize opportunities and help build more resilient communities and create and foster sustainable livelihoods.

We recognise that the issues covered as well as the examples of good practices in this briefing are by no means complete and that different companies, at different stages in the exploration and production and in different country contexts will have diverse risks to manage and opportunities to seize. Nonetheless, it is our hope that this briefing will further support companies, to better manage the risks and identify those opportunities, which are both good for business and good for communities.

The appendices that follow were prepared to provide additional supplemental information for companies who may be just starting out on a journey towards a more sustainable business.

Appendix 1: Provides a simple tool / check list for integrating sustainability into your management systems. Users can develop spider graphs to map their strengths and areas for improvement.

Appendix 2: Provides tools, standards and multi-stakeholder initiatives relevant for the sector
APPENDICES

APPENDIX 1: A COMPANY SELF-ASSESSMENT TOOL

We have included here some key questions, which companies who are starting on their journey for more sustainable business practices can use to think through some of the key elements for their management systems. This has been developed based on research undertaken for the project and adapting an earlier version published by the Global Compact Vietnam Network. This adapted tool is not specific for the mining sector and could be used by any business.

Companies can use the checklists below to determine strengths and areas for improvement. The following diagram shows a mock-up for ‘Example Co. Ltd’ whereby each question in the ‘beginners’ category was scored out of 1; each question in the ‘achiever’ category was scored out of 2; and each question in the ‘leader’ category was scored out of 3. The final result was converted to a percentage under each of the categories. This company performs fairly well across all categories but could invest more resources into stakeholder engagement and the identification of risks and opportunities.

Important Note: Stakeholder engagement.

A company’s journey towards more sustainable business practices requires engaging with various stakeholders. These could be internal stakeholders such as employees or external stakeholders such as government, investors, customers, suppliers and communities surrounding operations. Stakeholders are individuals or groups that are affected, or likely to be affected, by an organisation. Sustainable business practices will look differently in different places and different contexts. Identifying what is most important for your company requires effective stakeholder engagement and identifying issues that concern your stakeholders.

How do I know what is important? What’s materiality?

*Materiality refers to things that are most important to your business. What issues can cause the most risk and harm to your business and what issues have the potential to bring the most benefit? We all know that good business is about managing risks and opportunities. We need to include the social and environmental risks and opportunities as these ultimately affect the financial returns. A material issue is an issue that could cause your company to gain or lose.*

**EXAMPLE CO. LTD.**
### Leadership & Accountability

**Beginner**
- Our senior management has committed to some aspects of sustainable business which integrate financial, environmental and social aspects. This is primarily focused on avoidance of risk.
- We are working towards increased commitment from our CEO.
- We recognise that we need a team of people to engage with sustainability issues.
- We work to ensure that our relationships and activities fall within the legal framework.
- We are working towards clarifying what compliance means to us in any identified ‘grey’ areas.
- We have begun developing a programme in at least one area of sustainability.

**Achiever**
- We have a designated person in charge of sustainability.
- We recognise both the risks and the opportunities sustainability brings.
- In addition to national compliance, we strive to respect international norms of behaviour that are embedded in international conventions, treaties and declarations.
- We are examining our corporate visions and mission to incorporate sustainable development.
- We have programmes to ensure we achieve sustainability objectives in a few areas.
- We have begun to integrate policies, programmes and practices into our supply chains.
- We try to avoid being complicit in another organisations activities that fail to meet international norms of behaviour.

**Leader**
- Our company has appointed a Board Director to oversee responsible business practices.
- The vision and values of our company reflect our commitment to sustainable development.
- We are working to create business models which create shared value – benefits for the business and for local communities.
- We are a signatory or involved in global sustainability partnerships or other local or regional networks.
- We have identified internal leaders or ‘champions’ on sustainability issues.
- We engage stakeholders in all these practices and take a lead within the industry.

### Identification of Risks and Opportunities

**Beginner**
- We have some general information about the significant impacts of our activities.

**Achiever**
- We have a good understanding of our company’s risks and impacts in relation to:
  - Health and Safety
  - Security
  - Human Rights
  - Social and community issues
  - Environment and biodiversity
- We have carried out structured impact assessments (EIA/SIA/HIA) to understand the impacts and determine our management approach.
- Assessments are carried out by suitably qualified professionals.
- Assessments have been carried out in a participatory manner which engages stakeholders and, in particular potentially affected communities.
- We have plans established for managing impacts.
- We have a strategy for contributing to community development.

**Leader**
- We have identified not only the risks and impacts from our operations and activities but opportunities for contributing to community development.
- Our priorities are closely aligned with the local development challenges and issues identified by the local community.
- We have a strategy for contributing to community development which is linked directly with our business activities and creates shared value – for the business and for the community.
- We work in partnership, as appropriate, with other organisations to achieve our goals.
Policies, Standards and Objectives

- We have detailed policies and codes of conduct in place that outline our commitment and strategy for:
  - Good labour practices
  - Health and safety
  - Environmental protection
  - Human rights
  - Anti-corruption
  - Community involvement and development
- We have specific policies and codes of conduct for managers addressing social, environmental, health safety and governance related issues.
- We have made a public commitment to working towards the full integration of sustainability issues within our business.
- We have started work on developing the systems that will be required to deliver this.
- We have a comprehensive risk management system in place and systematically measure our impacts.
- We have specific aims and objectives covering some aspects of sustainability that are most important/materila to business.
- We have published those aims and objectives and will review than and communicate on progress periodically.
- We comply with recognised industry standards.

Organisation, Resources and Capacity

- We have identified the resources that we need (time, money, consultancy and technical services) to begin to implement systems and programmes in relation to sustainability topics.
- We have undertaken an internal gap analysis where we need to develop capacity.
- We are putting plans in place to roll out training programme to key personnel within the organisation.
- We have identified possible external expertise and consultants that can help us with capacity building.
- We have sufficient resources to support a designated manager and programmes.
- Our senior management recognise that the resources allocated to our initiatives are part of an investment in our long term brand and reputation.
- We are carrying out training and capacity building activities internally with our staff.
- We have identified specific champions and leaders internally to lead work in terms of labour issues, environmental management, health and safety, or anti-corruption.
- We are beginning to identify possible external partners with suitable capacity who we can work with to deliver on our objectives.
- We have started engaging with our prioritised stakeholders on sustainability issues.
- We understand our stakeholders concerns and the issues that are important to them.
- We have started interviews and focus groups with key stakeholders relating to the sustainability issues.
- We have established a two-way communication process with key stakeholder groups.
- We have begun to engage partners in order to involve them in our programmes where they can help us make progress on sustainability related goals and the development of communities around us.
- We have on-going two-way communications with our key stakeholders.
- We have a systematic approach to stakeholder engagement.
- We have a stakeholder engagement strategy.
- We have grievance mechanisms in place so that stakeholders can raise issues and make complaints.
- We have joint partnerships and programmes in place and can demonstrate the impact of these programmes both internally and externally.
- We are part of networks of businesses and other stakeholders prompting sustainability principles and sustainable development, more broadly.

Stakeholder Engagement

- We have identified our stakeholders. We know who they are.
- We are conscious of and respect the interests and needs of our stakeholders.
- We engage with regulators.
- We have identified potential partners to work with on CSR issues.
- We have started engaging with our prioritised stakeholders on sustainability issues.
- We understand our stakeholders concerns and the issues that are important to them.
- We have started interviews and focus groups with key stakeholders relating to the sustainability issues.
- We have established a two-way communication process with key stakeholder groups.
- We have begun to engage partners in order to involve them in our programmes where they can help us make progress on sustainability related goals and the development of communities around us.
- We have on-going two-way communications with our key stakeholders.
- We have a systematic approach to stakeholder engagement.
- We have a stakeholder engagement strategy.
- We have grievance mechanisms in place so that stakeholders can raise issues and make complaints.
- We have joint partnerships and programmes in place and can demonstrate the impact of these programmes both internally and externally.
- We are part of networks of businesses and other stakeholders prompting sustainability principles and sustainable development, more broadly.
### Measuring and Monitoring

- We are aware of the most significant impacts of our business on society and on the environment and we have in place plans to begin to measure those impacts (positive and negative) in a more systematic way in the future.
- We recognise the benefits that outside assurance of our CSR can bring us in the future once we have developed meaningful policies, programmes and strategies.
- We have identified the most material impacts of our activities through our own assessments and those of our stakeholders.
- We are starting to measure some aspects of our social and environmental footprint.
- We seek external assurance for our programmes, initiatives and communications through our stakeholders and the provision of third party opinions.
- We have begun systematic (quantitative and qualitative) measurement of our impacts.
- Our measurement strategy is based on key performance indicators in place in relation to our aims and objectives.
- We have a system for measuring the impact of programmes and longer term strategies to understand the value for business and the value for society.
- We have third party assurance for our social, governance and environmental performance.

### Communications / Reporting

- We have some public information about the significant impacts of our activities and some policies linked to those.
- We are aware of the need to communicate balanced and timely information about social responsibility.
- We communicate on environmental or social performance.
- We have developed a communications strategy for our socially responsible activities that demonstrates our ongoing commitment to sustainable development.
- We have complete disclosure of our most significant social and environmental impacts and are reporting on this.
- We communicate internally and externally about our performance and involve our stakeholders in that process.
- We communicate regularly and appropriately in Vietnam with the aim to raise awareness about our own activities and the importance of sustainable development more broadly.
# APPENDIX 2: STANDARDS, TOOLS, GUIDELINES

<table>
<thead>
<tr>
<th>Guidelines/Toolkit &amp; Description</th>
<th>Year Published</th>
<th>Compiled By</th>
<th>Source</th>
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<tbody>
<tr>
<td><strong>General and Cross-Cutting</strong></td>
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<tr>
<td>IFC (International Finance Corporation) Performance Standards on Social and Environmental Sustainability: The Performance Standards are directed towards clients, providing guidance on how to identify risks and impacts, and are designed to help avoid, mitigate, and manage risks and impacts as a way of doing business in a sustainable way, including stakeholder engagement and disclosure obligations of the client in relation to project-level activities.</td>
<td>2012</td>
<td>The International Finance Corporation</td>
<td><a href="http://www1.ifc.org/wps/wcm/connect/d8f524004a-73daec09afdf998895a12/IFC_Performance_Standards.pdf?MOD=AJPERES">http://www1.ifc.org/wps/wcm/connect/d8f524004a-73daec09afdf998895a12/IFC_Performance_Standards.pdf?MOD=AJPERES</a></td>
</tr>
<tr>
<td>Equator Principles: The Equator Principles (EPs) provide a risk management framework, adopted by financial institutions, for determining, assessing and managing environmental and social risk in projects and are primarily intended to provide a minimum standard for due diligence to support responsible risk decision-making. The EPs are aligned with IFC Performance Standards.</td>
<td>2003</td>
<td>Private Sector Banks</td>
<td><a href="http://www.equator-principles.com/index.php/about">http://www.equator-principles.com/index.php/about</a></td>
</tr>
<tr>
<td>The Kimberley Process Certification Scheme (KPCS): A certification system that prevents diamonds from an area of conflict entering the legitimate diamond supply chain. The Kimberley Process ensures that only rough diamonds accompanied by a government-issued certificate can be imported and exported, providing an assurance that the diamonds are from conflict free sources.</td>
<td>2003</td>
<td>The United Nations and the International Diamond Industry</td>
<td><a href="http://www.kimberleyprocess.com/">http://www.kimberleyprocess.com/</a></td>
</tr>
<tr>
<td>Initiative for Responsible Mining Assurance (IRMA): launched in Vancouver, Canada, in June 2006, to develop and establish a voluntary system to independently verify compliance with environmental, human rights and social standards for mining operations.</td>
<td>2006</td>
<td>Initiative for Responsible Mining Assurance (IRMA)</td>
<td></td>
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<tr>
<td>The Natural Resource Charter: The Charter is a set of principles for governments and societies on how best to harness the opportunities created by extractive resources for development.</td>
<td></td>
<td></td>
<td><a href="http://naturalresourcecharter.org/precepts">http://naturalresourcecharter.org/precepts</a></td>
</tr>
<tr>
<td>Planning for Integrated Mine Closure: ICMM’s new toolkit, Planning for Integrated Mine Closure, provides practical guidance closing a mine in a sustainable manner. The toolkit is structured according to the mine life cycle, starting out with conceptual closure planning and becoming iteratively more detailed.</td>
<td>2008</td>
<td>The International Council on Mining &amp; Metals (ICMM)</td>
<td><a href="http://www.icmm.com/page/9568">http://www.icmm.com/page/9568</a></td>
</tr>
</tbody>
</table>
### Governance

**Extractive Industry Transparency Initiative (EITI):**
The EITI Standard is an international standard that ensures more transparency around countries’ oil, gas and mineral resources. It is developed and overseen by a coalition of governments, companies, civil society, investors and international organisations.

**Resource Endowment initiative – Toolkit:** A practical toolkit that has been designed to enable mining companies and other stakeholders in the mining industry to assess local, regional and national socio-economic impacts of mining. The toolkit also deals with how mining operations affect governance structures, institutions and policy changes at different levels of government.

### Environment

**Environmental Guidelines for Mining Operations:**
Published by the United Nations Department of Economic and Social Affairs (UNDESA) and the United Nations Environment Program (UNEP), it is a guide to environmental management, standards and guidance documents for regulators, practitioners, managers, government officials, and mining companies.

**World Bank – Environmental Health and Safety Guidelines mining:**
The Environmental Health and Safety Guidelines are technical reference documents with general and industry specific examples of Good International Industry Practice (GIIP). The EHS Guidelines for Mining are applicable to underground and open-pit mining, alluvial mining, solution mining, and marine dredging. Extraction of raw materials for construction products are addressed in the EHS Guidelines for Construction Materials Extraction.

**The Aarhus Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters:** Links human rights to environmental rights and maintains that access to information and government accountability are essential to the enjoyment of these rights. The Convention aims to improve decision-making via (i) Improved access to environmental information, or the right to receive environmental information held by public authorities; (ii) More effective public participation, or the right to participate in environmental decision-making; (iii) Greater access to justice, or the right to review procedures to challenge public decisions. Mining and processing are specifically identified in Annex 1 of the Convention.

**ICMM Good Practice Guidance for Mining and Biodiversity:** A practical reference source on biodiversity that can be used by mining companies at all stages of their operations, from exploration to mine closure.

**Biodiversity Offsets - A Briefing Paper for the Mining Industry:** Contains a working definition for biodiversity offsets, considers the business case for offsets, highlights issues relating to the design of biodiversity offsets, outlines the parties that have a stake in the decision on offsets, considers the management needs related to offsets, and offers a proposition from ICMM relating to offsets.

**The Business & Biodiversity Offset Program (BBOP) & Standard on Biodiversity Offsets** 10 principles for good biodiversity offsets. The BBOP Standard on Biodiversity Offsets adds a hierarchy of Criteria and Indicators to the ten Principles that BBOP established in 2009. The Standard will enable project developers to manage biodiversity related risks by providing an auditable approach to no net loss, as well as enabling auditors and assessors to determine whether an offset has been designed and subsequently implemented in accordance with the BBOP Principles.
### A-Z Areas of Biodiversity Importance

**Biodiversity conservation tool to help companies with understanding the biodiversity importance of different areas.**

- **The International Council on Mining & Metals (ICMM) and The United Nations Environment Programme-World Conservation Monitoring Centre (UNEP-WCMC)**

### Water management in mining: a selection of case studies

**Collection of case studies to illustrate examples of good water management which provide a snapshot of the leadership approaches in the industry.**

- **2012 The International Council on Mining & Metals (ICMM)**

### The role of mining and metals in land use and adaptation

**This paper outlines some of the co-benefits and discusses the implications, challenges and opportunities from the option of reduced deforestation and forest degradation in developing countries for mining operators worldwide.**

- **2011 The International Council on Mining & Metals (ICMM)**

### Extractive Industries and Conflict

**Toolkit and Guidance for Preventing and Managing Land and Natural Resources Conflict. These Guidance Notes cover:**

1. Land and Conflict
2. Extractive Industries and Conflict
3. Renewable Resources and Conflict

- **The United Nations Interagency Framework Team for Preventive Action**

### Measurement, reporting and verification and the mining and metals industry

**Clarifying measurement, reporting and verification standards to emissions reporting and accounting.**

- **2011 The International Council on Mining & Metals (ICMM)**

### Akwe-Kon Guidelines

**Prepared by the Secretariat of the Convention on Biological Diversity, these guidelines are designed to set out accepted processes for consultation with indigenous communities where land and resources will be impacted.**


### International Cyanide Management Code

**The Cyanide Code originally was developed for gold mining operations, and addresses production, transport, storage, and use of cyanide and the decommissioning of cyanide facilities. It also includes requirements related to financial assurance, accident prevention, emergency response, training, public reporting, stakeholder involvement and verification procedures.**

- **2005 United Nations Environmental Program (UNEP) and the then-International Council on Metals and the Environment (ICME).**

### Social (including Human Rights and Security)

#### UN Guiding Principles on Business and Human Rights

**In June 2011, the UN Human Rights Council endorsed the Guiding Principles on Business and Human Rights (GPs) drafted by Professor John Ruggie, the former UN Secretary General’s Special Representative on the issue of human rights and transnational corporations. The Guiding Principles are based on the ‘protect, respect and remedy’ framework on the issue of human rights and transnational corporations and other business enterprises.**

- **2011 United Nations**

#### Voluntary Principles on Security and Human Rights

**The Voluntary Principles for Security and Human Rights were unveiled in December 2000 by the US State Department and the Foreign and Commonwealth Office of the United Kingdom, after a yearlong process involving government officials, oil and mining companies, and NGOs. The Principles provide broad guidance to companies operating in zones of conflict or fragile states so that they can ensure that security forces – public or private – protecting the companies’ facilities and premises operate in a way that protects the company’s assets while respecting human rights and fundamental freedoms. Such an initiative was necessary because of widespread international concern over the way security forces operated while protecting oil and mining installations in many parts of the world.**

- **2000 VPShR**
<table>
<thead>
<tr>
<th>Resource Title</th>
<th>Year</th>
<th>Organization(s)</th>
<th>URL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voluntary Principles on Security and Human Rights – Implementation Guidance Tools (IGT): The IGT comprises of Four Modules, which can be used either individually or together. The first module, Stakeholder Engagement, provides steps to establish the foundation for the successful implementation of the other modules. However, each module can also be used independently as stand-alone toolkits for specific purposes. The tools serve as a helpful reference guide to any company seeking to ensure that its operations are undertaken in a manner that respects human rights and fundamental freedoms.</td>
<td>2012</td>
<td>ICMM, ICRC, IFC, IPIECA</td>
<td><a href="http://www.voluntaryprinciples.org/files/Implementation_Guidance_Tools.pdf">http://www.voluntaryprinciples.org/files/Implementation_Guidance_Tools.pdf</a></td>
</tr>
<tr>
<td>Voluntary Principles for Business and Human Rights Due Diligence – Mining: This document (the guide) focuses on integrating human rights due diligence into corporate risk management processes – which is already a focus of activity across ICMM’s membership. The aim of this guide is both to describe some of these existing positive practices through case studies and also to assist companies to check whether their approach in this area covers the ground sufficiently.</td>
<td>2012</td>
<td>ICMM</td>
<td><a href="http://www.business-humanrights.org/media/documents/integrating-human-rights-due-diligence-1-mar-2012.pdf">http://www.business-humanrights.org/media/documents/integrating-human-rights-due-diligence-1-mar-2012.pdf</a></td>
</tr>
<tr>
<td>Human Rights in the Metals &amp; Mining Industry: Handling and Resolving Local Level Concerns &amp; Grievances: The publication sets out good practice approaches to help companies design and/or enhance existing complaints procedures or mechanisms.</td>
<td>2009</td>
<td>The International Council on Mining &amp; Metals (ICMM)</td>
<td><a href="http://commdev.org/userfiles/files/2537_file_HR_Concerns_and_Grievances_1_.pdf">http://commdev.org/userfiles/files/2537_file_HR_Concerns_and_Grievances_1_.pdf</a></td>
</tr>
<tr>
<td>Akwe-Kon Guidelines: The Akwe-Kon Guidelines prepared by the Secretariat of the Convention on Biological Diversity are designed to set out accepted processes for consultation with indigenous communities where development may impact indigenous lands and resources. These are voluntary guidelines for the conduct of cultural, environmental and social impact assessments regarding developments proposed to take place on, or which are likely to impact on, sacred sites and on lands and waters traditionally occupied or used by indigenous and local communities</td>
<td>2004</td>
<td>The Secretariat of the Convention on Biological Diversity</td>
<td><a href="https://www.cbd.int/doc/publications/akwe-brochure-en.pdf">https://www.cbd.int/doc/publications/akwe-brochure-en.pdf</a></td>
</tr>
<tr>
<td>Gender Dimensions of Artisanal and Small-Scale Mining A Rapid Assessment Toolkit: This is intended as an easy-to-use toolkit for understanding men’s and women’s differentiated access to the resources and opportunities associated with artisanal and small-scale mining (ASM) and how they are affected by ASM. The Toolkit was produced by the Oil, Gas, and Mining Policy Unit (SEGOM) of the World Bank, through the generous support of the World Bank’s Gender Action Plan.</td>
<td>2012</td>
<td>The World Bank</td>
<td><a href="http://commdev.org/extractives/gender-dimensions-artisanal-and-small-scale-mining-rapid-assessment-toolkit">http://commdev.org/extractives/gender-dimensions-artisanal-and-small-scale-mining-rapid-assessment-toolkit</a></td>
</tr>
<tr>
<td>Gender Dimensions of the Extractive Industries: Mining for Equity – This document explores how men and women are differently involved in and impacted by the extractive industries (EI). It highlights the fact that, of the economic, social, and environmental impacts of EI, men typically have greater access to the benefits, while women are often more vulnerable to the risks. The publication outlines the business and development cases for including gender analysis into extractive industries project design.</td>
<td>2009</td>
<td>The World Bank</td>
<td><a href="http://siteresources.worldbank.org/EXTEXTINDWOM/Resources/Mining_for_Equity_Gender_Dimensions_of_EI.pdf?resourceurlname=Mining_for_Equity_Gender_Dimensions_of_EI.pdf">http://siteresources.worldbank.org/EXTEXTINDWOM/Resources/Mining_for_Equity_Gender_Dimensions_of_EI.pdf?resourceurlname=Mining_for_Equity_Gender_Dimensions_of_EI.pdf</a></td>
</tr>
<tr>
<td>Women in Mining: A guide to Integrating Women into the Workforce - This manual provides a conceptual framework and a step-by-step guide to integrating women into the mining sector, as well as into other extractive and heavy industries. Successful integration of women ensures greater benefits for local communities and creates a more just and equitable society. The integration of women into these historically male-dominated industries is not easy, but when it is done well, it can have a transformative effect.</td>
<td>2009</td>
<td>IFC, CommDev, Lonmin</td>
<td><a href="http://commdev.org/userfiles/files/2582_file_IFC_LONMIN_Manual_7.pdf">http://commdev.org/userfiles/files/2582_file_IFC_LONMIN_Manual_7.pdf</a></td>
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<tr>
<td>Gender-Sensitive Approaches for the Extractive Industry in Peru: Improving the Impact on Women in Poverty and their families – This book was commissioned under the World Bank's Gender and Extractive Industries program and presents a detailed look at the importance of ensuring positive development outcomes for women in the extractive industries. This book explores the roles and opportunities for all relevant stakeholders and illustrates how the mining sector can take a few simple steps to substantially improve its impact on the disadvantaged individuals within the mining communities. This book suggests approaches that governments, companies, civil society, and communities can take to improve the impacts of extractive industries projects on women, and through these approaches facilitate positive development outcomes for the wider family and community.</td>
<td>2011</td>
<td>The World Bank and ESMAP</td>
<td><a href="http://esmap.org/sites/esmap.org/files/578680_Gender-Sensitive_Approaches_for_the_Extractive_Industry_in_Peru.pdf">http://esmap.org/sites/esmap.org/files/578680_Gender-Sensitive_Approaches_for_the_Extractive_Industry_in_Peru.pdf</a></td>
</tr>
<tr>
<td>Investing in Women's Employment: This report outlines how investing in women's employment has led to enhanced business performance and productivity for companies in diverse countries and sectors. It was produced by WinInvest, a World Bank Group partnership with the private sector for promoting women's employment.</td>
<td>2013</td>
<td>IFC</td>
<td><a href="http://www.ifc.org/wps/wcm/connect/5f6e5b80416bbf1bf9e78015677/InvestinginWomensEmployment.pdf?MOD=AJPERES">http://www.ifc.org/wps/wcm/connect/5f6e5b80416bbf1bf9e78015677/InvestinginWomensEmployment.pdf?MOD=AJPERES</a></td>
</tr>
<tr>
<td>Community Development Toolkit: This toolkit provides practical guidance for all stages of the community development process of a mining project – from exploration through construction, operations, and eventually decommissioning and closure, including the post-closure environment.</td>
<td>2012</td>
<td>The International Council on Mining &amp; Metals (ICMM)</td>
<td><a href="http://commdev.org/userfiles/ICMM%20community%20development%20toolkit.pdf">http://commdev.org/userfiles/ICMM%20community%20development%20toolkit.pdf</a></td>
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<td>Community Consent Index: As conflicts and controversies surrounding oil, gas, and mining operations have intensified in recent years, the principle of “free, prior, and informed consent” (FPIC) has emerged as a focal point in the broader debate around extractive industries. Oxfam defines FPIC as the principle that indigenous peoples and local communities must be adequately informed about oil, gas, and mining projects in a timely manner and should be given the opportunity to approve (or reject) a project prior to the commencement of operations.</td>
<td>2012</td>
<td>Oxfam America</td>
<td><a href="http://www.oxfamamerica.org/publications/community-consent-index">www.oxfamamerica.org/publications/community-consent-index</a></td>
</tr>
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<td>Community Development Framework Study for the Mining Sector in the Republic of Guinea: Guinea has major deposits of bauxite, gold, and iron ore as well as deposits of diamonds and the potential for production of alumina and smelting of aluminium. The mining industry plays an important role in the socio-economic development of the country. For the purposes of this report, the activities of seven mining operations and two projects at the pre-operational phase were reviewed and lessons drawn from these experiences as well as from other community development and poverty reduction programmes in Guinea. Examples of good practice approaches to community development in the extractive industry in other countries have also been considered. This report and the framework presented are intended as a first step in establishing a new approach to community development and are dependent on the participation and commitment of all players.</td>
<td>2007</td>
<td>Synergy Global Consulting Ltd. for the World Bank Group</td>
<td><a href="http://commdev.org/userfiles/1852_file_Microsoft_Word_1157_Guinea_CDF_study_Final_v1.pdf">http://commdev.org/userfiles/1852_file_Microsoft_Word_1157_Guinea_CDF_study_Final_v1.pdf</a></td>
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<tr>
<td>A Strategic Approach to Early Stakeholder Engagement – Exploration, Planning and Early Project Development Phases: Summary of a Good Practice Handbook for Junior Companies in the Extractive Industries. This Handbook specifically recognises the context and challenges of exploration and early project development faced by Junior Companies, which generally have limited resources to address stakeholder engagement issues, especially in terms of available funds and staff. This Handbook aims to help Junior Companies build an achievable, cohesive and graduated SSE program. Each chapter stands alone as a phase of the mine life cycle (MLC); from exploration, development, production to closure. The emphasis and bulk of the content are on the stages of exploration and early project planning.</td>
<td>2013</td>
<td>International Finance Corporation</td>
<td><a href="http://www.commdev.org/userfiles/Early%20Stakeholder%20Engagement%20Handbook.pdf">http://www.commdev.org/userfiles/Early%20Stakeholder%20Engagement%20Handbook.pdf</a></td>
</tr>
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</table>
Mining: Partnerships for Development Toolkit: This toolkit focuses on six thematic areas where previous work has indicated the potential for partnerships between companies and other stakeholders to enhance the positive contribution and minimize negative impacts: (i) Mining and Poverty Reduction; (ii) Mining and Economic Development – Revenue Management; (iii) Mining and Economic Development – Regional Development Planning; (iv) Mining and Economic Development – Local Content; (v) Mining and Social Investment; (vi) Mining and Disputes Resolution. 2011 The International Council on Mining & Metals (ICMM) http://www.icmm.com/mpdtoolkit

IFC Handbook for Preparing a Resettlement Action Plan The purpose of this handbook is to provide guidance in the planning and execution of involuntary resettlement associated with IFC investment projects. IFC’s policy on involuntary resettlement applies to any project that may result in the loss of assets, the impairment of livelihood, or the physical relocation of an individual, household, or community. The audience for this handbook includes: IFC clients; host government agencies that support private investment in development projects; nongovernmental organizations; and the people whose lives and livelihoods will be affected by projects financed by IFC. 2002 International Finance Corporation (IFC) http://www1.ifc.org/wps/wcm/connect/22ad720048855b25880cda6a6515bb18/ResettlementHand-book.PDF?MOD=AJPERES&CACHEID=22ad720048855b25880cda6a6515bb18

Overview of leading indicators for occupational health and safety in mining: ICMM has released a report providing an overview on leading indicators and how they can be applied for occupational health and safety in the mining industry. 2013 The International Council on Mining & Metals (ICMM) http://www.icmm.com/leading-indicators

ILO Safety and Health in Mines Convention, 1995 (No. 176) This instrument regulates the various aspects of safety and health characteristic for work in mines, including inspection, special working devices, and special protective equipment of workers. It also prescribes requirements relating to mine rescue. 1995 International Labour Organization http://www.ilo.org/dyn/normlex/en/f?p=1000:12100:0::NO::P12100_ILO_CODE:C176

Community Development and Local Conflict: A Resource Document for Practitioners in the Extractive Sector: This section 1) explores various links between local conflict and community development in the extractive sector, 2) illustrates where conflict can arise during the project cycle, 3) provides a set of lessons learned, and 4) introduces a set of tools to help prevent or mitigate conflict around community development. 2008 CommDev / Environmental Resources Management (ERM) http://commdev.org/userfiles/files/1801_file_Final_April_29_2008.pdf

Conflict-Sensitive Business Practice: Guidance for Extractive Industries: This guidance is for companies doing business in societies at risk of conflict for field managers working across a range of business activities, as well as headquarters staff in political risk, security, external relations and social performance departments. It provides information on understanding conflict risk through a series of practical documents. 2005 International Alert http://commdev.org/userfiles/files/983_file_security_conflict_sensitive_business.pdf

Overview of leading indicators for occupational health and safety in mining: ICMM has released a report providing an overview on leading indicators and how they can be applied for occupational health and safety in the mining industry. 2013 The International Council on Mining & Metals (ICMM) http://www.icmm.com/leading-indicators

Maximizing Value: Guidance on implementing materials stewardship in the minerals and metals value chain Containing case studies, practical guidance and outlining recognized business drivers, this publication will assist ICMM members and others in understanding and implementing effective materials stewardship strategies while creating additional business value through identifying new opportunities in an increasingly competitive global market place. 2006 The International Council on Mining & Metals (ICMM) http://www.icmm.com/page/1183/maximizing-value-guidance-on-implementing-materials-stewardship-in-the-minerals-and-metals-value-chain

Minerals and Metals Management 2020: a chemicals management progress report This report reviews the commitments that ICMM made in 2009 to the United Nations’ Strategic Approach to International Chemicals Management (SAICM); the progress that ICMM and its members have made toward these commitments; how they plan to fulfil them; and where the mining and metals industry stands with regard to chemicals management. 2012 The International Council on Mining & Metals (ICMM) http://www.icmm.com/library/minerals-and-metals-management-2020-a-chemicals-management-progress-report
### ASM

**Working Together: How large-scale mining can engage with artisanal and small-scale miners**: Seeks to provide an understanding of the main issues and a conceptual framework for appropriate actions when engaging with ASM. It is intended as a practical and informative overview and is aimed at senior executives, corporate responsibility professionals, mine-site managers, and others who are seeking to understand the issues, dynamics, and key concepts of, as well as evolving approaches to, ASM.


**Fairtrade Gold – Fairmined**: In collaboration with the Alliance for Responsible Mining, the organization, Solidaridad promotes the compliance of ASM mining groups with the Fairtrade Fairmined standard. Solidaridad works with small-scale mining communities to improve practices, legalize their activities, form associations and build sustainable livelihoods. The Fairtrade Fairmined scheme aims to improve the labour- and social conditions and less environmental impact of 3 artisanal miners’ organizations.

2006  Solidaridad  
http://www.solidaridadnetwork.org/what-we-do/cases/solidaridad-introduces-fairtrade-fairmined-gold

### Reporting

**GRI – Mining and Metals Sector Supplement**: The GRI Mining & Metals Sector Supplement consists of sector-specific sustainability reporting guidance integrated in the GRI G3 Guidelines, the world’s most widely-used guidelines for reporting on economic, environmental, and social performance. The Supplement deals with the aspects of sustainable development that characterize the mining and metals sector, such as biodiversity, indigenous rights, labour, community, artisanal and small-scale mining, resettlement, closure planning and materials stewardship.

2011  Global Reporting Initiative  

### Other

**UN Global Compact**: The Global Compact is a voluntary initiative which brings together hundreds of companies with labour and civil society groups to advance ten principles in the areas of human rights, labour, the environment and opposition to corruption.

2000  United Nations  
http://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/index.html

**The OECD Guidelines for Multinational Enterprises**: These are recommendations addressed by governments to multinational enterprises operating in or from adhering countries. They provide non-binding principles and standards for responsible business conduct in a global context consistent with applicable laws and internationally recognised standards. The Guidelines are the only multilaterally agreed and comprehensive code of responsible business conduct that governments have committed to promoting. The Guidelines include provisions on human rights, disclosure and combating bribery.

2011 update  The Organisation for Economic Co-operation and Development (OECD)  

**The Global Reporting Initiative (GRI)**: The GRI is a multi-stakeholder process and an institution that aims to develop and promote a globally applicable sustainable framework for reporting on sustainability issues. The GRI guidelines establish reporting principles and specific indicators to guide the development of sustainability reports for companies and other organizations. The GRI Sustainability Reporting Guidelines include specific information related to environmental, social and economic performance.

1997  The Coalition for Environmentally Responsible Economies (CERES) (1997)  
https://www.globalreporting.org/

**ISO 26000**: ISO 26000 provides guidance on how businesses and organizations can operate in a socially responsible way. This means acting in an ethical and transparent way that contributes to the health and welfare of society. ISO 26000:2010 provides guidance rather than requirements, so it cannot be certified to unlike some other well-known ISO standards. Instead, it helps clarify what social responsibility is, helps businesses and organizations translate principles into effective actions and shares best practices relating to social responsibility, globally. It is aimed at all types of organizations regardless of their activity, size or location.

2010  International Organization for Standardization (ISO)  
http://www.iso.org/iso/home/standards/iso26000.htm
### Social Accountability 8000: SA 8000

SA 8000 is a voluntary standard for workplaces, based on ILO and UN conventions—which is currently used by businesses and governments around the world and is recognized as one of the strongest workplace standards. Social Accountability International’s shared vision is of decent work everywhere—sustained by widespread understanding that decent work can secure basic human rights while benefiting business.

**Sources:**
- **1997** Social Accountability International (1997)

### The Sullivan Principles of Corporate Social Responsibility

These were formulated in 1977 by the Reverend Leon Sullivan. They are intended to ensure that companies support economic, social and ecological justice wherever they do business. Companies affirm their commitment to universal human rights and pledge to promote equal opportunity for their employees, respect employees’ freedom of association and right to collective bargaining, provide fair compensation and safe working conditions, protect the environment and human health, and promote sustainable development and fair competition. Companies are expected to work together with governments and communities in the countries in which they do business. The Sullivan Principles are among the oldest guidelines for corporate responsibility.

**Sources:**
- **1977** Reverend Leon Sullivan (1977)
104 Avocet Mining PLC. Focused on West Africa. Community Relations. 9 May 2013. http://www.avocet.co.uk/community.html
About IFC

IFC, a member of the World Bank Group, is the largest global development institution focused exclusively on the private sector. Working with private enterprises in more than 100 countries, we use our capital, expertise, and influence to help eliminate extreme poverty and promote shared prosperity. In FY13, our investments climbed to an all-time high of nearly $25 billion, leveraging the power of the private sector to create jobs and tackle the world’s most pressing development challenges.

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