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Canada

CSR Standards Navigation Tool

for the Extractive Sector



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Introduction

The CSR Standards Navigation Tool is designed to help Canadian companies, civil society organizations, communities, Corporate Social Responsibility (CSR) practitioners and host country governments more easily access the best practices and guidance outlined in the six international standards endorsed by the Government of Canada in the enhanced 2014 CSR Strategy for the Extractive Sector, [Doing Business the Canadian Way](#). The CSR Standards Navigation Tool supports the [Office of the Extractive Sector CSR Counsellor's](#) mandate to proactively promote CSR to Canada's extractive companies operating abroad and to advise companies on how to incorporate the standards into their operations.

The CSR Standards Navigation Tool's four sections – corporate governance, social, environment and labour – each feature specific themes. The themes enable stakeholders to quickly locate relevant international standards, and address particular challenges and risks.

Canadian extractive companies are expected to heed the guidance provided in the Tool. If a company does not follow the practices included in the Government of Canada's 2014 CSR Strategy and/or refuses to participate in dispute-resolution processes, the CSR Counsellor may recommend that the Government of Canada withhold economic diplomacy. Such a designation will be taken into account during the CSR-related evaluation and due diligence conducted by Export Development Canada (EDC), the Crown corporation that provides financial and technical support to eligible Canadian firms operating abroad.

Users of the Tool can contact the CSR Counsellor's Office to learn more about the Government of Canada's CSR expectations, or for help with a specific issue or challenge.

How to use this Tool

The CSR Standards Navigation Tool provides guidance on performance targets and on implementing a sound CSR strategy that reflects a company's unique circumstances.

The Navigation Tool is based on established CSR themes and on the typical management cycle of Plan, Do, Check and Act. The CSR themes designate the broad set of issues that every oil, gas and mining company should consider. While all themes are not relevant to every company, each company is expected to consider all themes in light of its particular circumstances and context. There are four categories of themes: Corporate Governance, Social, Environmental and Labour. For each theme, the Tool provides guidance on: assessment and due diligence (Plan); practices, policies and procedures (Do); monitoring and evaluation (Check and Act); and disclosure and transparency. The tool organizes management actions into four broad areas:

- **Identification:** an ongoing proactive and reactive process whereby companies take reasonable steps and make good-faith efforts to identify and respond to risks.
- **Practices, Policies, Procedures:** development of goals and metrics designed to address the risks, opportunities and impacts identified through assessment activities. Companies establish core processes and resources, and build capacity to implement needed actions.
- **Monitoring and Evaluation:** the company uses established performance metrics to monitor progress toward goals and makes whatever adjustments are needed to improve performance.
- **Disclosure and Transparency:** the company shares relevant data with shareholders and stakeholders so that these groups can make well-informed decisions about investments in, or relationships with, the company.

Aligning the Navigation Tool with the management-systems cycle makes it easier for a company to identify and address its unique CSR-performance responsibilities, regardless of theme. Like the management-systems cycle, a sound CSR strategy involves an ongoing, iterative process of continuous improvement.

Many of the activities listed in the Navigation Tool can be planned and executed concurrently; similarly, a single management system or program can effectively manage numerous themes. For instance, a comprehensive environmental-management system might address everything from water usage and quality to biodiversity, air quality and waste management. To determine the feasibility of combining multiple CSR activities, review the similarities and differences of the relevant actions and outcomes listed in the Navigation Tool.

The self-assessment questions are to be used as “thought starters” to give users an idea of what they should be thinking about in regard to a specific theme. To learn more about expectations, follow the links to relevant sections of the guidelines and check the “Additional Resources” section for other useful tools. For additional guidance, please contact the Extractive Sector CSR Counsellor's Office at http://www.international.gc.ca/csr_counsellor-conseiller_rse/index.aspx?lang=eng

Other notes about the CSR Standards Navigation Tool:

- Actual performance requirements for a given project vary depending on geographic, socio-economic and environmental factors. Complying with jurisdictional regulatory requirements is a prerequisite. The Navigation Tool sets out minimum performance expectations as defined by the Government of Canada. Ensure that company activities meet the highest applicable standard (host-country regulatory requirements or the Government of Canada's endorsed CSR standards).
- **Economic development** does not appear in the Navigation Tool because the CSR Strategy's six reference standards do not address it as a separate item. The CSR Strategy's reference standards largely focus on risk management; as a result, the Navigation Tool addresses economic development only in the context of [resettlement and Indigenous peoples](#).
- **Closure planning** is included in the Corporate Governance section because it touches on each of the overarching categories in the Tool (social, environmental and labour).
- **GRI reporting** indicators are referenced only when they correspond with the management guidance contained in the other five CSR strategy reference standards. Please note that the hyperlink to the GRI Standards leads to a downloadable Zip file, rather than an online PDF.

- The **OECD Due Diligence Guidelines for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas** focus primarily on actors downstream from industrial miners. As a result, the relevance of the guidelines to Canadian industrial extractive companies is limited; although these companies must cooperate in any due-diligence processes conducted by downstream entities. The guidelines become more relevant to Canadian industrial extractive companies when two conditions are met:
 1. The company operates in a conflict-affected or high-risk area, as defined by the OECD Due Diligence Guidelines for Responsible Supply Chains. ([See Glossary](#))
 2. Artisanal and small-scale miners (ASM) are already present and the company already has, or is considering, a business relationship with ASM as part of its CSR strategy. Increasingly, companies establish business relationships with ASM to foster goodwill among local ASM stakeholders.
- If both conditions are met, and the company is considering purchasing metal ore from ASM, or providing technical and/or financial assistance to ASM, then the OECD Due Diligence Guidelines for Responsible Supply Chains apply. Refer to the [Artisanal and Small-Scale Mining](#) section of the Navigation Tool for an overview of recommended activities.

Six International Standards of CSR Strategy

1. The Global Reporting Initiative (GRI)

The [GRI](#) is a broadly recognized international reporting standard which includes reporting principles, guidance and indicators for organizations of all sizes and sectors. Canada worked with the GRI and stakeholders to develop supplements for reporting by oil and gas and by mining companies. Canada promotes the use of the GRI standard for CSR reporting to enhance transparency and encourage market-based rewards for good CSR performance.

Companies seeking to conform to the GRI standard will report using the G4 Guidelines, as well as the relevant mining or oil & gas sector supplements.

2. OECD Guidelines for Multinational Enterprises (MNEs)

The [OECD Guidelines for MNEs](#) provide recommendations for responsible conduct on a broad range of business activities and are applicable to all sectors. Canada was one of the original signatories to the 1976 [OECD](#) Declaration on International Investment and Multinational Enterprises, and the associated Guidelines. Canada continues to be an active supporter and promoter of the Guidelines, having participated in their periodic updates and contributed to the development of implementation guidelines of particular interest to the extractive sector. Updates in 2011 brought in chapters related to human rights and due diligence, areas pertinent to the extractive sector.

3. United Nations (UN) Guiding Principles on Business and Human Rights (GPs)

The [Guiding Principles](#) (GPs) operationalize the Protect, Respect and Remedy Framework first presented to the UN Human Rights Council in 2008 by the Special Representative on Business and Human Rights, Dr. John Ruggie. The GPs identify distinct but complementary responsibilities of companies and governments regarding human rights, resting on three pillars: 1) the state duty to protect against human rights abuses by third parties, including business; 2) the corporate responsibility to respect human rights through due diligence; and 3) ensuring greater access to effective remedies for victims. Co-sponsored by Canada, the GPs were unanimously endorsed by the Human Rights Council in June 2011, and have since been referenced in a number of international standards, including the OECD Guidelines for MNEs. Canada has supported work to develop the GPs since 2005 and continues to promote and align its efforts with them.

4. The Voluntary Principles on Security and Human Rights

The [Voluntary Principles on Security and Human Rights](#) (VPs) are a set of principles designed to guide extractive sector corporate actors anticipate and mitigate risks related to the deployment of public and private security, so that extractives operations can be protected without excessive force or human rights abuses. Created in 2000, the VPs prescribe general courses of action intended to help companies develop their own policies and procedures, tailored to local circumstances. In practice, they have proven to be helpful to companies operating in zones at high risk of social conflict linked to the extraction of natural resources, and are in use by companies around the world. The VPs are overseen by the Voluntary Principles Initiative (VPI) and Participants in the VPI agree to proactively implement or assist in the implementation of the VPs.

5. International Finance Corporation's (IFC's) Performance Standards on Social & Environmental Sustainability

The IFC's eight [Performance Standards](#) set expectations for conduct that companies receiving IFC support are to meet throughout the life of a project, including on stakeholder engagement and human rights. Updated in 2012, the Performance Standards form a basis for the [Equator Principles \(EPs\)](#). Signatories to the EPs are financial institutions (80 in 35 countries, including all five of Canada's major banks) which collectively provide more than 70 percent of project financing in emerging markets, where many extractive sector opportunities are located. These financial institutions use the EPs as their benchmark for assessing environmental and social risk in projects. Export Development Canada (EDC), the official export credit agency of Canada, signed on to the EPs in October 2007 and became a member of its Steering Committee in 2011 and was re-elected in 2014. EDC's annual reporting on its implementation of the EPs is available on its [website](#).

6. OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

The OECD Due Diligence [Guidance](#) provides detailed recommendations to help companies respect human rights and avoid contributing to conflict through their mineral purchasing decisions and practices. The core guidance document and two mineral-specific supplements explain how multinational companies sourcing gold, tin, tantalum, and tungsten can avoid fueling conflict and responsibly source and trade minerals.

1. Corporate Governance

1.1 Institutional and Political Environment

Identification (assessment; due diligence)

As early as possible, companies should assess the institutions and politics of the jurisdictions where they operate or plan to operate. This will provide important information about the potential social, environmental and economic risks of current or prospective projects. Particular attention should be paid to: political-stability indicators, such as the involvement of the military in politics; previous transitions of government; degree of concentration of power; role of religion in government; and the rule of law. In addition, consider legal and regulatory indicators, such as the quality of the judicial, policy, and regulatory regimes.

At a minimum, companies must be familiar with domestic laws related to labour, the environment and other areas relevant to their operations.

Self-Assessment Questions

Has a documented process been completed to identify the unique characteristics of each operating jurisdiction and have the potential implications for a company, project, and its stakeholders been analyzed?

ADDITIONAL RESOURCES

PDAC e3Plus Toolkit - Excellence in Social Responsibility; Chapter 2.0 Due Diligence.

<http://www.pdac.ca/docs/default-source/e3-plus--toolkits--social-responsibility/due-diligence.pdf?sfvrsn=4>

ICMM Mining Partnerships for Development Toolkit. Available through the ICMM website library.

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Pages 19-20 \(Chapter II, General Policies, Recommendations 5, 10, 11\)](#)

[Page 56 \(Chapter IX, Science and Technology, Commentary 94\)](#)

United Nations (UN) Guiding Principles on Business and Human Rights (GPs)

[Page 13 \(GP 11\)](#)

1. Corporate Governance

1.1 Institutional and Political Environment

Practices, policies, procedures (behaviours)

Companies should develop a register of all identified political and institutional risks, along with their potential implications for projects and stakeholders. Investigate how these risks might influence the project's (and the supply chain's) labour, environmental, and social risks and impacts. Develop an internal process to regularly review risks, develop risk-mitigation plans, and allocate responsibilities and resources.

Obeying the law is a baseline obligation and companies should integrate relevant legal requirements into effective management systems. Companies should neither seek nor accept exemptions from laws related to human rights, environment, health, safety, labour, taxation, financial incentives and other matters. Companies should maintain legally compliant systems to safeguard employees, officers and directors. Further guidance on incorporating legal and other obligations into management systems appears below.

Self-Assessment Questions

- Has a risk register been created?
- Has an internal process of risk review and action planning been developed and implemented?
- Has a legal-obligations register been completed for each jurisdiction?
- Has a code of conduct been established that requires all company personnel to respect local laws?
- Have processes been established to communicate these expectations to all personnel?

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Pages 21-22 \(Chapter II, General Policies, Commentary 6\)](#)

United Nations (UN) Guiding Principles on Business and Human Rights (GPs)

[Page 25 \(GP 23\)](#)

ADDITIONAL RESOURCES

PDAC e3Plus Toolkit - Excellence in Social Responsibility; Chapter 2.0 Due Diligence.

<http://www.pdac.ca/docs/default-source/e3-plus---toolkits---social-responsibility/due-diligence.pdf?sfvrsn=4>

ICMM Mining Partnerships for Development Toolkit. Available through the ICMM website library.

1. Corporate Governance

1.1 Institutional and Political Environment

Monitoring and Evaluation

Establish procedures to monitor and measure the effectiveness of risk mitigation activities, as well as compliance with any related legal and/or contractual obligations and regulatory requirements. Monitoring will normally include recording information to track performance and comparing this against the previously established benchmarks or requirements in the management program. Document monitoring results and identify and reflect the necessary corrective and preventive actions in the amended management program and plans. In collaboration with appropriate and relevant third parties, implement corrective and preventive actions, and follow up on these actions in upcoming monitoring cycles to ensure their effectiveness.

Self-Assessment Questions

- Has a process to monitor the company's performance on mitigating identified institutional and political risks been established and implemented?

ADDITIONAL RESOURCES

PDAC e3Plus Toolkit - Excellence in Social Responsibility; Chapter 2.0 Due Diligence.

<http://www.pdac.ca/docs/default-source/e3-plus---toolkits---social-responsibility/due-diligence.pdf?sfvrsn=4>

ICMM Mining Partnerships for Development Toolkit. Available through the ICMM website library.

1. Corporate Governance

1.1 Institutional and Political Environment

Disclosure and Transparency

Companies should report any information whose omission could influence the decision making of a financial or other stakeholder.

A company should consider reporting on: its management approach, and how it was developed and is monitored; and its lobby efforts.

Self-Assessment Questions

- Has the company undertaken a materiality assessment to analyze what should be disclosed to whom?

INTERNATIONAL STANDARDS

Global Reporting Initiative (GRI) Standards

[Public Policy:](#)
- [GRI 415-1](#)

1. Corporate Governance

1.2 Anti-Corruption/ Anti-Bribery

Identification (assessment; due diligence)

Companies should identify and evaluate the risks of corruption, extortion and bribery among government officials and supply-chain partners. Companies should document ongoing efforts. See column “L” for further resources.

Self-Assessment Questions

- Has a process been established and implemented to regularly assess bribery and corruption risks in each relevant jurisdiction?

ADDITIONAL RESOURCES

UN Global Compact: A Guide for Anti-Corruption Risk Assessment

<https://www.unglobalcompact.org/library/411>

UN Global Compact: Fighting Corruption through Collective Action – A Guide for Business.

https://www.globalcompact.de/wAssets/docs/Korruptionspraevention/Publikationen/fighting_corruption_through_collective_action.pdf

EITI - Talking Transparency: A Guide to Communicating the Extractive Industry Transparency Initiative

<https://eiti.org/sites/default/files/documents/EITI%20Communications%20Guide.pdf>

RCMP: Foreign and Domestic Corruption <http://www.rcmp-grc.gc.ca/en/corruption>

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Page 20 \(Chapter II, General Policies, Recommendations 10, 11\)](#)

[Pages 47-48 \(Chapter VII, Combating Bribery, Bribe Solicitation and Extortion, Recommendations 2, 4\)](#)

1. Corporate Governance

1.2 Anti-Corruption/ Anti-Bribery

Practices, policies, procedures (behaviours)

The adoption of appropriate corporate-governance practices contributes to an ethics culture. Companies should develop and adopt measures to prevent and detect bribery.

Companies should:

- conduct all business with partners and public officials in an open and honest manner
- never, directly or indirectly, offer, promise, give, or demand a bribe or other undue advantage to obtain or retain business or other improper advantage
- not use third parties that engage in such practices
- properly document anti-corruption efforts related to hiring and contracting
- prohibit facilitation payments, and document any such payments
- not make illegal contributions to candidates, parties or organizations

Self-Assessment Questions

- Has the company developed a code of conduct that forbids bribery?
- Has the company established and implemented a plan?

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Page 20 \(Chapter II. General Policies, Recommendation 15\)](#)

[Pages 47-48 \(Chapter VII. Combating Bribery, Bribe Solicitation and Extortion, Preamble; Recommendations 1, 3, 7\)](#)

ADDITIONAL RESOURCES

UN Global Compact: A Guide for Anti-Corruption Risk Assessment
<https://www.unglobalcompact.org/library/411>

UN Global Compact: Fighting Corruption through Collective Action – A Guide for Business.
https://www.globalcompact.de/wAssets/docs/Korruptionspraevention/Publikationen/fighting_corruption_through_collective_action.pdf

EITI - Talking Transparency: A Guide to Communicating the Extractive Industry Transparency Initiative
<https://eiti.org/sites/default/files/documents/EITI%20Communications%20Guide.pdf>

RCMP: Foreign and Domestic Corruption <http://www.rcmp-grc.gc.ca/en/corruption>

1. Corporate Governance

1.2 Anti-Corruption/ Anti-Bribery

Monitoring and Evaluation

Internal controls, ethics and compliance programs should include financial and accounting procedures. Bribery risks should be regularly monitored to ensure that controls are effective.

Self-Assessment Questions

- Are accounting controls in place that can effectively detect bribery?
- Have mechanisms of oversight and accountability been established between corporate offices and sites?

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Pages 47-48 \(Chapter VII. Combating Bribery. Bribe Solicitation and Extortion. Recommendations 2, 3, 4\)](#)

ADDITIONAL RESOURCES

UN Global Compact: A Guide for Anti-Corruption Risk Assessment
<https://www.unglobalcompact.org/library/411>

UN Global Compact: Fighting Corruption through Collective Action – A Guide for Business.
https://www.globalcompact.de/wAssets/docs/Korruptionspraevention/Publikationen/fighting_corruption_through_collective_action.pdf

EITI - Talking Transparency: A Guide to Communicating the Extractive Industry Transparency Initiative
<https://eiti.org/sites/default/files/documents/EITI%20Communications%20Guide.pdf>

RCMP: Foreign and Domestic Corruption <http://www.rcmp-grc.gc.ca/en/corruption>

1. Corporate Governance

1.2 Anti-Corruption/ Anti-Bribery

Disclosure and Transparency

Companies should keep a list of agents involved in transactions with public enterprises and make it available as per applicable laws. Political contributions must comply with local laws and should be reported to senior management.

Companies should publicize their efforts to combat bribery and extortion, and support the Extractive Industry Transparency Initiative (EITI) wherever they operate.

To foster openness, each company should report on:

- its approach to fighting corruption (including risk-assessment criteria), and how it was developed and is monitored; and its lobby efforts
- number and percentage of operations assessed for corruption risks, along with significant risks identified
- confirmed incidents of corruption and responses
- the value and recipients of all political contributions (financial and in-kind)
- financial assistance received from host governments

Self-Assessment Questions

- Has the company undertaken a materiality assessment to analyze what should be disclosed to whom?

INTERNATIONAL STANDARDS

Global Reporting Initiative (GRI) Standards

[Economic Performance:](#)

- [GRI 201-4](#)

[Public Policy:](#)

- [GRI 415-1](#)

[Anti-Corruption:](#)

- [GRI 205-1](#)

- [GRI 205-3](#)

[Oil & Gas Sector Supplement](#)

[Disclosure related to Anti-](#)

[Corruption:](#)

- [OG Anti-Corruption Disclosure on Management Approach](#)

OECD Guidelines for Multinational Enterprises (MNEs)

[Page 48 \(Chapter VII. Combating Bribery, Bribe Solicitation and Extortion, Recommendations 4, 5, 7\)](#)

OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

[Pages 25-29 \(Annex III: Supply Chain Policy\)](#)

1. Corporate Governance

1.3 Taxes

Identification (assessment; due diligence)

Corporate boards should adopt measures to ensure that the financial, regulatory and reputational risks associated with taxation and tax strategies are fully identified and evaluated.

Self-Assessment Questions

- Has a process been established and implemented to assess risks associated with tax strategies?

ADDITIONAL RESOURCES

Minerals Taxation Regimes: a review of issues and challenges in their application. Available through the ICMM website library.

Transfer Pricing: Keeping it Arm's Length, OECD Observer.

OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations.

<http://www.oecd.org/tax/transfer-pricing/oecd-transfer-pricing-guidelines-for-multinational-enterprises-and-tax-administrations-20769717.htm>

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Page 20 \(Chapter II. General Policies, Recommendations 10, 11\)](#)

[Page 60 \(Chapter XI, Taxation, Recommendation 2\)](#)

1. Corporate Governance

1.3 Taxes

Practices, policies, procedures (behaviours)

Companies should comply with both the letter and spirit (i.e. honouring the intentions) of applicable tax laws and regulations. Companies must not structure transactions to produce tax results inconsistent with the economic consequences intended by applicable laws. Transfer-pricing practices should be conducted according to the arm's-length principle: the internationally accepted standard for adjusting profits between associated enterprises. The principle precludes the inappropriate shifting of profits or losses, and minimizes risks of double taxation.

Self-Assessment Questions

- Have tax strategies been designed to conform to the arm's length principle?

ADDITIONAL RESOURCES

Minerals Taxation Regimes: a review of issues and challenges in their application. Available through the ICMM website library.

Transfer Pricing: Keeping it Arm's Length, OECD Observer.

OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations.

<http://www.oecd.org/tax/transfer-pricing/oecd-transfer-pricing-guidelines-for-multinational-enterprises-and-tax-administrations-20769717.htm>

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Pages 60-63 \(Chapter XI. Taxation, Recommendation 1: Commentary\)](#)

OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

[Pages 25-29 \(Annex III: Supply Chain Policy\)](#)

1. Corporate Governance

1.3 Taxes

Monitoring and Evaluation

Boards of directors that approve and monitor tax strategies must be kept informed of any material tax risk.

Self-Assessment Questions

- Have processes been developed to ensure appropriate board oversight of tax strategies?

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Pages 60-63 \(Chapter XI, Taxation, Commentary\)](#)

ADDITIONAL RESOURCES

Minerals Taxation Regimes: a review of issues and challenges in their application. Available through the ICMM website library.

Transfer Pricing: Keeping it Arm's Length, OECD Observer.

OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations.

<http://www.oecd.org/tax/transfer-pricing/oecd-transfer-pricing-guidelines-for-multinational-enterprises-and-tax-administrations-20769717.htm>

1. Corporate Governance

1.3 Taxes

Disclosure and Transparency

Companies should support the Extractive Industry Transparency Initiative (EITI) wherever they operate and consider publicizing corporate values, principles, standards and norms of behavior.

Self-Assessment Questions

- Has the company undertaken a materiality assessment to analyze what should be disclosed to whom?

ADDITIONAL RESOURCES

Extractive Industry Transparency Initiative (EITI) – [Who we are https://eiti.org/who-we-are](https://eiti.org/who-we-are)

INTERNATIONAL STANDARDS

Global Reporting Initiative (GRI) Standards

[Ethics and Integrity:](#)
- 102-16

[Oil & Gas Sector Supplement \(O&GSS\) Disclosures on Payments to Governments:](#)
- G4-EC1 O&GSS

1. Corporate Governance

1.4 Supply Chain and Contractor Management

Identification (assessment; due diligence)

Companies should make reasonable efforts to work only with reputable and legitimate supply-chain partners and service providers that meet corporate labour, environmental and stakeholder-relations standards. Companies should screen prospective partners and contractors to determine their ability and willingness to meet the performance standards described in this workbook. Screening processes should accord with prevailing domestic and industry norms.

Self-Assessment Questions

- Are adequate screening processes used to assess the capacity and willingness of contractors and partners to meet high standards of environmental, social, and health and safety performance?

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Pages 20, 23-24 \(Chapter II, General Policies, Recommendations 10, 11; Commentary 14, 16\)](#)

United Nations (UN) Guiding Principles on Business and Human Rights (GPs)

[Pages 15, 18 \(GP 13 Commentary, GP 17 Commentary\)](#)

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Page 9 \(PS 1, Identification of Risks and Impacts, Section 10\)](#)

[Pages 17, 21 \(PS 2, Supply Chain Workers, Section 7; Workers Engaged by Third Parties, Sections 24-29\)](#)

OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

[Pages 7,8 \(Recommendation\)](#)

1. Corporate Governance

1.4 Supply Chain and Contractor Management

Practices, policies, procedures (behaviours)

Companies should establish policies and procedures to manage the labour, environmental and social performance of third parties, and should make reasonable efforts to incorporate performance requirements in contracts.

Self-Assessment Questions

- Have performance-specific expectations been incorporated into contracts with supply-chain partners?

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Page 24-25 \(Chapter II, General Policies Commentary, Sections 18, 19, 21\)](#)

[Page 33 \(Chapter IV Human Rights, Commentary 43\)](#)

United Nations (UN) Guiding Principles on Business and Human Rights (GPs)

[Pages 14, 17 \(GP 13, GP 16 Commentary\)](#)

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Pages 17, 21 \(PS 2, Supply Chain Workers, Section 7; Workers Engaged by Third Parties, Sections 24-29\)](#)

[Page 46 \(PS 6, Requirements, Supply Chain, Section 30\)](#)

1. Corporate Governance

1.4 Supply Chain and Contractor Management

Monitoring and Evaluation

Companies should establish specific indicators of third parties' performance against stated expectations, including those related to legal, contractual and regulatory requirements. Monitoring typically includes tracking performance and comparing against baselines or management-program requirements.

In jurisdictions with greater labour, environmental and/or social supply-chain risks, companies should use dynamic mechanisms, such as internal inspections and audits, to verify compliance and foster success. Record and share results with third parties, and collectively identify necessary corrective and preventive actions.

Companies should encourage third parties to implement a grievance mechanism for their stakeholders and employees, or make available the companies' own grievance mechanisms.

Self-Assessment Questions

- Are processes in place to monitor and evaluate the environmental, social, and health and safety performance of contractors and other supply-chain partners ?

INTERNATIONAL STANDARDS

United Nations (UN) Guiding Principles on Business and Human Rights (GPs)

[Pages 21-23 \(GP 19 Commentary, GP 20 Commentary\)](#)

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

1. Corporate Governance

1.4 Supply Chain and Contractor Management

Disclosure and Transparency

Companies should report on the following aspects of supply-chain management:

- management approach, and how it was developed and is monitored
- systems and criteria used to screen the environmental, human rights and labour practices of new suppliers
- processes used to assess the policies and performance of contractors and supply-chain partners
- any performance expectations defined in supplier and partner contracts
- percentage of new suppliers screened

Self-Assessment Questions

- Has the company undertaken a materiality assessment to analyze what should be disclosed to whom?

ADDITIONAL RESOURCES

EWB Mining Local Procurement Reporting Mechanism <http://miningsharedvalue.org/mininglprm/>

INTERNATIONAL STANDARDS

Global Reporting Initiative (GRI) Standards

[Supplier Environmental Assessment:](#)

- GRI 308-1

[Supplier Social Assessment:](#)

- GRI 414-1

- GRI 414-2

[Procurement Practices:-GRI 204-1](#)

[Human Rights Assessment: 412-3](#)

[Oil & Gas Sector Supplement](#)

[Disclosure related to Market Presence G4-DMA, page 14](#)

OECD Guidelines for Multinational Enterprises (MNEs)

[Page 27-30 \(Chapter III, Disclosure, Recommendations 3, 4; Commentary 30, 31, 32, 33\)](#)

1. Corporate Governance

1.5 Emergency Preparedness and Response

Identification (assessment; due diligence)

Companies should identify potential emergencies, and be prepared to respond as quickly and as effectively as possible.

The CSR Strategy's guidance on emergency preparedness and response primarily derives from the IFC Performance Standards, **which recommend referring to the World Bank Environment, Health, and Safety Guidelines (EHS Guidelines)** for detailed guidance.

Self-Assessment Questions

- Have processes to continuously evaluate potential emergency situations been developed and implemented for each project site?

ADDITIONAL RESOURCES

World Bank Environment, Health, and Safety Guidelines
Awareness and Preparedness for Emergencies at the Local Level (APELL)
Explaining APELL for Mining. Available through the ICMM website library.
Good Practice in Emergency Preparedness and Response. Available through the ICMM website library.

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Page 20 \(Chapter II, General Policies, Recommendations 10, 11\)](#)

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Page 11 \(PS 1, Emergency Preparedness and Response, Sections 20, 21\)](#)

1. Corporate Governance

1.5 Emergency Preparedness and Response

Practices, policies, procedures (behaviours)

For each project site, companies should establish and maintain emergency preparedness and response plans. The results of ongoing risk assessments will help companies to ensure that each operation can respond effectively to project accidents and emergencies, and prevent and mitigate any harm to people and/or the environment. Ensure appropriate plans and resources are in place, and maintain readiness throughout testing. Corporate offices are encouraged to establish minimums for emergency preparedness, and to help each operation develop a site-specific emergency preparedness and response plan.

The critical aspects of emergency planning include: clear procedures, provision of equipment and resources, designation of responsibilities, protocols for internal and external communications, and periodic training. Given that mining emergencies often have severe consequences, companies should follow several good practices, particularly at tailings-storage facilities: warning systems, defined alert levels, stockpiled materials and hazard tracking (e.g. storm warnings). See column “L” for further resources.

Companies should assist, and collaborate with, local communities and government agencies to respond effectively to emergencies, especially when success depends on community participation and collaboration. If local government agencies have little or no capacity, companies should help to prepare for, and respond to, emergencies.

Companies should document emergency preparedness and response activities, resources and responsibilities, and provide relevant information to local communities and agencies.

Self-Assessment Questions

- Have adequate emergency preparedness and response plans been developed and implemented at each project site?

ADDITIONAL RESOURCES

World Bank Environment, Health, and Safety Guidelines

Awareness and Preparedness for Emergencies at the Local Level (APELL)

Explaining APELL for Mining. Available through the ICMM website library.

Good Practice in Emergency Preparedness and Response. Available through the ICMM website library.

INTERNATIONAL STANDARDS

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Page 11 \(PS 1, Emergency Preparedness and Response, Sections 20, 21\)](#)

[Pages 27-30 \(PS 4, Community Health and Safety\)](#)

1. Corporate Governance

1.5 Emergency Preparedness and Response

Monitoring and Evaluation

Monitoring and evaluation aims to maintain readiness throughout testing, and to identify and eliminate gaps and weaknesses in planning and implementation. Whenever an emergency-response team is deployed, debriefing activities should be completed immediately afterwards to evaluate how well the response protected people, property and the environment. Companies should establish specific performance indicators, including those related to legal, contractual and regulatory obligations.

Self-Assessment Questions

- Are processes in place to monitor and evaluate the emergency readiness of each site?
- Are processes in place to evaluate the success and effectiveness of incident responses?

ADDITIONAL RESOURCES

World Bank Environment, Health, and Safety Guidelines

Awareness and Preparedness for Emergencies at the Local Level (APELL)

Explaining APELL for Mining. Available through the ICMM website library.

Good Practice in Emergency Preparedness and Response. Available through the ICMM website library.

1. Corporate Governance

1.5 Emergency Preparedness and Response

Disclosure and Transparency

Companies should regularly share information with adjacent communities about emergency-response plans and the role of communities in them. Companies should also report on how emergency preparedness is tracked and maintained (e.g. through consultation, rehearsal, reviews and modifications).

Self-Assessment Questions

- Has the company undertaken a materiality assessment to analyze what should be disclosed to whom?
- Is information about emergency planning and response adequately shared with stakeholders

INTERNATIONAL STANDARDS

Global Reporting Initiative (GRI) Standards

[Mining & Metals Sector Supplement Disclosure related to Emergency Preparedness](#)
- [MMSS Disclosure on Management Approach](#)

[Oil & Gas Sector Supplement Disclosure related to Emergency Preparedness:](#)
- [OGSS Disclosure on Management Approach](#)

1. Corporate Governance

1.6 Closure Planning

Identification (assessment; due diligence)

Companies should recognize that project closure can pose significant and lasting safety and environmental risks, damage local economies, and have major negative impacts on the reputation of extractives industries.

Companies should assess their closure liabilities before construction even begins, and update assessments frequently using credible professionals. Assessments should accord with applicable laws; where no such laws exist, assessments should accord with industry best practices. Prior to project development, companies should conduct a thorough biodiversity assessment to establish a baseline.

Self-Assessment Questions

- Has a process been developed to frequently evaluate closure liabilities related to each project site, in accordance with legal and other relevant standards?

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Page 20 \(Chapter II, General Policies, Recommendations 10, 11\)](#)

ADDITIONAL RESOURCES

Financial Assurance for Mine Closure and Reclamation. Available through the ICMM website library.

Planning for Integrated Mine Closure: Toolkit. Available through the ICMM website library.

Mining Association of Canada's Towards Sustainable Mining: Mine Closure Framework
http://mining.ca/sites/default/files/documents/TSM_Mine_Closure_Framework.pdf

1. Corporate Governance

1.6 Closure Planning

Practices, policies, procedures (behaviours)

Companies should develop a conceptual closure plan at the beginning of the operation, and update the plan periodically by incorporating research into issues such as reclamation. Closure-planning activities should intensify as a project nears the end of its lifecycle, when more information is available about operational conditions and economic, social, and environmental impacts. Closure plans should address site characteristics and regulatory requirements.

Throughout closure planning and implementation, companies should engage with relevant stakeholders, and consider their concerns and priorities.

Self-Assessment Questions

- Are processes in place to guide closure planning and implementation?

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Page 36, 41 \(Chapter V, Employment and Industrial Relations, Recommendations 6; Commentary 59\)](#)

ADDITIONAL RESOURCES

Financial Assurance for Mine Closure and Reclamation. Available through the ICMM website library.

Planning for Integrated Mine Closure: Toolkit. Available through the ICMM website library.

Mining Association of Canada's Towards Sustainable Mining: Mine Closure Framework
http://mining.ca/sites/default/files/documents/TSM_Mine_Closure_Framework.pdf

1. Corporate Governance

1.6 Closure Planning

Monitoring and Evaluation

Companies must continuously evaluate the success of closure activities and meet all relevant obligations. Ongoing monitoring and management of closed sites is key to protecting the environment, local communities and the industry's reputation.

Self-Assessment Questions

- Are processes in place to monitor and evaluate the effectiveness of closure activities?

ADDITIONAL RESOURCES

Financial Assurance for Mine Closure and Reclamation. Available through the ICMM website library.

Planning for Integrated Mine Closure: Toolkit. Available through the ICMM website library.

Mining Association of Canada's Towards Sustainable Mining: Mine Closure Framework

http://mining.ca/sites/default/files/documents/TSM_Mine_Closure_Framework.pdf

1. Corporate Governance

1.6 Closure Planning

Disclosure and Transparency

Closure planning should be a regular topic of stakeholder engagement, with special consideration given to the environmental and economic concerns of local stakeholders.

Companies should track and report on:

- its management approach, and how it was developed and is monitored
- the number and percentage of operations with closure plans
- how closure will affect workers, the environment and local communities, and what steps are planned to mitigate potential issues
- the overall financial provision for closure, or include a reference to the relevant financial statements
- the decommissioning of oil-and-gas sites

Self-Assessment Questions

- Has the company undertaken a materiality assessment to analyze what closure planning information should be disclosed to whom?
- Do stakeholder engagements adequately address closure planning and implementation?

INTERNATIONAL STANDARDS

Global Reporting Initiative (GRI) Standards

Closure Planning:
- [GRI MM10 \(Mining and Metals Sector Supplement\) page 33](#)
Oil & Gas Sector Supplement
Disclosures related to closure:
- [OG11 page 51](#)

OECD Guidelines for Multinational Enterprises (MNEs)

[Page 27-30 \(Chapter III, Disclosure, Recommendations 3, 4; Commentary 30, 31, 32, 33\)](#)

2.1 Social: Human Rights

2.1.1 General

Identification (assessment; due diligence)

Companies should conduct desk-based research on how proposed projects might affect the human rights of stakeholders, suppliers and contractors. This research should reference norms such as the International Bill of Human Rights, and consider the context of the country, including the rule of law, the human rights record of host governments, presence of conflict and potential for violence. Companies should take special care to identify and consider potential impacts on vulnerable groups; United Nations instruments recognize the rights of Indigenous peoples; women; national or ethnic, religious and linguistic minorities; children; persons with disabilities; and migrant workers and their families. The Vulnerable Groups section provides more information.

If initial research identifies human rights risks, companies should investigate further with the help of professionals and relevant stakeholders. Pay particular attention to impacts on vulnerable and marginalized groups, such as children, women, Indigenous peoples and migrant workers.

Companies should regularly assess impacts on human rights and maintain grievance mechanisms – see the [Grievance Mechanism](#) section below.

Self-Assessment Questions

- Are processes in place to assess whether company activities could directly or indirectly infringe on the human rights of project and supply-chain stakeholders?

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Page 20 \(Chapter II. General Policies, Recommendations 10, 11\)](#)

[Pages 31, 32, 34 \(Chapter IV Human Rights, Recommendation 5; Commentary 39, 40, 45\)](#)

United Nations (UN) Guiding Principles on Business and Human Rights (GPs)

[Pages 13-20, 32 \(GP 12, GP 15, GP 17, GP 18 Commentary, GP 29\)](#)

Voluntary Principles on Security and Human Rights (VPs)

[Pages 2-3 \(Risk Assessment\)](#)

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Pages 10-11 \(PS 1, Organizational Capacity and Competency, Sections 17, 18 and 19\)](#)

ADDITIONAL RESOURCES

International Bill of Human Rights

Declaration on Fundamental Principles and Rights at Work

Guide to Human Rights Impact Assessment and Management.

https://www.unglobalcompact.org/docs/issues_doc/human_rights/GuidetoHRIAM.pdf

Guide on How to Develop a Human Rights Policy.

https://www.unglobalcompact.org/docs/issues_doc/human_rights/Resources/HR_Policy_Guide_2nd_Edition.pdf

Natural Resources Canada's CSR Checklist for Canadian Mining Companies Working Abroad, Chapter 16: Addressing Human Rights Concerns (Pages 54-55)

Integrating human rights due diligence into corporate risk management processes. Available through the ICMM website library.

A Guide for Integrating Human Rights into Business Management.

<http://www.ohchr.org/Documents/Publications/GuideHRBusinessen.pdf>

Human rights, social development and the mining and metals industry. Available through the ICMM website library.

Human Rights in the Mining and Metals Sector - Handling and Resolving Local Level Concerns & Grievances. Available through the ICMM website library.

Child Rights and Mining Tool Kit (UNICEF) https://www.unicef.org/csr/files/FINAL_Child_Rights_and_Mining_Toolkit_060217.pdf

OECD Due Diligence Guidance for Meaningful Stakeholder Engagement <http://mneguidelines.oecd.org/stakeholder-engagement-extractive-industries.htm>

2.1 Social: Human Rights

2.1.1 General

Practices, policies, procedures (behaviours)

Companies should be able to demonstrate respect for human rights through policies and management systems that prevent and mitigate adverse human rights impacts. Human rights management processes should permeate all operations, and be communicated to all employees, suppliers and contractors.

Companies should ensure that decisions and budget allocations support effective responses to human rights risks and impacts, typically by assigning responsibility for oversight appropriately.

Self-Assessment Questions

- Are policies and management systems in place to mitigate potential human rights impacts?

ADDITIONAL RESOURCES

International Bill of Human Rights

Declaration on Fundamental Principles and Rights at Work

Guide to Human Rights Impact Assessment and Management.

https://www.unglobalcompact.org/docs/issues_doc/human_rights/GuidetoHRIAM.pdf

Guide on How to Develop a Human Rights Policy.

https://www.unglobalcompact.org/docs/issues_doc/human_rights/Resources/HR_Policy_Guide_2nd_Edition.pdf

Natural Resources Canada's CSR Checklist for Canadian Mining Companies Working Abroad, Chapter 16: Addressing Human Rights Concerns (Pages 54-55)

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A Guide for Integrating Human Rights into Business Management.

<http://www.ohchr.org/Documents/Publications/GuideHRBusinessen.pdf>

Human rights, social development and the mining and metals industry. Available through the ICMM website library.

Human Rights in the Mining and Metals Sector - Handling and Resolving Local Level Concerns & Grievances. Available through the ICMM website library.

Child Rights and Mining Tool Kit (UNICEF) https://www.unicef.org/csr/files/FINAL_Child_Rights_and_Mining_Toolkit_060217.pdf

OECD Due Diligence Guidance for Meaningful Stakeholder Engagement <http://mneguidelines.oecd.org/stakeholder-engagement-extractive-industries.htm>

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Pages 31, 33, 34 \(Chapter IV Human Rights, Recommendations 1, 2, 3, 4, 5; Commentary 37, 42, 43, 44, 45, 46\)](#)

United Nations (UN) Guiding Principles on Business and Human Rights (GPs)

[Pages 13-22 \(GP 11, GP 13, GP 15, GP 16, GP 17, GP 19\)](#)

Voluntary Principles on Security and Human Rights (VPs)

[Pages 3-5 \(Interactions between Companies and Public Security\)](#)

[Pages 5-7 \(Interactions between Companies and Private Security\)](#)

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Page 27 \(PS 4, Community Health, Safety and Security, Objectives\)](#)

2.1 Social: Human Rights

2.1.1 General

Monitoring and Evaluation

Companies that implement projects with potentially adverse human rights impacts should implement monitoring, remediation and documentation processes. The processes should consider impacts caused directly by the company and indirectly – i.e. by organizations with whom the company maintains relationships.

Potential impacts on human rights should be monitored and include a component for stakeholder feedback and engagement, such as a [Grievance Mechanism](#). Site-level grievance mechanisms are recommended, as they can prevent the compounding of harms and conflict, and enable companies to collect relevant data and adjust practices accordingly. To be effective, a grievance mechanism must be legitimate, accessible, predictable, equitable, compatible with human rights and transparent to stakeholders. Site-level grievance mechanisms should be developed in consultation with relevant stakeholders.

Self-Assessment Questions

- Are monitoring processes in place to measure company performance on preventing and resolving human rights impacts?
- Is a grievance mechanism in place?
- Are oversight and accountability mechanisms in place linking corporate offices and sites?

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Pages 31, 33, 34 \(Chapter IV Human Rights, Recommendation 5, 6; Commentary 41, 42, 45, 46\)](#)

United Nations (UN) Guiding Principles on Business and Human Rights (GPs)

[Pages 15-26, 29, 31-35 \(GP 15, GP 17, GP 19, GP 20, GP 22, GP 24, GP 29, GP 31\)](#)

Voluntary Principles on Security and Human Rights (VPs)

[Pages 3-5 \(Interactions between Companies and Public Security\)](#)

[Pages 5-7 \(Interactions between Companies and Private Security\)](#)

ADDITIONAL RESOURCES

International Bill of Human Rights

Declaration on Fundamental Principles and Rights at Work

Guide to Human Rights Impact Assessment and Management.

https://www.unglobalcompact.org/docs/issues_doc/human_rights/GuidetoHRIAM.pdf

Guide on How to Develop a Human Rights Policy.

https://www.unglobalcompact.org/docs/issues_doc/human_rights/Resources/HR_Policy_Guide_2nd_Edition.pdf

Natural Resources Canada's CSR Checklist for Canadian Mining Companies Working Abroad, Chapter 16: Addressing Human Rights Concerns (Pages 54-55)

Integrating human rights due diligence into corporate risk management processes. Available through the ICMM website library.

A Guide for Integrating Human Rights into Business Management.

<http://www.ohchr.org/Documents/Publications/GuideHRBusinessen.pdf>

Human rights, social development and the mining and metals industry. Available through the ICMM website library.

Human Rights in the Mining and Metals Sector - Handling and Resolving Local Level Concerns & Grievances. Available through the ICMM website library.

Child Rights and Mining Tool Kit (UNICEF) https://www.unicef.org/csr/files/FINAL_Child_Rights_and_Mining_Toolkit_060217.pdf

OECD Due Diligence Guidance for Meaningful Stakeholder Engagement <http://mneguidelines.oecd.org/stakeholder-engagement-extractive-industries.htm>

2.1 Social: Human Rights

2.1.1 General

Disclosure and Transparency

Companies should publicize their understanding of human rights impacts and their attempts to address them, in part by regularly consulting and communicating with stakeholders. Companies at high risk for severe impacts should formally publicize this information.

Companies should periodically report to local stakeholders on the status of projects, known risks and impacts, and progress toward identifying and implementing appropriate management programs. Companies should also discuss activities that aim to address issues and outcomes identified during consultation processes or through grievance mechanisms. The frequency of reports should be commensurate with the concerns of stakeholders, but not less than annually.

Communications should:

- be accessible to the company's intended audiences and reflect the company's human rights impacts
- provide enough information to evaluate the company's actions
- be prepared and disclosed in accordance with high standards of disclosure and transparency
- not expose stakeholders, personnel or the company to undue risk

At a minimum, companies should disclose:

- its management approach, and how it was developed and is monitored
- how it screens investment agreements, contracts and suppliers for human rights
- relevant employee-training programs, policies and procedures
- the number and percentage of operations subject to human rights reviews and impact assessments
- the processes used to identify and assess human rights risks
- the number and nature of human rights grievances

Self-Assessment Questions

- Are oversight and accountability mechanisms in place linking corporate offices and sites?

INTERNATIONAL STANDARDS

Global Reporting Initiative (GRI)

[Human Rights Assessment:](#)

- GRI 412-1

- GRI 412-3

OECD Guidelines for Multinational Enterprises (MNEs)

[Pages 27-30 \(Chapter III, Disclosure, Recommendations 3, 4; Commentary 30, 31, 32, 33\)](#)

United Nations (UN) Guiding Principles on Business and Human Rights (GPs)

[Pages 23-24 \(GP 21\)](#)

Voluntary Principles on Security and Human Rights (VPs)

[Pages 3-5 \(Interactions between Companies and Public Security\)](#)

[Pages 5-7 \(Interactions between Companies and Private Security\)](#)

2.1 Social: Human Rights

2.1.2 Security and Human Rights

Identification (assessment; due diligence)

The use of security forces to protect people and property can increase the risk of allegations of abuses of human rights. The primary role of public or private security should be to maintain the rule of law, including safeguarding human rights and deterring acts that threaten company personnel and facilities. Before project commencement, companies should assess the risks posed by security arrangements to both the company and to local stakeholders. Key to this assessment is a consideration of complicity – i.e. the indirect involvement of a company in human rights abuses.

Companies should consider:

- security risks
- potential for violence
- human rights records
- rule of law
- conflict analysis
- risks of security equipment transfers

Companies should update risk assessments on a regular basis and engage continually with all relevant stakeholders.

Self-Assessment Questions

- Has a risk assessment of security risks and associated potential human rights impacts been conducted?

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Page 20 \(Chapter II, General Policies, Recommendations 10, 11\)](#)

Voluntary Principles on Security and Human Rights (VPs)

[Page 2 \(Risk Assessment\)](#)

[Pages 3-4 \(Interactions between Companies and Public Security, Security Arrangements\)](#)

[Pages 5-6 \(Interactions between Companies and Public Security, Consultation & Advice\)](#)

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Page 30 \(PS 4, Security Personnel, Sections 12-14\)](#)

ADDITIONAL RESOURCES

Voluntary Principles on Security and Human Rights: Implementation Guidance Tools (http://www.voluntaryprinciples.org/files/Implementation_Guidance_Tools.pdf)

ICRC-DCAF Addressing Security and Human Rights Challenges in Complex Environments Toolkit <http://www.securityhumanrightshub.org/content/toolkit>

UNICEF Child Rights and Security Checklist https://www.unicef.org/csr/files/Child_rights_and_Security_Checklist_ENG.pdf

Performance Standards Guidance Notes. http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

UN Global Compact - Auditing Implementation of the Voluntary Principles of Human Rights <http://globalcompact.ca/wp-content/uploads/2016/08/Auditing-Implementations-of-VPs-on-Security-and-Human-Rights.pdf>

The International Code of Conduct for Private Security Providers (ICoCA) https://icoca.ch/en/the_icoc

2.1 Social: Human Rights

2.1.2 Security and Human Rights

Practices, policies, procedures (behaviours)

Companies should report identified risks to senior management and track them in management systems.

The following principles should guide the conduct of public and private security:

- Individuals credibly implicated in human rights abuses should not provide security services.
- Force should be used only when strictly necessary and to an extent proportional to the threat.
- Individuals should be free to exercise the right to freedom of association and peaceful assembly, the right to engage in collective bargaining, and other employee rights recognized by the Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.

Interactions between Companies and Public Security

Companies have an interest in ensuring that actions taken by the military and police respect human rights. Incidents of physical force by the military and police should be reported to the appropriate authorities and to the company. When force has been used, medical aid should be provided to injured persons, including offenders. Companies should ensure that police and the military understand appropriate principles of conduct, such as the Voluntary Principles on Security and Human Rights.

Interactions between Companies and Private Security

Private security should provide preventative and defensive services only and not engage in activities that are exclusively the responsibility of state authorities. Companies should always seek security providers that are representative of the local population. Companies should also ensure that private security:

- maintains high levels of technical and professional proficiency
- acts in a lawful manner
- exercises restraint and caution consistent with international guidelines, particularly the Voluntary Principles on Security and Human Rights, UN Principles on the Use of Force and Firearms by Law Enforcement Officials, and the UN Code of Conduct for Law Enforcement Officials
- is adequately trained in the principles of conduct found in the standards, particularly the Voluntary Principles on Security and Human Rights

Companies should include the principles outlined in the standards as contractual provisions in agreements with private security providers, and that all employees receive security and human rights training.

Self-Assessment Questions

- Have management systems been developed to control potential security misconduct risks?

ADDITIONAL RESOURCES

Voluntary Principles on Security and Human Rights: Implementation Guidance Tools (http://www.voluntaryprinciples.org/files/Implementation_Guidance_Tools.pdf)

ICRC-DCAF Addressing Security and Human Rights Challenges in Complex Environments Toolkit <http://www.securityhumanrightshub.org/content/toolkit>

UNICEF Child Rights and Security Checklist https://www.unicef.org/csr/files/Child_rights_and_Security_Checklist_ENG.pdf

Performance Standards Guidance Notes. http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

UN Global Compact - Auditing Implementation of the Voluntary Principles of Human Rights <http://globalcompact.ca/wp-content/uploads/2016/08/Auditing-Implementations-of-VPs-on-Security-and-Human-Rights.pdf>

The International Code of Conduct for Private Security Providers (ICoCA) https://icoca.ch/en/the_icoc

INTERNATIONAL STANDARDS

Voluntary Principles on Security and Human Rights (VPs)

[Page 3 \(Interactions between Companies and Public Security, Introduction\)](#)

[Page 4 \(Interactions between Companies and Public Security, Deployment and Conduct\)](#)

[Pages 5-7 \(Interactions between Companies and Private Security\)](#)

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Page 30 \(PS 4, Security Personnel, Sections 12-14\)](#)

2.1 Social: Human Rights

2.1.2 Security and Human Rights

Monitoring and Evaluation

Effective risk management systems have a monitoring and evaluation component, with both leading (preventative, proactive) and lagging (responsive, post-event) indicators of performance.

Companies should consult regularly with host governments and local communities about the impact of security arrangements on local stakeholders. Companies should gather and regularly update credible information from a broad range of groups, such as local and national governments, security firms, companies, institutions and civil organizations. Companies should also implement and promote a grievance mechanism for use by local stakeholders. The [Grievance Mechanism](#) section has more information.

When an allegation of human rights abuse is made, companies should:

- record all allegations
- gather information and determine an appropriate investigative approach
- report credible allegations to authorities
- monitor investigations to conclusion
- ensure the protection of those making the allegations and victim(s)
- conduct a review to identify improvements to management approach

Companies should report unlawful or abusive acts to the authorities.

Self-Assessment Questions

- Are processes in place to monitor the impacts of security forces on local stakeholders, including a grievance mechanism?
- Are processes in place to investigate and remediate potential incidents of abuse?
- Are oversight and accountability mechanisms in place that link corporate offices and sites?

INTERNATIONAL STANDARDS

Voluntary Principles on Security and Human Rights (VPs)

[Pages 3-5 \(Interactions between Companies and Public Security\)](#)

[Pages 5-7 \(Interactions between Companies and Private Security\)](#)

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Page 30 \(PS 4, Security Personnel, Sections 12-14\)](#)

ADDITIONAL RESOURCES

Voluntary Principles on Security and Human Rights: Implementation Guidance Tools (http://www.voluntaryprinciples.org/files/Implementation_Guidance_Tools.pdf)

ICRC-DCAF Addressing Security and Human Rights Challenges in Complex Environments Toolkit <http://www.securityhumanrightshub.org/content/toolkit>

UNICEF Child Rights and Security Checklist https://www.unicef.org/csr/files/Child_rights_and_Security_Checklist_ENG.pdf

Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

UN Global Compact - Auditing Implementation of the Voluntary Principles of Human Rights

<http://globalcompact.ca/wp-content/uploads/2016/08/Auditing-Implementations-of-VPs-on-Security-and-Human-Rights.pdf>

The International Code of Conduct for Private Security Providers (ICoCA) https://icoca.ch/en/the_icoc

2.1 Social: Human Rights

2.1.2 Security and Human Rights

Disclosure and Transparency

Companies should periodically report to local stakeholders on the status of projects, known risks and impacts, and progress toward identifying and implementing appropriate management programs. Companies should also discuss activities that aim to address issues and outcomes identified during consultation processes or through grievance mechanisms. The frequency of reports should be commensurate with the concerns of stakeholders, but not less than annually.

Companies should encourage any public agency involved in securing company assets to disclose appropriate information to the public.

Companies should report to stakeholders:

- its management approach to security, and how it was developed and is monitored
- the percentage of security personnel trained in the organization's human rights policies and procedures

Self-Assessment Questions

- Has the company undertaken a materiality assessment to analyze what should be disclosed to whom?
- Has the company established annual reporting to local stakeholders on relevant topics?

INTERNATIONAL STANDARDS

Global Reporting Initiative (GRI)

[Security Practices:](#)
[- GRI 410-1](#)

OECD Guidelines for Multinational Enterprises (MNEs)

[Pages 27-30 \(Chapter III, Disclosure, Recommendations 3, 4; Commentary 30, 31, 32, 33\)](#)

Voluntary Principles on Security and Human Rights (VPs)

[Pages 3-5 \(Interactions between Companies and Public Security, Security Arrangements\)](#)

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Page 30 \(PS 4, Security Personnel, Sections 12-14\)](#)

2.2 Social: Indigenous Peoples

2.2.1 General

Identification (assessment; due diligence)

Companies should recognize that Indigenous Peoples may be more vulnerable to the adverse impacts associated with project development than non-indigenous communities, and therefore require special consideration.

Companies should conduct desk-based research into the legal and implied rights of Indigenous Peoples have in potential and current project sites. Key research topics include: whether companies must secure the **free, prior and informed consent** of Indigenous communities prior to project commencement; and the relevant case law that defines the rights of local indigenous peoples.

Companies should identify all communities of Indigenous Peoples within the project's zone of influence, along with how the project will impact them: the nature and degree of direct and indirect economic, social, cultural and environmental impacts. This can be a dedicated analysis or part of a broader assessment of environmental and social risks and impacts assessment. In both cases, companies should tailor activities and analysis to the local context, using input from affected stakeholders to determine appropriate approaches. Refer to **IFC Performance Standard 7** for more information.

Companies should make reasonable efforts to ensure that suppliers and contractors will abide by company policies related to Indigenous Peoples. The [Supply Chain](#) section below provides further guidance.

Self-Assessment Questions

- Have efforts been made to understand the rights of Indigenous Peoples in all current and prospective operating jurisdictions?
- Has an assessment been conducted to identify all Indigenous groups in the project area?
- Have contractors and other supply-chain partners been screened for their policies concerning, and treatment of, Indigenous Peoples?

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Page 20 \(Chapter II, General Policies, Recommendations 10, 11\)](#)

[Page 32 \(Chapter IV, Human Rights, Commentary 40\)](#)

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Pages 48, 49 \(PS 7, Indigenous Peoples, Avoidance of Adverse Impacts, Sections 8, 9\)](#)

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

Good Practice Guide: Indigenous Peoples and Mining. Available through the ICMM website library.

2.2 Social: Indigenous Peoples

2.2.1 General

Practices, policies, procedures (behaviours)

Companies should strive to ensure that project-assessment processes foster respect for the human rights, dignity, aspirations, culture and livelihoods of Indigenous Peoples. Companies should collaborate with authorities responsible for project assessments and help to build relationships with local stakeholders.

Engagement

Companies should engage directly with Indigenous Peoples in a transparent manner appropriate to their culture. Engagement should include stakeholder analysis, disclosure of information, consultation and participation. The Stakeholder Engagement section provides further information. Companies should also involve Indigenous Peoples' representative bodies and organizations (e.g., councils of elders or village councils), as well as members of the affected communities of Indigenous Peoples. Companies should also provide sufficient time for Indigenous Peoples' decision-making processes.

Companies proposing projects with adverse impacts on Indigenous Peoples should engage them in a process of Informed Consultation and Participation (ICP), and in certain circumstances and/or jurisdictions, the company may need to obtain **Free, Prior, and Informed Consent** (FPIC). IFC Performance Standard 7 provides further guidance.

Compensation and Benefits

Companies proposing projects with unavoidable adverse impacts should minimize, restore, and/or compensate affected Indigenous Peoples in a culturally appropriate manner commensurate with the nature and scale of the impacts and the vulnerability of the affected groups. Companies can, for example, provide sustainable benefits and opportunities that are appropriate to the circumstances and aspirations of the affected Indigenous Peoples. Compensation can be provided to individuals, communities or a combination of both. Collective-compensation mechanisms should define how all eligible members of the group will benefit.

Companies should develop a Indigenous Peoples Plan that defines and lists all actions and objectives related to engagement, negotiation and benefits, or dedicate sections to Indigenous Peoples in stakeholder-engagement and community-development plans.

Self-Assessment Questions

- Have engagement processes been appropriately tailored to accommodate Indigenous Peoples?
- Are engagement processes in place to ensure that legal and other obligations related to participation and consent in decision-making are achieved?
- Have compensation and benefits strategies been conceived in culturally appropriate ways that are aligned with the aspirations of affected Indigenous Peoples?

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

Good Practice Guide: Indigenous Peoples and Mining. Available through the ICMM website library.

INTERNATIONAL STANDARDS

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Pages 12-15 \(PS 1, Stakeholder Engagement, Sections 25-33\)](#)

[Pages 48, 49 \(PS 7, Indigenous Peoples, Avoidance of Adverse Impacts, Sections 8, 9; Participation and Consent, Sections 10-12\)](#)

2.2 Social: Indigenous Peoples

2.2.1 General

Monitoring and Evaluation

Companies should establish management plans with specific performance indicators measuring progress towards stated objectives. Progress toward objectives involving Indigenous Peoples should be particularly closely monitored. Monitoring typically includes tracking and comparing performance against established benchmarks or management-program requirements. Monitoring results should inform corrective and preventive actions, along with amendments to management programs and plans. Companies should continue to consult with affected stakeholders throughout the implementation of Indigenous Peoples Plans, and develop and implement a grievance mechanism for affected stakeholders. The [Grievance Mechanism](#) section provides further guidance.

Self-Assessment Questions

- Are processes in place to monitor and evaluate the effectiveness of Indigenous Peoples management plans?

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

Good Practice Guide: Indigenous Peoples and Mining. Available through the ICMM website library.

2.2 Social: Indigenous Peoples

2.2.1 General

Disclosure and Transparency

Companies should periodically report to local stakeholders on the status of projects, known risks and impacts, and progress made toward identifying and implementing appropriate management programs. Companies should also discuss activities that aim to address issues and outcomes identified during consultation processes or through grievance mechanisms. The frequency of reports should be commensurate with the concerns of stakeholders, but not less than annually.

For impacts on Indigenous Peoples, companies should report:

- its management approach to security, and how it was developed and is monitored
- policies for community consultation and support (including Free, Prior and Informed Consent)
- the total number of operations taking place on or adjacent to Indigenous Peoples' traditional territories
- the number and percentage of operations or sites where formal agreements with Indigenous communities are in effect

Self-Assessment Questions

- Has the company undertaken a materiality assessment to analyze what should be disclosed to whom?
- Has the company established annual reporting to local stakeholders on relevant topics?

INTERNATIONAL STANDARDS

Global Reporting Initiative (GRI)

[Indigenous Rights:](#)

- GRI 411-1

- G4-MM5

OECD Guidelines for Multinational Enterprises (MNEs)

[Pages 27-30 \(Chapter III, Disclosure, Recommendations 3, 4; Commentary 30, 31, 32, 33\)](#)

2.3 Social: Local Stakeholders

2.3.1 General

Identification (assessment; due diligence)

Companies should continually identify social risks and impacts through an ongoing process of adequate, accurate and objective evaluation and presentation, conducted by competent professionals.

Companies should consider the area likely to be affected by a project, along with associated facilities and transport routes. Companies should identify and evaluate the social risks that development poses for stakeholders in the project area. Analysis of social risks should inform plans for engagement and other activities; left unmanaged, social risks can trigger negative outcomes and perceptions, damage a company's reputation, and delay permitting processes and access to land and finances.

Companies should conduct a high-level, desktop assessment of social risks during exploration and development activities. The assessment should consider the socio-economic and political context of the jurisdiction and local area. The results of the risk assessment should inform engagement and other social-management priorities. The [Stakeholder Engagement](#) section provides further guidance.

As a project progresses, companies should deepen their understanding of local context and potential impacts, and intensify their engagement efforts and their collection of relevant social information. For regions where few data on social wellness exist (e.g. indicators of health, education and income levels) companies should consider establishing a project-specific baseline of social wellness. The baseline can be used to assess social impacts and identify opportunities to maximize positive impacts. Assessment should consider unplanned but predictable impacts, cumulative impacts, as well as indirect impacts (e.g. changes in biodiversity and ecosystems).

Companies should make reasonable efforts to work only with reputable and legitimate supply-chain partners and service providers who will abide by company policies and objectives for local stakeholders. The [Supply Chain](#) section provides further guidance.

Self-Assessment Questions

- Are adequate processes in place to assess and analyze the potential impacts of project development on local stakeholders?

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Page 20 \(Chapter II. General Policies, Recommendations 10, 11\)](#)

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Page 7-11 \(PS 1, Environmental and Social Assessment and Management System, Section 5: Identification of Risks and Impacts, Sections 7-12; Organizational Capacity and Competency, Sections 17-19\)](#)

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

Community Development Toolkit. Available through the ICMM website library.

Strategic Community Investment: A Good Practice Handbook for Companies Doing Business in Emerging Markets.

<http://www.ifc.org/wps/wcm/connect/f1c0538048865842b50ef76a6515bb18/12014complete-web.pdf?MOD=AJPERES&CACHEID=f1c0538048865842b50ef76a6515bb18>

Projects and People: A Handbook for Addressing Project-Induced In-Migration.

http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/publications/publications_handbook_inmigration_wci_1319576839994

Learning from Company-Community Conflict: Understanding Practical Dilemmas. Available through the ICMM website library.

Researching Company-Community Conflict. Available through the ICMM library.

2.3 Social: Local Stakeholders

2.3.1 General

Practices, policies, procedures (behaviours)

For all negative impacts identified, companies should adopt a mitigation hierarchy to anticipate and avoid – or at least minimize, compensate and offset – adverse effects on local stakeholders. For unavoidable negative impacts, companies should identify and implement mitigation actions and performance measures, and ensure the project complies with applicable laws.

Companies must establish an overarching policy defining a project's social objectives and principles, along with management programs that include mitigation and performance measures and actions addressing identified social impacts. Management programs should define roles, responsibilities and authorities, and be updated as necessary.

Self-Assessment Questions

- Is a social-performance policy in place?
- Are management systems in place that support progress toward the objectives in the social-performance policy?

INTERNATIONAL STANDARDS

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Pages 6-15 \(Objectives and Requirements\)](#)

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

Community Development Toolkit. Available through the ICMM website library.

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Projects and People: A Handbook for Addressing Project-Induced In-Migration.

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Learning from Company-Community Conflict: Understanding Practical Dilemmas. Available through the ICMM website library.

Researching Company-Community Conflict. Available through the ICMM library.

2.3 Social: Local Stakeholders

2.3.1 General

Monitoring and Evaluation

Just as mechanisms for accountability and metrics are integrated into H&S and environmental performance, the same needs to occur for social performance. Companies should establish internal monitoring and reporting that facilitates communication between sites and management teams.

Companies should establish procedures to monitor and measure the effectiveness of social-management programs, as well as compliance with legal requirements and contractual obligations. Relevant parts of agreements with stakeholders should be translated into performance metrics, and performance tracked and reported on internally and externally.

Monitoring typically includes tracking performance and comparing against baselines or management-program requirements. Data monitored should focus on key areas of concern and not be onerous for site personnel. Monitoring results should be shared with senior management, and inspire appropriate corrective and preventive actions in amended management-programs and plans. Implement corrective and preventive actions in collaboration with third parties, implement and track their impacts.

Self-Assessment Questions

- Have processes to monitor and evaluate company social performance been established?
- Are mechanisms of oversight and accountability in place linking corporate offices and sites?

INTERNATIONAL STANDARDS

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Pages 9-12 \(PS 1, Management Program; Sections 13-16](#)

[Monitoring and Review, Sections 22-24\)](#)

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

Community Development Toolkit. Available through the ICMM website library.

Strategic Community Investment: A Good Practice Handbook for Companies Doing Business in Emerging Markets.

<http://www.ifc.org/wps/wcm/connect/f1c0538048865842b50ef76a6515bb18/12014complete-web.pdf?MOD=AJPERES&CACHEID=f1c0538048865842b50ef76a6515bb18>

Projects and People: A Handbook for Addressing Project-Induced In-Migration.

http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/publications/publications_handbook_inmigration_wci_1319576839994

Learning from Company-Community Conflict: Understanding Practical Dilemmas. Available through the ICMM website library.

Researching Company-Community Conflict. Available through the ICMM library.

2.3 Social: Local Stakeholders

2.3.1 General

Disclosure and Transparency

Companies should provide project-status reports to local stakeholders regularly, communicating known risks and impacts, along with progress on appropriate management programs. These reports should also describe efforts to address issues and outcomes identified during consultation and grievance processes. The frequency of reports should be commensurate with the concerns of stakeholders, but not less than annually.

Reports on social performance should describe:

- key impacts, risks, opportunities and effects on stakeholders how challenges and opportunities are prioritized, and any relevant progress made during the reporting period
- the company's management approach to social impacts, and how it was developed and is monitored
- the number and descriptions of significant disputes related to land use, and the customary rights of local communities and Indigenous Peoples
- the percentage of operations with implemented community-impact assessments and development programs
- operations with significant actual and potential negative impacts on local communities

Self-Assessment Questions

- Has the company undertaken a materiality assessment to analyze what should be disclosed to whom?
- Are processes in place to report annually about relevant topics to local stakeholders?

INTERNATIONAL STANDARDS

Global Reporting Initiative (GRI)

[Key Impacts, Risks & Opportunities:](#)

- [GRI 102-15](#)

[Local Communities:](#)

- [GRI 413-1](#)

- [GRI 413-2](#)

[Additional Mining & Metals Sector Supplement Disclosure related to Local Communities:](#)

- [G4-MM6](#)

OECD Guidelines for Multinational Enterprises (MNEs)

[Pages 27-30 \(Chapter III, Disclosure, Recommendations 3, 4; Commentary 30, 31, 32, 33\)](#)

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Pages 11,12 \(PS 1, Monitoring and Review, Sections 22-24\)](#)

2.3 Social: Local Stakeholders

2.3.2 Stakeholder Engagement

Identification (assessment; due diligence)

Companies should engage with relevant stakeholders throughout the project lifecycle, provide stakeholders with meaningful opportunities to express their views and consider these views in relevant decisions.

Companies should formally identify all stakeholders interested in a project by broadly considering not only the immediate and surrounding areas of a project, but also potential transportation routes, watersheds and airsheds. Companies should then engage with identified stakeholders, try to establish a dialogue, and share relevant environmental and social information.

Self-Assessment Questions

- Is a formal process in place to identify stakeholders? (e.g. an Area of Influence exercise)

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

Stakeholder Engagement: A Good Practice Handbook.

https://www.ifc.org/wps/wcm/connect/938f1a0048855805beacfe6a6515bb18/IFC_StakeholderEngagement.pdf?MOD=AJPERES

OECD Due Diligence Guidance for Meaningful Stakeholder Engagement <http://mneguidelines.oecd.org/stakeholder-engagement-extractive-industries.htm>

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Page 20 \(Chapter II. General Policies, Recommendations 10, 11\)](#)

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Pages 12-15 \(PS 1, Stakeholder Engagement, Sections 25-33\)](#)

2.3 Social: Local Stakeholders

2.3.2 Stakeholder Engagement

Practices, policies, procedures (behaviours)

Companies should develop and implement a Stakeholder Engagement Plan commensurate with project risks, impacts and stage of development, and tailored to the characteristics and interests of local stakeholders. Typical objectives of stakeholder engagement include:

- ensuring all stakeholder groups are identified
- understanding stakeholders' project-related perspectives and concerns
- communicating results of project studies and plans
- incorporating local knowledge into baselines
- explaining project lifecycle, activities and impacts
- facilitating community input into management plans (e.g. social and environmental)
- fostering the ongoing participation of local stakeholders in the planning and implementation of impact-mitigation and benefit-enhancement activities
- reducing the potential for future conflict

Consultation

The consultation process should be commensurate with a project's risks and adverse impacts, as well as the concerns of local stakeholders. In all cases, consultation should involve two-way communication and:

- focus on people directly affected by the project; capture the views of both men and women (separately, if necessary)
- be based on the prior disclosure and dissemination of relevant, transparent, objective, meaningful and easily accessible information in a culturally appropriate local language(s) and format
- begin early in the process of identification of environmental and social risks and impacts, and continue as risks and impacts arise
- be free of external manipulation, interference, coercion and intimidation
- enable meaningful participation, where applicable
- be documented

Companies should utilize focus groups, interviews and community meetings to help local stakeholders identify and describe concerns and issues. When the engagement process relies heavily on community representatives, companies should make every reasonable effort to verify that the representatives accurately share and express the views of stakeholders, and accurately communicate the results of consultations. Engagement plans should include differentiated measures to enable the effective participation of disadvantaged and vulnerable groups. The [Vulnerable Groups](#) section provides further guidance.

Self-Assessment Questions

- Is an adequate Stakeholder Engagement Plan in place?

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

Stakeholder Engagement: A Good Practice Handbook.

https://www.ifc.org/wps/wcm/connect/938f1a0048855805beacfe6a6515bb18/IFC_StakeholderEngagement.pdf?MOD=AJPERES

OECD Due Diligence Guidance for Meaningful Stakeholder Engagement <http://mneguidelines.oecd.org/stakeholder-engagement-extractive-industries.htm>

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Page 20 \(Chapter II. General Policies, Recommendation 14\)](#)

[Pages 42 \(Chapter VI. Environment, Recommendation 2\)](#)

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Pages 6, 12-15 \(PS 1, Objectives; Stakeholder Engagement, Sections 25-33\)](#)

2.3 Social: Local Stakeholders

2.3.2 Stakeholder Engagement

Monitoring and Evaluation

Companies should publicize the results of engagement activities internally. To realize the potential benefits of social-risk management efforts, information from stakeholder engagement should be recorded, and inform company actions and decisions. Senior management should be informed immediately when engagement sessions identify new and potentially serious concerns.

Companies should develop and implement a site-level grievance mechanism tailored to the local context. The [Grievance Mechanism](#) section provides further guidance.

Self-Assessment Questions

- Are processes in place to monitor and evaluate stakeholder-engagement efforts?
- Are mechanisms of oversight and accountability in place linking corporate offices and sites?

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

Stakeholder Engagement: A Good Practice Handbook.

https://www.ifc.org/wps/wcm/connect/938f1a0048855805beacfe6a6515bb18/IFC_StakeholderEngagement.pdf?MOD=AJPERES

OECD Due Diligence Guidance for Meaningful Stakeholder Engagement <http://mneguidelines.oecd.org/stakeholder-engagement-extractive-industries.htm>

2.3 Social: Local Stakeholders

2.3.2 Stakeholder Engagement

Disclosure and Transparency

As early as possible, companies should provide local stakeholders with relevant information, such as:

- the project's purpose, nature and scale
- the duration of proposed activities
- risks to, and potential impacts on, communities, along with proposed mitigation measures
- the envisaged stakeholder-engagement process
- the proposed grievance mechanism

Companies should periodically report to local stakeholders on the status of projects, known risks and impacts, and progress made toward identifying and implementing appropriate management programs. Companies should also discuss activities that aim to address issues and outcomes identified during consultation processes or through grievance mechanisms. The frequency of reports should be commensurate with the concerns of stakeholders, but not less than annually.

Companies should also report on their management approach to stakeholder engagement, as well as on concerns raised by stakeholders and the companies' response.

Self-Assessment Questions

- Has the company undertaken a materiality assessment to analyze what should be disclosed to whom?
- Has the company established annual reporting to local stakeholders on relevant topics?

INTERNATIONAL STANDARDS

Global Reporting Initiative (GRI)

[Stakeholder Engagement:](#)

- GRI 102-40

- GRI 102-42

- GRI 102-43

- GRI 102-44

[Additional Oil & Gas Sector Supplement \(O&GSS\) Disclosures for Stakeholder Engagement:](#)

- G4-24 O&GSS

OECD Guidelines for Multinational Enterprises (MNEs)

[Pages 27-30 \(Chapter III. Disclosure, Recommendations 3.4; Commentary 30, 31, 32, 33\)](#)

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Page 15 \(PS 1, Grievance Mechanisms, Sections 34, 35\)](#)

2.3 Social: Local Stakeholders

2.3.3 Vulnerable Groups

Identification (assessment; due diligence)

Companies should identify individuals and groups that may be directly and differentially, or disproportionately, affected by a project. These people may be determined to be vulnerable because of existing disadvantaged or vulnerable status, or they may become vulnerable as a result of the project (e.g. relocation, loss of livelihood).

Existing disadvantaged or vulnerable status may be due to race, colour, sex, language, religion, political or other opinion, national or social origin, property, and birth or other status. Companies should consider factors such as gender, age, ethnicity, culture, literacy level, health status, physical or mental disability, poverty or economic disadvantage, and dependence on natural resources.

Indigenous Peoples, as social groups with identities distinct from mainstream groups in national societies, are often marginalized and vulnerable. The [Indigenous Peoples](#) section provides further guidance.

Self-Assessment Questions

- Are special provisions in place to identify vulnerable groups and how a project may impact them specifically?

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Page 20 \(Chapter II, General Policies, Recommendations 10, 11\)](#)

[Page 32 \(Chapter IV, Human Rights, Commentary 40\)](#)

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Page 9 \(PS 1, Identification of Risks and Impacts, Section 12\)](#)

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

UNICEF Child Rights and Security Checklist

https://www.unicef.org/csr/files/Child_rights_and_Security_Checklist_ENG.pdf

OXFAM A Guide to Gender Impact Assessment for the Extractives Industry

https://www.oxfam.org.au/wp-content/uploads/2017/04/2017-PA-001-Gender-impact-assessments-in-mining-report_FA_WEB.pdf

Women Rights and Mining Group - 10 DO's

<https://213ou636sh0ptphd141fqi1-wpengine.netdna-ssl.com/grf/wp-content/uploads/sites/13/2017/04/WRMP-10-Dos-Support-Womens-Rights-and-Mitigate-Gender-Risks-through-OECD-DD-Implementation.pdf>

UN Women: Extracing Equality - A Guide

<http://www.unwomen.org/-/media/headquarters/attachments/sections/library/publications/2014/extracting%20equality%20-%20a%20guide-final-30%20october.pdf?la=en&vs=3316>

2.3 Social: Local Stakeholders

2.3.3 Vulnerable Groups

Practices, policies, procedures (behaviours)

For disadvantaged and vulnerable groups, companies should propose and implement differentiated measures to ensure that all groups experience similar project impacts and benefits. Management programs should reflect the different concerns and priorities of men and women, for instance, with respect to impacts, mitigation mechanisms and benefits.

Company Stakeholder Engagement Plans should ensure that identified vulnerable groups are adequately and appropriately engaged. Social-management professionals familiar with the local context may be helpful. The [Stakeholder Engagement](#) section provides further guidance. The [Land Acquisition and Resettlement](#) section also provides relevant guidance.

Self-Assessment Questions

- Have social-management plans and programs been tailored to the needs of vulnerable or disadvantaged stakeholders?
- Has special consideration been given to how the project will affect women and children?

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Page 20 \(Chapter II, General Policies, Recommendation 10\)](#)

United Nations (UN) Guiding Principles on Business and Human Rights (GPs)

[Pages 13-14 \(GP 12\)](#)

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Pages 9, 12-15 \(PS 1, Identification of Risks and Impacts, Section 12: Stakeholder Engagement, Sections 25-33\)](#)

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

UNICEF Child Rights and Security Checklist

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OXFAM A Guide to Gender Impact Assessment for the Extractives Industry

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Women Rights and Mining Group - 10 DO's

<https://213ou636sh0tpd141fge1-wpengine.netdna-ssl.com/grf/wp-content/uploads/sites/13/2017/04/WRMP-10-Dos-Support-Womens-Rights-and-Mitigate-Gender-Risks-through-OECD-DD-Implementation.pdf>

UN Women: Extracing Equality - A Guide

<http://www.unwomen.org/-/media/headquarters/attachments/sections/library/publications/2014/extracting%20equality%20-%20a%20guide-final-30%20october.pdf?la=en&vs=3316>

2.3 Social: Local Stakeholders

2.3.3 Vulnerable Groups

Monitoring and Evaluation

Monitoring typically includes tracking performance and comparing against baselines or management-program requirements. Companies should document performance, and incorporate appropriate corrective and preventive actions in amended management-programs and plans. Implement corrective and preventive actions in collaboration with third parties, implement and track their impacts.

Companies should, as early as possible, establish a grievance mechanism consistent with Performance Standard 1. The [Grievance Mechanism](#) section provides further guidance.

Self-Assessment Questions

- Are processes in place to monitor and evaluate relevant management plans?
- Have mechanisms of oversight and accountability been established between corporate offices and sites?

INTERNATIONAL STANDARDS

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Page 34 \(PS 5, Grievance Mechanism, Section 11\)](#)

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

UNICEF Child Rights and Security Checklist

https://www.unicef.org/csr/files/Child_rights_and_Security_Checklist_ENG.pdf

OXFAM A Guide to Gender Impact Assessment for the Extractives Industry

https://www.oxfam.org.au/wp-content/uploads/2017/04/2017-PA-001-Gender-impact-assessments-in-mining-report_FA_WEB.pdf

Women Rights and Mining Group - 10 DO's

<https://213ou636sh0ptphd141fqi1-wpengine.netdna-ssl.com/grf/wp-content/uploads/sites/13/2017/04/WRMP-10-Dos-Support-Womens-Rights-and-Mitigate-Gender-Risks-through-OECD-DD-Implementation.pdf>

UN Women: Extracing Equality - A Guide

<http://www.unwomen.org/-/media/headquarters/attachments/sections/library/publications/2014/extracting%20equality%20-%20a%20guide-final-30%20october.pdf?la=en&vs=3316>

2.3 Social: Local Stakeholders

2.3.3 Vulnerable Groups

Disclosure and Transparency

Companies should report on their management approach to vulnerable populations, and how it was developed and is monitored.

Self-Assessment Questions

- Has the company undertaken a materiality assessment to analyze what should be disclosed to whom?
- Has the company established annual reporting to local stakeholders on relevant topics?

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Pages 27-30 \(Chapter III, Disclosure, Recommendations 3.4; Commentary 30, 31, 32, 33\)](#)

2.3 Social: Local Stakeholders

2.3.4 Grievance Mechanism

Identification (assessment; due diligence)

Companies should establish a grievance mechanism in order to facilitate direct communication between stakeholders and companies. Grievance mechanisms can serve as warning systems to issues that are arising. Grievance mechanisms are recommended because they typically provide a less intimidating format for stakeholders to put forward their opinions and concerns, as compared to bringing forward such topics in meetings with company personnel. They provide an opportunity for stakeholders to bring forward feedback at any time, rather than waiting until the next formal opportunity to interface with the company. Grievance mechanisms also help ensure that feedback is more accurately captured, documented, communicated internally, and followed up on.

To design an effective grievance mechanism, companies should consider several factors, including:

- the characteristics of stakeholders, including their proximity to the project site and transportation routes, and their general level of acceptance of proposed activities
- how the company has engaged stakeholders – the tone and approach used, the opportunities provided to express concerns
- local and national dispute-resolution norms, including traditional and community-based approaches
- whether stakeholders generally consider the legal system to be effective and fair.

Self-Assessment Questions

- Have efforts been made to understand the local context and the urgency needed in establishing a site-level grievance mechanism?

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Page 20 \(Chapter II. General Policies, Recommendations 10, 11\)](#)

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

A Guide to Designing and Implementing Grievance Mechanisms for Development Projects.

<http://www.cao-ombudsman.org/howwework/advisor/documents/implemgrieveng.pdf>

Handling and Resolving Local Level Concerns & Grievances. Available through the ICMM website library.

2.3 Social: Local Stakeholders

2.3.4 Grievance Mechanism

Practices, policies, procedures (behaviours)

Companies should establish, as early as possible, a site-level grievance mechanism.

Although grievance mechanisms vary, all should accomplish the same basic functions:

1. Receive and register a complaint.
2. Screen and assess the complaint.
3. Formulate a response.
4. Select an approach to resolution.
5. Implement the approach.
6. Settle the issues.
7. Track and evaluate results.
8. Learn from the process and communicate learning back to all parties involved.

A site-level grievance mechanism should seek to resolve concerns promptly through an understandable, transparent, culturally appropriate, readily accessible and consultative process that is without cost or retribution to the complainant. The mechanism should not impede access to judicial or administrative remedies.

Companies should inform local stakeholders – as well as company personnel – about grievance mechanisms. In addition, hiring processes should include briefings about grievance mechanisms.

Self-Assessment Questions

- Is an adequate grievance mechanism or grievance-resolution process in place at all sites?

INTERNATIONAL STANDARDS

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Pages 6, 15 \(PS 1, Objectives:](#)

[Grievance Mechanisms, Sections 34, 35\)](#)

[Page 30 \(PS 4, Security Personnel, Sections 12-14\)](#)

[Page 34 \(PS 5, Grievance Mechanism, Section 11\)](#)

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

A Guide to Designing and Implementing Grievance Mechanisms for Development Projects.

<http://www.cao-ombudsman.org/howwework/advisor/documents/implemgrieveng.pdf>

Handling and Resolving Local Level Concerns & Grievances. Available through the ICMM website library.

2.3 Social: Local Stakeholders

2.3.4 Grievance Mechanism

Monitoring and Evaluation

A site-level grievance mechanism helps companies understand local stakeholders' perceptions of project risks and impacts, and gives companies the opportunity to address concerns and adjust behaviour before issues become big problems.

Companies should report internally on grievances and actions taken to address them on a monthly basis, and analyze and track relevant trends. Companies should fulfill commitments made in response to grievances in a timely manner and track progress toward fulfilling grievance-related commitments.

Self-Assessment Questions

- Are internal-reporting mechanisms in place to track grievances and resolution efforts?
- Are mechanisms in place to evaluate the effectiveness of issue-resolution strategies and their ability to prevent reoccurring issues, and to identify and analyze grievance trends?
- Is a commitments register in place?

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

A Guide to Designing and Implementing Grievance Mechanisms for Development Projects.

<http://www.cao-ombudsman.org/howwework/advisor/documents/implemgrieveng.pdf>

Handling and Resolving Local Level Concerns & Grievances. Available through the ICMM website library.

2.3 Social: Local Stakeholders

2.3.4 Grievance Mechanism

Disclosure and Transparency

Companies should report regularly to local stakeholders about activities to address issues identified through consultations or grievance mechanisms, along with outcomes. The frequency of reports should be proportionate to the concerns of local stakeholders, but not less than annually. Grievance reports should describe:

- the management approach to grievances, and how it was developed and is monitored
- the availability and accessibility of grievance mechanisms and remediation processes, and the involvement of stakeholders in monitoring their effectiveness
- the total numbers of grievances related to environmental impacts, labour practices and society filed during the reporting period.

Self-Assessment Questions

- Has the company undertaken a materiality assessment to analyze what should be disclosed to whom?
- Has the company established annual reporting to local stakeholders on relevant topics?

INTERNATIONAL STANDARDS

Global Reporting Initiative (GRI)

[Under the GRI Standards, reporting on grievances and their management is to be done within reporting on company management approaches.](#)

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Page 15 \(PS 1, Grievance Mechanisms, Sections 34, 35\)](#)

2.3 Social: Local Stakeholders

2.3.5 Community Health and Safety

Identification (assessment; due diligence)

As early as possible, companies should evaluate the health and safety risks and impacts to local stakeholders in the context of environmental risks and impacts.

Key considerations include:

- major project-related health and safety risks, such as tailings facilities
- drinking water quality and availability
- air quality
- incidence of diseases (e.g. HIV/AIDS, STDs, TB, malaria)
- quality and capacity of medical facilities
- existing emergency preparedness and response capacities (see [Emergency Preparedness and Response section](#) below)
- road safety along transportation routes

Companies should solicit the concerns of stakeholders to about health issues and concerns.

Self-Assessment Questions

- Has an assessment of potential health and safety impacts and risks to local stakeholders been designed and implemented?

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Page 20 \(Chapter II, General Policies, Recommendations 10, 11\)](#)

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Pages 27-29 \(PS 4, Objectives; Community Health and Safety, Sections 5-11\)](#)

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

Introduction to Health Impact Assessment.

<http://www.ifc.org/wps/wcm/connect/a0f1120048855a5a85dcd76a6515bb18/HealthImpact.pdf?MOD=AJPERES>

Health Impact Assessment: Summary of the Good Practice Guidance. Available through the ICMM website library.

Good Practice Guidance on HIV/AIDS, Tuberculosis and Malaria. Available through the ICMM website library.

Community Health Programs in the Mining and Metals Industry. Available through the ICMM website library.

2.3 Social: Local Stakeholders

2.3.5 Community Health and Safety

Practices, policies, procedures (behaviours)

Companies will need to anticipate and avoid adverse routine and unexpected impacts on the health and safety of local stakeholders. Companies should propose mitigation measures commensurate with the nature and magnitude of identified risks and impacts. At a minimum, companies should design, construct, operate and decommission all project components in accordance with international practices, taking into consideration safety risks to local stakeholders. Companies should consider the risks associated with public access to new buildings and structures, and abide by the principles of universal access.

When structural elements or components, such as dams, tailings dams, and ash ponds are in high-risk locations, and their failure or malfunction may threaten public safety, companies should engage one or more external experts (independent from those responsible for the structure's design and construction), to conduct reviews during project design, construction, operation and decommissioning.

Companies should minimize the likelihood that project activities (including the influx of workers) could introduce or spread communicable diseases and consider the potentially greater disease-susceptibility of vulnerable groups.

Companies should strive to minimize the incidence of any disease endemic in the project area through measures such as improving environmental conditions. Companies should develop a Community Health Plan to continuously identify and manage project-related risks to community health, and to improve the overall health of local stakeholders. The plan should identify and track health indicators.

Self-Assessment Questions

- Has adequate professional expertise been accessed to effectively understand and manage health and safety risks to local stakeholders?
- Are appropriate mitigation strategies, programs and plans in place to address public-health and safety risks?

INTERNATIONAL STANDARDS

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Pages 28, 29 \(PS 4. Community Health and Safety, Sections 5-11\)](#)

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

Introduction to Health Impact Assessment.

<http://www.ifc.org/wps/wcm/connect/a0f1120048855a5a85dcd76a6515bb18/HealthImpact.pdf?MOD=AJPERES>

Health Impact Assessment: Summary of the Good Practice Guidance. Available through the ICMM website library.

Good Practice Guidance on HIV/AIDS, Tuberculosis and Malaria. Available through the ICMM website library.

Community Health Programs in the Mining and Metals Industry. Available through the ICMM website library.

2.3 Social: Local Stakeholders

2.3.5 Community Health and Safety

Monitoring and Evaluation

Companies should identify and monitor indicators of community health and safety throughout the project lifecycle. During the assessment phase, companies can gather baseline information about indicators such as incidence rates of disease and injury, and compare these to the results of subsequent assessments.

Companies should document the performance of community-health plans, and incorporate appropriate corrective and preventive actions in amended management-programs and plans. Implement corrective and preventive actions in collaboration with third parties, implement and track their impacts.

Self-Assessment Questions

- Are adequate and appropriate indicators of community health and safety in place?
- Have processes to monitor and evaluate community health and safety management plans been established?

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

Introduction to Health Impact Assessment.

<http://www.ifc.org/wps/wcm/connect/a0f1120048855a5a85dcd76a6515bb18/HealthImpact.pdf?MOD=AJPERES>

Health Impact Assessment: Summary of the Good Practice Guidance. Available through the ICMM website library.

Good Practice Guidance on HIV/AIDS, Tuberculosis and Malaria. Available through the ICMM website library.

Community Health Programs in the Mining and Metals Industry. Available through the ICMM website library.

2.3 Social: Local Stakeholders

2.3.5 Community Health and Safety

Disclosure and Transparency

Companies should report on: the management approach to community health and safety, and how it was developed and is monitored; and the number and nature of grievances about impacts on the environment and society filed through formal grievance mechanisms during the reporting period.

Self-Assessment Questions

- Has the company undertaken a materiality assessment to analyze what should be disclosed to whom?
- Has the company established annual reporting to local stakeholders on relevant topics?

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Pages 27-30 \(Chapter III, Disclosure, Recommendations 3, 4; Commentary 30, 31, 32, 33\)](#)

2.3 Social: Local Stakeholders

2.3.6 Land Acquisition and Resettlement

Identification (assessment; due diligence)

Companies should avoid resettlement whenever possible. When unavoidable it should be minimized and appropriate measures carefully planned and implemented to mitigate adverse impacts.

Companies should conduct a census and collect appropriate socio-economic baseline data to identify people the project will displace and make eligible for compensation and assistance. If no suitable government procedures exist, companies should establish, document and broadly publicize a cut-off date for eligibility.

To determine eligibility for compensation or assistance, companies should consider two types of displacement: physical (i.e. loss of home or business) and economic (i.e. loss of farmland, or access to locations or resources that support livelihood).

Eligibility should apply to:

- people whose land or land-use rights will be expropriated in accordance with local law
- people whose land or land-use rights will be acquired through negotiated settlements when the failure to reach a negotiated agreement would have resulted in expropriation or other compulsory procedures
- communities or groups that lose access to the usage of resources formerly protected by traditional or recognizable usage rights
- people evicted from lands to which they have no formal, traditional or recognizable usage rights
- people affected by access restrictions to land or resources, such as marine and aquatic resources, forest products, drinking water, medicinal plants, hunting and gathering grounds, and grazing and cropping areas.

No compensation or assistance is necessary when resettlement results from voluntary land transactions with no possibility of expropriation.

Self-Assessment Questions

- Have adequate assessment efforts been made to characterize the nature and scale of potential resettlement activities associated with a project?
- Have efforts been made to understand the company's legal and other obligations regarding resettlement procedures?
- Has a socio-economic baseline been established in the area to be affected by resettlement activities?

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Page 20 \(Chapter II, General Policies, Recommendations 10, 11\)](#)

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Pages 31, 32, 34, 35 \(PS 5, Introduction, Sections 1-3; Community Engagement, Section 10; Resettlement and Livelihood Restoration Planning and Implementation, Sections 12-16\)](#)

ADDITIONAL RESOURCES

IFC Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

Handbook for Preparing a Resettlement Action Plan.

<https://commdev.org/userfiles/ResettlementHandbook.pdf>

Land Acquisition and Resettlement: Lessons Learned. Available through the ICMM website library.

2.3 Social: Local Stakeholders

2.3.6 Land Acquisition and Resettlement

Practices, policies, procedures (behaviours)

When land must be acquired or land-use restricted, companies should minimize adverse social and economic impacts by compensating (at replacement cost) for loss of assets, by consulting with affected groups, and by ensuring that resettlement abides by appropriate disclosure and transparency regulations and guidelines.

Companies should negotiate settlements even when they legally acquire land without the seller's consent. In all cases, companies should engage with affected stakeholders, and make resettlement and livelihood-restoration decisions using processes that include options and alternatives. At every stage of the planning and implementation of resettlement and livelihood restoration, companies should disclose all relevant information and engage with affected stakeholders.

As part of resettlement efforts, companies should:

- offer compensation for loss of assets at full replacement cost to physically and economically displaced communities and persons
- provide physically displaced people with adequate housing, with security of ownership at resettlement sites
- help displaced people restore their standards of living or livelihoods
- provide displaced communities and persons with opportunities to benefit from the project

Companies should apply and consistently follow transparent compensation standards for displacement, and consider in-kind compensation in lieu of cash. When the livelihoods of displaced persons are land-based or when land is collectively owned, companies should offer land-based compensation in amounts equal to the replacement cost in local markets. Given that cash compensation alone is frequently insufficient to restore livelihoods, companies should also provide reasonable transitional support, and consider providing credit facilities, training and employment opportunities.

Companies should establish, and monitor the progress of, resettlement and/or livelihood-restoration plans. Government agencies often play a central role in land acquisition and resettlement.

Self-Assessment Questions

- Has the company utilized the mitigation hierarchy to avoid resettlement wherever possible?
- Have management systems been established to ensure fulfillment of legal and other obligations in relation to resettlement?
- Have appropriate social management plans been established and implemented to control the negative impacts associated with resettlement and maximize the potential benefits to affected stakeholders?

INTERNATIONAL STANDARDS

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Pages 6-15 \(Objectives and Requirements\)](#)

ADDITIONAL RESOURCES

IFC Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

Handbook for Preparing a Resettlement Action Plan.

<https://commdev.org/userfiles/ResettlementHandbook.pdf>

Land Acquisition and Resettlement: Lessons Learned. Available through the ICMM website library.

2.3 Social: Local Stakeholders

2.3.6 Land Acquisition and Resettlement

Monitoring and Evaluation

Companies should establish procedures to monitor and measure the effectiveness of land-acquisition and resettlement processes. Monitoring typically includes tracking performance and comparing against baselines or management-program requirements. Companies should document performance, and incorporate appropriate corrective and preventive actions in amended management-programs and plans. Implement corrective and preventive actions in collaboration with third parties, implement and track their impacts. The [Grievance Mechanism](#) section provides further guidance.

Self-Assessment Questions

- Are processes in place to monitor and evaluate the effectiveness of resettlement plans?

INTERNATIONAL STANDARDS

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Pages 9-12 \(PS 1, Management Program; Sections 13-16](#)

[Monitoring and Review, Sections 22-24\)](#)

ADDITIONAL RESOURCES

IFC Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

Handbook for Preparing a Resettlement Action Plan.

<https://commdev.org/userfiles/ResettlementHandbook.pdf>

Land Acquisition and Resettlement: Lessons Learned. Available through the ICMM website library.

2.3 Social: Local Stakeholders

2.3.6 Land Acquisition and Resettlement

Disclosure and Transparency

Companies should periodically report to local stakeholders on the status of projects, known risks and impacts, and progress made toward identifying and implementing appropriate management programs. Companies should also discuss activities that aim to address issues and outcomes identified during consultation processes or through grievance mechanisms. The frequency of reports should be commensurate with the concerns of stakeholders, but not less than annually.

Companies should report on: management approaches to land acquisition and resettlement, and how they were developed and are monitored; and on the number of households resettled at each site and impacts on livelihoods.

Self-Assessment Questions

- Has the company undertaken a materiality assessment to analyze what should be disclosed to whom?
- Has the company established annual reporting to local stakeholders on relevant topics?

INTERNATIONAL STANDARDS

Global Reporting Initiative (GRI)

[Key Impacts, Risks & Opportunities:](#)

- GRI 102-15

[Local Communities:](#)

- GRI 413-1

- GRI 413-2

[Additional Mining & Metals Sector Supplement Disclosure related to Local Communities:](#)

- G4-MM6

OECD Guidelines for Multinational Enterprises (MNEs)

[Pages 27-30 \(Chapter III, Disclosure, Recommendations 3, 4; Commentary 30, 31, 32, 33\)](#)

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Pages 11,12 \(PS 1, Monitoring and Review, Sections 22-24\)](#)

2.3 Social: Local Stakeholders

2.3.7 Cultural Heritage

Identification (assessment; due diligence)

Companies should make efforts to determine whether project activities will affect cultural heritage. If a project is expected to affect cultural heritage, the company should consult with local stakeholders who use or have used within living memory the cultural heritage. Consultation should also involve relevant national and local regulatory agencies and inform project planning and design.

Self-Assessment Questions

- Has adequate due diligence been conducted to assess whether a project's development will impact cultural heritage?

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Page 20 \(Chapter II. General Policies, Recommendations 10, 11\)](#)

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Pages 53-56 \(PS 8, Cultural Heritage\)](#)

2.3 Social: Local Stakeholders

2.3.7 Cultural Heritage

Practices, policies, procedures (behaviours)

Companies should abide by internationally recognized practices for the protection, field-based study and documentation of cultural heritage. When potential impacts to cultural heritage exist, companies should retain competent professionals for assistance with protection, and allow access to the site or provide an alternative route, subject to overriding health, safety and security considerations. Companies should, as much as possible, adjust project siting and design to avoid or minimize significant adverse impacts to cultural heritage.

Companies should develop a chance find procedure to prevent the further disturbance of any cultural heritage found until competent professionals complete an assessment and follow-up. Non-replicable cultural heritage should be removed only when:

- no technically or financially feasible alternatives exists
- the overall benefits of the project conclusively outweigh those of the cultural heritage
- the best available technique for removal can be used

Companies should meet **IFC Performance Standard 8**.

Self-Assessment Questions

- Has adequate professional expertise been drawn upon to effectively understand and manage impacts to cultural heritage?
- Is a chance find procedure in place?
- Has the mitigation hierarchy been used to diminish or avoid negative impacts to cultural heritage?
- Have appropriate management plans been developed to continuously identify and avoid impacts on cultural heritage?

INTERNATIONAL STANDARDS

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Pages 54-56 \(PS 8, Protection of Cultural Heritage in Project Design and Execution, Sections 6-15\)](#)

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

2.3 Social: Local Stakeholders

2.3.7 Cultural Heritage

Monitoring and Evaluation

Companies should establish procedures to monitor and measure the effectiveness of chance find and cultural heritage programs. Monitoring typically includes tracking performance and comparing against baselines or management-program requirements, and consulting with affected stakeholders.

Self-Assessment Questions

- Are processes in place to monitor and evaluate the effectiveness of cultural heritage management plans?

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

2.3 Social: Local Stakeholders

2.3.7 Cultural Heritage

Disclosure and Transparency

Companies should periodically report to local stakeholders on the status of projects, known risks and impacts, and progress made toward identifying and implementing appropriate management programs. Companies should also discuss activities that aim to address issues and outcomes identified during consultation processes or through grievance mechanisms. The frequency of reports should be commensurate with the concerns of stakeholders, but not less than annually.

Companies should report on their management approach to cultural heritage, and how it was developed and is monitored.

Self-Assessment Questions

- Has the company undertaken a materiality assessment to analyze what should be disclosed to whom?
- Has the company established annual reporting to local stakeholders on relevant topics?

2.4 Social: Artisanal and Small-Scale Mining

2.4.1 General

Identification (assessment; due diligence)

As early as possible, and as part of broader stakeholder and social due diligence, companies should identify any artisanal and small-scale miners (ASM) in the project area, and whether tensions exist between industrial and artisanal miners. Companies considering business relationships with ASM should fully understand how ASMs produce, trade and transport minerals. This is particularly relevant for projects in conflict-affected or high-risk areas, as defined by the OECD Due Diligence Guidelines for Responsible Supply Chains. (See Glossary.)

To ensure that relationships with ASM do not inadvertently contribute to human-rights abuses or conflicts, companies should make reasonable and ongoing efforts in good faith to identify and respond to relevant risks. In particular, companies should watch for:

- any form of torture, or cruel, inhuman or degrading treatment
- any form of forced or compulsory labour
- the worst forms of child labour (see Glossary)
- other gross violations and abuses such as widespread sexual violence; and
- war crimes, serious violations of international humanitarian law, crimes against humanity and genocide

Companies should conduct a desk-based review of relevant national laws and the overall ASM context in the country, including any government, political or military role. Companies should understand the context of mineral locations and transport routes, whether project activities might fuel conflict, and whether any ASM are affiliated with armed, non-state groups. When the desk-based review identifies potential risks, companies should establish an on-the ground assessment team and notify senior management.

Self-Assessment Questions

- Have adequate efforts been made to identify and characterize artisanal and small-scale mining activity in all project areas?
- Have adequate efforts been made to understand whether a project is located in a conflict-affected or high-risk area as defined by the OECD Due Diligence Guidelines for Responsible Supply Chains?
- If relevant, have adequate due-diligence activities been carried out to ensure that existing and prospective economic relationships with ASM do not directly or indirectly contribute to human rights abuses or conflict?

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Page 20 \(Chapter II, General Policies, Recommendations 10, 11\)](#)

OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

[Pages 7, 8 \(Recommendation\)](#)

[Page 13 \(Introduction\)](#)

[Pages 20-25 \(Annex II\)](#)

[Pages 62-65, 97, 98 \(Supplement on Gold:](#)

[- Introduction and Scope](#)

[- Step 2: Identify and Assess Risks in the Supply Chain, Section 3\)](#)

[Pages 114-118 \(Appendix - Suggested measures to create economic and development opportunities for artisanal and small-scale miners\)](#)

ADDITIONAL RESOURCES

Working Together: how large-scale mining can engage with artisanal and small-scale miners. Available through the ICM website library.

2.4 Social: Artisanal and Small-Scale Mining

2.4.1 General

Practices, policies, procedures (behaviours)

A company at risk of purchasing ASM gold from conflict-affected or high-risk areas should:

- adopt, and clearly communicate to suppliers and the public, an appropriate supply-chain policy
- minimize the risk to ASM of abusive practices by supporting host countries' efforts to professionalize and formalize the ASM sector, and to establish cooperatives, associations and other membership structures
- advocate for improved conditions for women in ASM communities through gender-awareness and empowerment programs
- support the establishment of community forums
- establish a transparent system of information collection and control over the supply chain. Strengthen engagement with suppliers to learn of current and changing circumstances related to mineral extraction, processing, trade, handling and transport
- manage risk by designing, implementing and measuring the impact of appropriate supplier plans with the involvement, when relevant and appropriate, of government, international organizations and civil society
- alert relevant government authority of abusive and exploitative practices in the ASM supply chain
- do not tolerate any direct or indirect support to non-state armed groups

Companies should commit to and advertise that they will immediately suspend or sever relationships with any ASM suspected of links with any party committing serious abuses. Companies should implement risk-management plans that require significant and measurable improvement within six months.

Self-Assessment Questions

- If relevant, have adequate management systems been developed to control potential risks of direct or indirect contributions to human rights abuses or conflict as a result of purchasing metals, minerals, or ore bearing material from ASM?

INTERNATIONAL STANDARDS

OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

[Pages 17-19 \(Annex I\)](#)

[Pages 20-25 \(Annex II\)](#)

[Page 27 \(Annex III: Supply Chain Policy - Security and Exposure of Artisanal Miners to Adverse Impacts\)](#)

[Pages 72-77 \(Supplement on Gold - Step 1: Establish Strong Company Management Systems\)](#)

[Pages 97-98 \(Supplement on Gold - Step 2: Identify and Assess Risks in the Supply Chain; Section 3\)](#)

[Pages 114-118 \(Appendix - Suggested measures to create economic and development opportunities for artisanal and small-scale miners\)](#)

ADDITIONAL RESOURCES

Working Together: how large-scale mining can engage with artisanal and small-scale miners. Available through the ICMM website library.

OECD Due Diligence Guidance for Meaningful Stakeholder Engagement <http://mneguidelines.oecd.org/stakeholder-engagement-extractive-industries.htm>

2.4 Social: Artisanal and Small-Scale Mining

2.4.1 General

Monitoring and Evaluation

Companies should establish management plans with specific performance indicators. Particularly when working with Indigenous Peoples, companies should closely monitor progress toward desired outcomes. Monitoring typically includes tracking performance and comparing against baselines or management-program requirements. Companies should document performance, and incorporate appropriate corrective and preventive actions in amended management-programs and plans. Implement corrective and preventive actions in collaboration with third parties, implement and track their impacts. Companies should establish an effective grievance mechanism; the [Grievance Mechanism](#) section provides further guidance.

Self-Assessment Questions

- Are processes in place to monitor and evaluate the effectiveness of ASM risk-management systems?

ADDITIONAL RESOURCES

Working Together: how large-scale mining can engage with artisanal and small-scale miners. Available through the ICMM website library.

INTERNATIONAL STANDARDS

OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

[Pages 17-19 \(Annex I\)](#)

[Pages 100-102 \(Supplement on Gold: Step 3: Design and Implement a Strategy to Respond to Identified Risks, Section I, Part C\)](#)

2.4 Social: Artisanal and Small-Scale Mining

2.4.1 General

Disclosure and Transparency

Companies should report annually on ASM-related matters, including:

- risk assessments
- the management approach to ASM, and how it was developed and is monitored
- the number (and percentage) of sites with or near ASM activities, the associated risks and actions taken to manage and mitigate these risks

Self-Assessment Questions

- Has the company undertaken a materiality assessment to analyze what should be disclosed to whom?
- Has the company established annual reporting to local stakeholders on relevant topics?

INTERNATIONAL STANDARDS

Global Reporting Initiative (GRI)

[Mining & Metals Sector Supplement Disclosure related to Artisanal and Small-Scale Mining: - G4-MM8](#)

OECD Guidelines for Multinational Enterprises (MNEs)

[Pages 27-30 \(Chapter III, Disclosure, Recommendations 3, 4; Commentary 30, 31, 32, 33\)](#)

OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

[Pages 25-30 \(Annex III\)](#)

[Pages 111-113 \(Supplement on Gold: Step 5: Report Annually on Supply Chain Due Diligence\)](#)

3. Environment

3.1 General

Identification (assessment; due diligence)

Companies must recognize that environmental risks can lead to higher costs, loss of access rights to both water and land, reputational damage, and project delays. Sound environmental management is critical to sustainable development.

Companies should implement a process to identify the environmental risks and impacts of projects, ideally based on the Precautionary Principle, taking into account public health and safety. Full-scale environmental assessments are required for many projects and should consider:

- existing ambient conditions
- existing and future land use
- the capacity of the environment to withstand additional pollution
- the potential for cumulative impacts with uncertain and/or irreversible consequences

Companies should base risk- and impact-identification processes on recent baseline environmental data related to the project area at an appropriate level of detail.

Environmental Baseline Assessments:

Companies should develop a credible and trusted baseline of environmental conditions to minimize potential delays during regulatory and permitting processes. The better the baseline data (e.g., length of record, appropriate siting of sample points, QA/QC validation, relevance of parameters measured), the greater the certainty in understanding the project's relationship with, and potential effects on, the environment. Regulatory technical advisors can help to properly scope baseline assessments so that they satisfy regulatory and permitting requirements.

Companies should consult with local stakeholders throughout the planning and execution of baseline assessments. Local stakeholders often have helpful knowledge of an area's environmental characteristics, and companies should incorporate stakeholder concerns and interests into baseline assessments. Companies should also share baseline assessments with stakeholders to foster engagement, build trust and provide opportunities to identify potential concerns.

When a proposed project site is polluted or contaminated, companies should clarify who is responsible for mitigation measures.

Companies should make reasonable efforts to work only with reputable and legitimate supply-chain partners and service providers that meet corporate environmental-management standards. The [Supply Chain](#) section provides further guidance.

Self-Assessment Questions

- Have adequate environmental baseline assessments been conducted to establish pre-disturbance characteristics of the project area?
- Have contractors and supply chain partners been screened for their ability and willingness to meet high standards of environmental care?

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Document.pdf?MOD=AJPERES

Environmental Stewardship Toolkit. Available through the Prospector's and Developer's Association of Canada website.

<http://www.pdac.ca/pdf-viewer?doc=/docs/default-source/e3-plus---toolkits---environmental-stewardship/environmental-stewardship-toolkit---full-document.pdf>

A Cross-Sector Guide for Implementing the Mitigation Hierarchy. Available through the ICMM website library.

Participatory Water Monitoring: A Guide for Preventing and Managing Conflict.

<http://www.cao-ombudsman.org/howwework/advisor/documents/watermoneng.pdf>

Child Rights and Mining Tool Kit (UNICEF)

https://www.unicef.org/csr/files/FINAL_Child_Rights_and_Mining_Toolkit_060217.pdf

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Page 20 \(Chapter II, General Policies, Recommendations 10, 11\)](#)

[Pages 42-44 \(Chapter VI, Environment, Preamble; Recommendations 3, 8\)](#)

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Pages 7, 8, 10, 11 \(PS 1, Identification of Risks and Impacts, Sections 7-12; Organizational Capacity and Competency, Sections 17-19\)](#)

[Pages 23-26 \(PS 3, Requirements\)](#)

[Page 29 \(PS 4, Ecosystem Services, Section 8\)](#)

3. Environment

3.1 General

Practices, policies, procedures (behaviours)

Even when not required by law, companies should continually seek to improve environmental performance and to promote the sustainable use of resources, including energy and water. Companies should abide by high standards of environmental performance across all operations.

As with the management of social impacts, companies should adopt a mitigation hierarchy to anticipate and avoid, or where avoidance is not possible, minimize, and, where residual impacts remain, compensate or offset for environmental risks and impacts. Companies should avoid releasing pollutants or, when avoidance is not feasible, minimize and/or control the intensity and quantity of their release. Companies should maintain contingency plans for preventing, mitigating and controlling serious environmental and health damage from operations, including accidents and emergencies. Companies should also have mechanisms to immediately report accidents and emergencies to the appropriate authorities. The [Emergency Preparedness and Response](#) section provides further guidance.

Companies should establish and maintain a system of environmental management appropriate to the nature and scale of identified impacts. The system should provide the internal framework necessary to control a project's environmental impacts and to integrate environmental considerations into business planning and operations. These systems often generate economic benefits for companies through reduced operating and insurance costs, improved energy and resource conservation, reduced compliance and liability charges, and improvements in capital, skills, customer satisfaction, and community and public relations. Companies should also establish, maintain and strengthen as necessary an organizational structure that defines roles, responsibilities and authorities to implement management systems.

The IFC Performance Standards inform the CSR Strategy's environmental-performance standards. To select and evaluate resource-efficiency, and pollution-prevention and -control techniques for a project, the IFC Performance Standards recommend referring to the World Bank Environment, Health, and Safety Guidelines (EHS Guidelines).

Self-Assessment Questions

- Are adequate environmental-management systems in place to ensure compliance with legal and other obligations in all operating jurisdictions?

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Document.pdf?MOD=AJPERES

Environmental Stewardship Toolkit. Available through the Prospector's and Developer's Association of Canada website.

<http://www.pdac.ca/pdf-viewer?doc=/docs/default-source/e3-plus---toolkits---environmental-stewardship/environmental-stewardship-toolkit---full-document.pdf>

A Cross-Sector Guide for Implementing the Mitigation Hierarchy. Available through the ICMM website library.

Participatory Water Monitoring: A Guide for Preventing and Managing Conflict.

<http://www.cao-ombudsman.org/howwework/advisor/documents/watermoneng.pdf>

Child Rights and Mining Tool Kit (UNICEF)

https://www.unicef.org/csr/files/FINAL_Child_Rights_and_Mining_Toolkit_060217.pdf

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Pages 42-44, 46 \(Chapter VI, Environment, Recommendations 1, 5, 6; Commentary 62, 71\)](#)

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Pages 6, 7, 9-11 \(PS 1, Objectives; Policy, Section 6; Management Programs, Sections 13-16; Organizational Capacity and Competency, Sections 17-19\)](#)

[Pages 22, 24-26 \(PS 3, Objectives; Pollution Prevention, Sections 10-17\)](#)

3. Environment

3.1 General

Monitoring and Evaluation

Companies should establish procedures to monitor and measure the effectiveness of environmental-management systems, and of compliance with related legal and contractual obligations and regulatory requirements. Monitoring typically includes tracking performance and comparing against baselines or management-program requirements. Companies should document performance, and incorporate appropriate corrective and preventive actions in amended management-programs and plans. Implement corrective and preventive actions in collaboration with third parties, implement and track their impacts.

Companies should use dynamic mechanisms, such as internal inspections and audits, to verify compliance and progress toward the desired environmental outcomes. Companies should also establish internal reporting and management-review processes. Senior management should receive periodic performance reviews of the environmental-management system based on systematic data collection and analysis, and take any necessary steps to meet performance objectives.

Companies should consult with affected stakeholders about environmental impacts throughout project development and operations, and promote the use of a grievance mechanism. The [Grievance Mechanism](#) section provides further guidance.

Self-Assessment Questions

- Are processes in place to monitor and evaluate the effectiveness of environmental-management systems?

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Page 42 \(Chapter VI, Environment, Recommendations 1\)](#)

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Pages 9-12 \(PS 1, Management Programs, Sections 13-16: Monitoring and Review, Sections 22-24\)](#)

[Pages 23-26 \(PS 3, Requirements, Sections 4-17\)](#)

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

Environmental Stewardship Toolkit. Available through the Prospector's and Developer's Association of Canada website.

<http://www.pdac.ca/pdf-viewer?doc=/docs/default-source/e3-plus---toolkits---environmental-stewardship/environmental-stewardship-toolkit---full-document.pdf>

A Cross-Sector Guide for Implementing the Mitigation Hierarchy. Available through the ICMM website library.

Participatory Water Monitoring: A Guide for Preventing and Managing Conflict.

<http://www.cao-ombudsman.org/howwework/advisor/documents/watermoneng.pdf>

Child Rights and Mining Tool Kit (UNICEF)

https://www.unicef.org/csr/files/FINAL_Child_Rights_and_Mining_Toolkit_060217.pdf

3. Environment

3.1 General

Disclosure and Transparency

Companies should periodically report to local stakeholders on the status of projects, known risks and impacts, and progress made toward identifying and implementing appropriate management programs. Companies should also discuss activities that aim to address issues and outcomes identified during consultation processes or through grievance mechanisms. The frequency of reports should be commensurate with the concerns of stakeholders, but not less than annually.

Companies should report:

- management approach to environmental protection, and how it was developed and is monitored
- total number and volume of significant spills
- value of fines and number of non-monetary sanctions for non-compliance with environmental laws and regulations

The following sections provide more detail about environmental reporting.

Self-Assessment Questions

- Has the company undertaken a materiality assessment to analyze what should be disclosed to whom?
- Has the company established annual reporting to local stakeholders on relevant topics?

INTERNATIONAL STANDARDS

Global Reporting Initiative (GRI)

[Key Impacts, Risks & Opportunities:](#)

- GRI 102-15

[Effluents and Waste:](#)

- GRI 306-4

[Oil & Gas Sector Supplement Disclosures related to Effluents and Waste:](#)

- OG Disclosures on Management Approach, G4-EN24 Indicator

[Environmental Compliance:](#)

- GRI 307-1

OECD Guidelines for Multinational Enterprises (MNEs)

[Pages 27-30 \(Chapter III, Disclosure, Recommendations 3, 4; Commentary 30, 31, 32, 33\)](#)

[Pages 42, 43, 45 \(Chapter VI, Environment, Recommendations 2, 6; Commentary 65\)](#)

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Pages 11, 12 \(PS 1, Monitoring and Review, Sections 22-24\)](#)

3. Environment

3.2 Water

Identification (assessment; due diligence)

Companies should, as early as possible, evaluate a project's anticipated water use and conduct baseline assessments of water resources. Baseline assessments should involve competent professionals, determine whether site conditions are natural or anthropogenic, and gather detailed information about aquifers, groundwater table and flows, ground and surface water quality and other parameters critical to environmental assessments and project design. Companies should also consider potential cumulative impacts on water resources; a "catchment-based" approach is an emerging best practice.

Companies should consult with stakeholders about water resources. The [Stakeholder Engagement](#) section provides further guidance.

Self-Assessment Questions

- Have adequate baseline assessments of water resources near the project area been conducted?

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Page 20 \(Chapter II, General Policies, Recommendations 10, 11\)](#)

[Page 25 \(Chapter II, General Policies, Commentary 25\)](#)

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Pages 23-26 \(PS 3, Requirements, Sections 4-17\)](#)

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

Guide to Responsible Business Engagement with Water Policy .

http://ceowatermandate.org/files/Guide_Responsible_Business_Engagement_Water_Policy.pdf

A Practical Guide to Catchment-Based Water Management for the Mining and Metals Industry; available through the ICMM website library.

Water Stewardship Framework; available through the ICMM website library.

World Wildlife Foundation - Water Risk Filter Global Map and Guidance

<http://waterriskfilter.panda.org/en/Maps#region/0>

3. Environment

3.2 Water

Practices, policies, procedures (behaviours)

Companies should adopt a mitigation hierarchy to anticipate, avoid and minimize impacts on water resources. When impacts are inevitable, they should be minimized and offset, through compensation when appropriate. Companies should establish and maintain a system of environmental management appropriate to the nature and scale of impacts identified. Management measures may include water conservation, alternative water sources, consumption offsets and consideration of alternative project locations.

The [General section provides additional guidance on practices, policies and procedures](#) related to the development and implementation of environmental-management systems.

Self-Assessment Questions

- Have management systems been designed with the mitigation hierarchy as a central guiding principle?

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

Guide to Responsible Business Engagement with Water Policy .

http://ceowatermandate.org/files/Guide_Responsible_Business_Engagement_Water_Policy.pdf

A Practical Guide to Catchment-Based Water Management for the Mining and Metals Industry; available through the ICMM website library.

Water Stewardship Framework; available through the ICMM website library.

World Wildlife Foundation - Water Risk Filter Global Map and Guidance

<http://waterriskfilter.panda.org/en/Maps#region/0>

INTERNATIONAL STANDARDS

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Pages 23-26 \(PS 3, Requirements, Sections 4-17\)](#)

[Page 29 \(PS 4, Requirements, Ecosystem Services, Section 8\)](#)

3. Environment

3.2 Water

Monitoring and Evaluation

Companies should establish procedures to monitor and measure the effectiveness of management programs, and of compliance with related legal and contractual obligations and regulatory requirements. Monitoring typically includes tracking performance and comparing against baselines or management-program requirements, along with dynamic mechanisms, such as internal inspections and audits. Companies should document performance, and incorporate appropriate corrective and preventive actions in amended management-programs and plans. Implement corrective and preventive actions in collaboration with third parties, implement and track their impacts.

The General section provides guidance on monitoring and evaluation tools.

Self-Assessment Questions

- Are processes in place to monitor and evaluate the effectiveness of water-management practices?

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

Guide to Responsible Business Engagement with Water Policy .

http://ceowatermandate.org/files/Guide_Responsible_Business_Engagement_Water_Policy.pdf

A Practical Guide to Catchment-Based Water Management for the Mining and Metals Industry; available through the ICMM website library.

Water Stewardship Framework; available through the ICMM website library.

World Wildlife Foundation - Water Risk Filter Global Map and Guidance

<http://waterriskfilter.panda.org/en/Maps#region/0>

3. Environment

3.2 Water

Disclosure and Transparency

Companies should periodically report to local stakeholders on the status of projects, known risks and impacts, and progress made toward identifying and implementing appropriate management programs. Companies should also discuss activities that aim to address issues and outcomes identified during consultation processes or through grievance mechanisms. The frequency of reports should be commensurate with the concerns of stakeholders, but not less than annually.

Companies should report on:

- its management approach to water, and how it was developed and is monitored
- total water withdrawal by source
- water sources significantly affected by withdrawal of water
- total water discharge by quality and destination
- identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by discharges of water and runoff
- chemicals used in hydraulic fracturing

Self-Assessment Questions

- Has the company undertaken a materiality assessment to analyze what should be disclosed to whom?
- Has the company established annual reporting to local stakeholders on relevant topics?

INTERNATIONAL STANDARDS

Global Reporting Initiative (GRI)

Water:

- [GRI 303-1](#)
- [GRI 303-2](#)
- [GRI 303-3](#)

Effluents and Waste:

- [GRI 306-1](#)
- [GRI 306-5](#)

Oil & Gas Sector Supplement Disclosures related to Materials use:

- [OG G4-EN1](#)

Oil & Gas Sector Supplement Disclosures related to Water:

- [OG G4-EN9](#)

3. Environment

3.3 Biodiversity

Identification (assessment; due diligence)

Each stage of a mine's lifecycle have the potential to directly (e.g. tree clearing for road building) and indirectly (e.g. increased hunting from new road access) impact biodiversity.

Companies should conduct baseline assessments of biodiversity as early as possible and complete desk-top exercises to identify protected areas prior to exploration. Assessments should also consider cumulative impacts on biodiversity from other development projects in the area. Companies should consult with local stakeholders to understand current uses of land and natural resources, and conservation requirements.

Companies should retain competent professionals to conduct baseline assessments and to continuously evaluate potential impacts on biodiversity.

Self-Assessment Questions

- Have adequate baseline assessments of biodiversity resources near the project area been conducted?

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

Good Practices for the Collection of Biodiversity Baseline Data. Available through the ICMM website library.

A Cross-Sector Guide to Implementing the Mitigation Hierarchy. Available through the ICMM website library.

Good Practice Guidance for Mining and Biodiversity. Available through the ICMM website.

A Framework for Corporate Action on Biodiversity and Ecosystem Services.

https://www.unglobalcompact.org/docs/issues_doc/Environment/BES_Framework.pdf

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Page 20 \(Chapter II, General Policies, Recommendations 10, 11\)](#)

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Pages 41-46 \(PS 6, Biodiversity Conservation and Sustainable Management of Living Natural Resources, Requirements, Sections 6-30\)](#)

3. Environment

3.3 Biodiversity

Practices, policies, procedures (behaviours)

Companies should make reasonable efforts to protect and conserve biodiversity, and to maintain ecosystem benefits, especially those related to water. A company's course of action depends on the biodiversity characteristics identified in baseline assessments. IFC Performance Standard 6 provides detailed guidance.

Companies should adopt a mitigation hierarchy to anticipate, avoid and minimize impacts on biodiversity. When impacts are inevitable, they should be minimized and offset, through compensation when appropriate. Throughout the project lifecycle, it is recommended to implement measures that will restore biodiversity and ecosystem services as early as possible.

Companies should establish and maintain a system of environmental management appropriate to the nature and scale of identified impacts. The [General section](#) provides guidance on developing and implementing an environmental-management system. The systems should include specific biodiversity-management elements, and may also include action plans.

Self-Assessment Questions

- Have management systems been designed with the mitigation hierarchy as a central guiding principle?

INTERNATIONAL STANDARDS

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Pages 41-46 \(PS 6, Biodiversity Conservation and Sustainable Management of Living Natural Resources, Requirements, Sections 6-30\)](#)

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

Good Practices for the Collection of Biodiversity Baseline Data. Available through the ICMM website library.

A Cross-Sector Guide to Implementing the Mitigation Hierarchy. Available through the ICMM website library.

Good Practice Guidance for Mining and Biodiversity. Available through the ICMM website.

A Framework for Corporate Action on Biodiversity and Ecosystem Services.

https://www.unglobalcompact.org/docs/issues_doc/Environment/BES_Framework.pdf

3. Environment

3.3 Biodiversity

Monitoring and Evaluation

Companies should establish procedures to monitor and measure the effectiveness of management plans, and of compliance with related legal and contractual obligations and regulatory requirements. Monitoring typically includes tracking performance and comparing against baselines or management-program requirements, along with dynamic mechanisms, such as internal inspections and audits. Companies should document performance, and incorporate appropriate corrective and preventive actions in amended management-programs and plans.

Given the difficulty of predicting long-term project impacts on biodiversity and ecosystems, companies should practice adaptive management: the implementation of mitigation and management measures respond to changing conditions and the results of monitoring throughout the project's lifecycle.

Additional guidance is provided in the [Monitoring and Evaluation](#) area of the General Environment section.

Self-Assessment Questions

- Are processes in place to monitor and evaluate the effectiveness of biodiversity-management practices?

INTERNATIONAL STANDARDS

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Pages 41-46 \(PS 6. Biodiversity Conservation and Sustainable Management of Living Natural Resources, Requirements, Sections 6-30\)](#)

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

Good Practices for the Collection of Biodiversity Baseline Data. Available through the ICMM website library.

A Cross-Sector Guide to Implementing the Mitigation Hierarchy. Available through the ICMM website library.

Good Practice Guidance for Mining and Biodiversity. Available through the ICMM website.

A Framework for Corporate Action on Biodiversity and Ecosystem Services.

https://www.unglobalcompact.org/docs/issues_doc/Environment/BES_Framework.pdf

3. Environment

3.3 Biodiversity

Disclosure and Transparency

Companies should periodically report to local stakeholders on the status of projects, known risks and impacts, and progress made toward identifying and implementing appropriate management programs. Companies should also discuss activities that aim to address issues and outcomes identified during consultation processes or through grievance mechanisms. The frequency of reports should be commensurate with the concerns of stakeholders, but not less than annually.

Companies should report:

- its management approach to biodiversity, and how it was developed and is monitored
- operational sites in or adjacent to protected areas and areas of high biodiversity value
- significant impacts of activities, products and services on biodiversity in these areas
- the total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk
- company impacts on ecosystem services

Self-Assessment Questions

- Has the company undertaken a materiality assessment to analyze what should be disclosed to whom?
- Has the company established annual reporting to local stakeholders on relevant biodiversity topics?

INTERNATIONAL STANDARDS

Global Reporting Initiative (GRI)

Biodiversity:

- [GRI 304-1](#)
- [GRI 304-2](#)
- [GRI 304-4](#)

Oil & Gas Sector Supplement

Disclosures related to Biodiversity:

- [OG Ecosystems Services](#)
- [Disclosures on Management Approach](#)
- [G4-OG4 Indicator](#)

3. Environment

3.4 Air Quality and Emissions

Identification (assessment; due diligence)

Companies should conduct baseline assessments of air quality to determine a project's potential incremental and cumulative influences on air quality, climate and the hydrological environment. Companies should retain competent professionals for this work. Companies should also determine a project's potential emissions of greenhouse gas (GHG) and explore options to reduce a project's use of fossil fuels.

Self-Assessment Questions

- Have adequate baseline assessments of ambient air conditions near the project area been conducted?

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Page 20 \(Chapter II. General Policies, Recommendations 10, 11\)](#)

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Pages 23-26 \(PS 3. Requirements, Sections 4-17\)](#)

3. Environment

3.4 Air Quality and Emissions

Practices, policies, procedures (behaviours)

For projects likely to generate significant emissions in an already degraded area, companies should consider reducing negative effects through offsets or alternative sites.

For projects expected to emit more than 25,000 tonnes of CO₂-equivalent annually, companies should quantify total direct emissions from all facilities owned or controlled within the physical project boundary, as well as indirect emissions from off-site production of energy used by the project. Companies should quantify GHG emissions annually in accordance with internationally recognized methodologies, consider alternatives, and implement technically and financially feasible and cost-effective options to reduce project-related GHG emissions during project design and operation. Options may include alternative locations, renewable or low-carbon energy sources, and reduction of fugitive emissions and gas flaring.

Companies should establish and maintain a system of environmental management appropriate to the nature and scale of identified impacts. The [Practices, policies, and procedures](#) area of the General Environment section provides further guidance on the development and implementation of an environmental management system. These systems should address emissions management.

Self-Assessment Questions

- Have management systems been designed with the mitigation hierarchy as a central guiding principle?

INTERNATIONAL STANDARDS

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Pages 23-26 \(PS 3, Requirements, Sections 4-17\)](#)

3. Environment

3.4 Air Quality and Emissions

Monitoring and Evaluation

Companies should establish procedures to monitor and measure the effectiveness of management plans, and of compliance with related legal and contractual obligations and regulatory requirements. Monitoring typically includes tracking performance and comparing against baselines or management-program requirements, as well as dynamic mechanisms, such as internal inspections and audits. Companies should document performance, and incorporate appropriate corrective and preventive actions in amended management-programs and plans. Implement corrective and preventive actions in collaboration with third parties, implement and track their impacts.

The [Monitoring and Evaluation](#) area of the General Environment section provides guidance on developing and implementing monitoring and evaluation tools within an environmental management system.

Self-Assessment Questions

- Are processes in place to monitor and evaluate the effectiveness of air quality and emissions management practices?

3. Environment

3.4 Air Quality and Emissions

Disclosure and Transparency

Companies should periodically report to local stakeholders on the status of projects, known risks and impacts, and progress made toward identifying and implementing appropriate management programs. Companies should also discuss activities that aim to address issues and outcomes identified during consultation processes or through grievance mechanisms. The frequency of reports should be commensurate with the concerns of stakeholders, but not less than annually.

Companies should report:

- its management approach to emissions, and how it was developed and is monitored
- any applicable national, regional or industry regulations and policies related to emissions
- the intensity of the project's GHG emissions

Self-Assessment Questions

- Has the company undertaken a materiality assessment to analyze what should be disclosed to whom?
- Has the company established annual reporting to local stakeholders on air quality?

INTERNATIONAL STANDARDS

Global Reporting Initiative (GRI)

[Emissions:](#)
[- GRI 305](#)

3. Environment

3.5 Waste Management

Identification (assessment; due diligence)

Companies should assess the risks associated with specific types of waste. For mining projects, companies should assess the geochemical characteristics of the project site. In particular, companies should consider impacts related to Potentially-Acid-Generating (PAG) materials and Acid Rock Drainage (ARD) as early as possible due to potential impacts on water quality. Throughout the project lifecycle, companies must continually assess and manage geochemical risks and environmental impacts. Companies should retain competent professionals to assess risks related to waste generation and management.

Self-Assessment Questions

- Have adequate assessments of the geochemical characteristics around the project area, especially those associated with ARD, been conducted?

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Page 20 \(Chapter II, General Policies, Recommendations 10, 11\)](#)

ADDITIONAL RESOURCES

A Guide to the Management of Tailings Storage Facilities. Available through the Mining Association of Canada website.

<http://mining.ca/sites/default/files/documents/GuidetotheManagementofTailingsFacilities2011.pdf>

3. Environment

3.5 Waste Management

Practices, policies, procedures (behaviours)

Companies should reduce the generation of waste, and recover and reuse waste in a manner that is safe for human health and the environment. Residual waste should be treated, destroyed, or disposed of in an environmentally sound manner. Companies should follow good international industry practice (GIIP) alternatives for the disposal of hazardous waste, and abide by the limitations applicable to its transportation across borders. The IFC Performance Standards recommend referring to the World Bank Environment, Health, and Safety Guidelines (EHS Guidelines), or other internationally recognized sources, for good international industry practices (GIIP). Companies should ensure that any contractors used to dispose of hazardous waste are reputable, legitimate and properly licensed, and provide appropriate chain-of-custody documentation.

Companies should establish and maintain a system of environmental management appropriate to the nature and scale of identified impacts. The [Practices, policies, and procedures](#) area of the General Environment section provides further guidance on developing and implementing an environmental-management system, which should address waste management.

Management systems for tailings and water-retaining structures should include:

- risk-assessment and -management plans commensurate with each structure's consequence classification
- clearly defined and assigned personnel roles, responsibilities and organizational structures
- an inventory, consequence classification and design basis of all tailings and water-retaining structures
- surveillance, monitoring, inspections and technical reviews
- clear and concise operation, maintenance and surveillance manuals
- emergency preparedness and response plans (see [Emergency Preparedness and Response](#) area of the General Environment section).
- identified and engaged engineers of record

Self-Assessment Questions

- Have management systems been designed with the mitigation hierarchy as a central guiding principle?

ADDITIONAL RESOURCES

Case Studies on Tailings Management. Available through the ICMM website library.

The Management of Cyanide in Gold Extraction. Available through the ICMM website library.

Review of Tailings Management Guidelines and Recommendations for Improvement. Available through the ICMM website library.

Mining Association of Canada, Towards Sustainable Mining - Tailings Management
<http://mining.ca/towards-sustainable-mining/protocols-frameworks/tailings-management>

INTERNATIONAL STANDARDS

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Pages 24-26 \(PS 3, Pollution Prevention, Sections 10-17\)](#)

3. Environment

3.5 Waste Management

Monitoring and Evaluation

Companies should establish procedures to monitor and measure the effectiveness of management plans, and of compliance with related legal and contractual obligations and regulatory requirements. Monitoring typically includes tracking performance and comparing against baselines or management-program requirements, as well as dynamic mechanisms, such as internal inspections and audits. Companies should document performance, and incorporate appropriate corrective and preventive actions in amended management-programs and plans.

The [Monitoring and Evaluation](#) area of the General Environment section provides further guidance on developing and implementing monitoring and evaluation tools within an environmental management system.

The effective management of tailings storage facilities (TSFs) involves rigorous monitoring and inspection, internal and external audit, and third-party reviews. At all sites, companies should monitor dam safety through specialized instrumentation and employ personnel trained to implement site-specific Operations, Maintenance and Surveillance (OMS) manuals. Facilities should be subject to multiple levels of inspections, including regular assessments by technical specialists. Engineers of Record should document annual inspections and have third-party engineers complete periodic reviews. Column L lists recommended resources.

Self-Assessment Questions

- Are processes in place to monitor and evaluate the effectiveness of waste-management systems?

ADDITIONAL RESOURCES

A Guide to Audit and Assessment of Tailings Facility Management. Available through the Mining Association of Canada website.

<http://mining.ca/sites/default/files/documents/GuidetoAuditandAssessmentofTailingsFacilityManagement2011.pdf>

3. Environment

3.5 Waste Management

Disclosure and Transparency

Companies should periodically report to local stakeholders on the status of projects, known risks and impacts, and progress made toward identifying and implementing appropriate management programs. Companies should also discuss activities that aim to address issues and outcomes identified during consultation processes or through grievance mechanisms. The frequency of reports should be commensurate with the concerns of stakeholders, but not less than annually.

Companies should report:

- the approach to waste management, and how it was developed and is monitored
- (mines) total amounts of overburden, rock, tailings and sludge, and their associated risks
- (oil & gas) volume and area of tailings ponds

Self-Assessment Questions

- Has the company undertaken a materiality assessment to analyze what should be disclosed to whom?
- Has the company established annual reporting to local stakeholders on relevant topics?

INTERNATIONAL STANDARDS

Global Reporting Initiative (GRI)

[Mining & Metals Sector Supplement Disclosure related to Effluents and Waste:](#)
- G4-MM3

[Oil & Gas Sector Supplement Disclosures related to Waste:](#)
- OG G4-EN23

4. Labour

4.1 General

Identification (assessment; due diligence)

Baseline expectations of corporate labour practices are often well prescribed by national laws. The ILO is the international organization that sets and deals with international labour standards, and promotes fundamental rights at work. The ILO's 1998 Declaration on Fundamental Principles and Rights at Work clearly sets out basic rights that are to be afforded to all workers, no matter the jurisdiction. These include worker freedom of association and right to collective bargaining, the effective abolition of all forms of child labour, the elimination of all forms of forced or compulsory labour, and non-discrimination in employment and occupation.

Companies should assess and abide by applicable labour laws, including those governing the selection and treatment of workers, as well as prevailing labour-relations practices in jurisdictions relevant to projects. When laws and practices are unclear, companies should abide by International Labour Organization (ILO) standards. Companies should make reasonable efforts to work only with reputable and legitimate supply-chain partners and service providers that meet corporate standards for labour. The [Supply Chain](#) area of the General Environment section provides further guidance.

Self-Assessment Questions

- Has adequate due diligence on the labour laws and prevailing practices of each current and prospective operating jurisdiction been conducted?
- Have contractors and other supply chain partners been screened to assess their willingness and ability to meet high labour standards?

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Page 20 \(Chapter II, General Policies, Recommendations 10, 11\)](#)

[Pages 37, 38 \(Chapter V, Employment and Industrial Relations, Commentary 48, 50, 51\)](#)

United Nations (UN) Guiding Principles on Business and Human Rights (GPs)

[Page 13 \(GP 12\)](#)

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

Child Rights and Mining Tool Kit (UNICEF)

https://www.unicef.org/csr/files/FINAL_Child_Rights_and_Mining_Toolkit_060217.pdf

4. Labour

4.1 General

Practices, policies, procedures (behaviours)

Companies should meet high standards for labour practices across all operations, even when it is not legally required. Companies should implement management activities and programs to ensure that labour practices objectives are achieved. Companies should provide workers with the best possible wages and benefits – at least adequate for the basic needs of workers and their families. Companies should not support, encourage or participate in practices to disguise employment relationships. Companies should contribute to the effective abolition of child labour through immediate, urgent and effective measures, and contribute to the elimination of all forms of forced or compulsory labour throughout their supply chains.

Companies should provide reasonable notice of any significant changes in operations with major impacts on employment levels, and cooperate with worker representatives and appropriate governmental authorities to mitigate adverse effects. The [Closure Planning](#) section provides further guidance.

Self-Assessment Questions

- Have adequate standards for labour relations been embedded into policies and practices across all company operations?

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

Child Rights and Mining Tool Kit (UNICEF)

https://www.unicef.org/csr/files/FINAL_Child_Rights_and_Mining_Toolkit_060217.pdf

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Pages 35, 36 \(Chapter V, Employment and Industrial Relations, Recommendations 1, 3, 4\)](#)

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Pages 16-20 \(PS 2, Objectives: Working Conditions and Management of Worker Relationship, Sections 8-20; Protecting the Workforce, Sections 21, 22\)](#)

4. Labour

4.1 General

Monitoring and Evaluation

Companies should establish procedures to monitor and measure the effectiveness of management plans, and of compliance with related legal and contractual obligations and regulatory requirements. Monitoring typically includes tracking performance and comparing against baselines or management-program requirements, as well as dynamic mechanisms, such as internal inspections and audits. Companies should document performance, and incorporate appropriate corrective and preventive actions in amended management-programs and plans. Implement corrective and preventive actions in collaboration with third parties, implement and track their impacts. The following sections provide additional guidance.

Self-Assessment Questions

- Are processes in place to monitor and evaluate the effectiveness of labour-management practices?

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

Child Rights and Mining Tool Kit (UNICEF)

https://www.unicef.org/csr/files/FINAL_Child_Rights_and_Mining_Toolkit_060217.pdf

4. Labour

4.1 General

Disclosure and Transparency

Companies should periodically report to local stakeholders on the status of projects, known risks and impacts, and progress made toward identifying and implementing appropriate management programs. Companies should also discuss activities that aim to address issues and outcomes identified during consultation processes or through grievance mechanisms. The frequency of reports should be commensurate with the concerns of stakeholders, but not less than annually.

Companies should report:

- the ratios of standard entry-level wage by gender compared to local minimum wage at significant locations of operation
- their approach to labour management, and how it was developed and is monitored
- actions to identify and address any working conditions in the supply chain that do not meet international labour standards or national labour laws. Working conditions include compensation, hours, rest periods, holidays, disciplinary and dismissal practices, maternity protection, workplace environment, occupational health and safety, quality of provided accommodations, and access to safe drinking water, canteens and medical services
- operations and suppliers identified as at significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour
- operations and suppliers identified as at significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour

Self-Assessment Questions

- Has the company established annual reporting to local stakeholders on relevant topics?

INTERNATIONAL STANDARDS

Global Reporting Initiative (GRI)

[Market Presence:](#)

- [GRI 202-1](#)

[Child Labour:](#)

- [GRI 408-1](#)

[Forced or Compulsory Labour:](#)

- [GRI 409-1](#)

[Oil & Gas Sector Supplement](#)

[Disclosures related to](#)

[Employment:](#)

- [OG Employment Disclosure on Management Approach](#)

OECD Guidelines for Multinational Enterprises (MNEs)

[Pages 27-30 \(Chapter III.](#)

[Disclosure, Recommendations 3, 4; Commentary 30, 31, 32, 33\)](#)

4. Labour

4.2 Non-Discrimination and Diversity

Identification (assessment; due diligence)

Companies should assess applicable laws and prevailing practices related to preferential treatment and discrimination based on gender, religion and race. Companies should provide access to career opportunities as fairly as possible.

Self-Assessment Questions

- Has an assessment of non-discrimination laws and prevailing attitudes and practices been conducted in each relevant jurisdiction?

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

Women in Mining: A Guide to Integrating Women into the Workforce.

http://www.ifc.org/wps/wcm/connect/b31e4e804879eacfab9ef51e3a7223f/IFC-LONMIN_WomenInMining_Manual.pdf?MOD=AJPERES

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Page 20 \(Chapter II. General Policies, Recommendations 10, 11\)](#)

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Pages 17-20 \(PS 2, Working Conditions and Management of Worker Relationship, Sections 8-20\)](#)

4. Labour

4.2 Non-Discrimination and Diversity

Practices, policies, procedures (behaviours)

Companies should take measures to prevent and address harassment, intimidation and/or exploitation, especially of women.

Companies should implement policies and systems that base employment relationships on the principles of equal opportunity and fair treatment. These principles should apply to all aspects of employment relationships, including recruitment and hiring, compensation, working conditions and terms of employment, access to training, assignment, promotion, termination, retirement and disciplinary practices.

Self-Assessment Questions

- Are adequate controls to prevent discrimination embedded into all relevant company policies and practices?

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

Women in Mining: A Guide to Integrating Women into the Workforce.

http://www.ifc.org/wps/wcm/connect/b31e4e804879eacfab9ef51e3a7223f/IFC-LONMIN_WomenInMining_Manual.pdf?MOD=AJPERES

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Page 39 \(Chapter V. Employment and Industrial Relations, Commentary 54\)](#)

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Pages 16-20 \(PS 2, Objectives: Requirements, Working Conditions and Management of Worker Relationship, Sections 8-20\)](#)

4. Labour

4.2 Non-Discrimination and Diversity

Monitoring and Evaluation

Companies should establish procedures to monitor and measure the effectiveness of labour practices, and of compliance with related legal and contractual obligations and regulatory requirements. Monitoring typically includes tracking performance and comparing against baselines or management-program requirements, as well as dynamic mechanisms, such as internal audit. Companies should document performance, and incorporate appropriate corrective and preventive actions in amended management-programs and plans. Implement corrective and preventive actions in collaboration with third parties, implement and track their impacts.

Self-Assessment Questions

- Are adequate controls to prevent discrimination embedded into all relevant company policies and practices?

INTERNATIONAL STANDARDS

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Pages 17-20 \(PS 2, Working Conditions and Management of Worker Relationship, Sections 8-20\)](#)

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

Women in Mining: A Guide to Integrating Women into the Workforce.

http://www.ifc.org/wps/wcm/connect/b31e4e804879eacfab9ef51e3a7223f/IFC-LONMIN_WomenInMining_Manual.pdf?MOD=AJPERES

4. Labour

4.2 Non-Discrimination and Diversity

Disclosure and Transparency

Companies should periodically report to local stakeholders on the status of projects, known risks and impacts, and progress made toward identifying and implementing appropriate management programs. Companies should also discuss activities that aim to address issues and outcomes identified during consultation processes or through grievance mechanisms. The frequency of reports should be commensurate with the concerns of stakeholders, but not less than annually.

Companies should report:

- management approach to non-discrimination and diversity, and how it was developed and is monitored
- numbers of employees by gender, age group, minority group and other indicators of diversity
- ratio linking the basic salary and remuneration paid to women and men
- total number of incidents of discrimination and corrective actions taken

Self-Assessment Questions

- Has the company undertaken a materiality assessment to analyze what should be disclosed to whom?
- Has the company established annual reporting to local stakeholders on relevant topics?

INTERNATIONAL STANDARDS

Global Reporting Initiative (GRI)

[Diversity and Equal Opportunity:](#)
- GRI 405-1

[Equal Remuneration for Women and Men:](#)
- GRI 405-2

[Non-Discrimination:](#)
- GRI 406-1

OECD Guidelines for Multinational Enterprises (MNEs)

[Page 35 \(Chapter V, Employment and Industrial Relations, Recommendation 1\)](#)

4. Labour

4.3 Collective Bargaining

Identification (assessment; due diligence)

Companies should assess and abide by laws and prevailing practices related to freedom of association and collective bargaining. Companies should honour the wishes of workers who seek to form representative organizations and to bargain collectively.

Self-Assessment Questions

- Has an assessment of national laws and prevailing practices and attitudes related to freedom of association and collective bargaining been conducted in each relevant jurisdiction?

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Page 20 \(Chapter II. General Policies, Recommendations 10, 11\)](#)

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Pages 17-20 \(PS 2, Working Conditions and Management of Worker Relationship, Sections 8-20\)](#)

4. Labour

4.3 Collective Bargaining

Practices, policies, procedures (behaviours)

Companies should respect the right of workers to establish and join representative organizations, and to collectively negotiate employment terms and conditions. Companies should not discourage workers from these activities and should not discriminate or retaliate against workers who participate, or seek to participate, in such organizations and collective bargaining. Companies should engage with representatives of workers' organizations, and provide them with information needed for meaningful negotiation in a timely manner. This includes information about the performance of the company as a whole. If national law substantially restricts workers' organizations, companies should not restrict workers from developing mechanisms to express grievances and protect rights regarding working conditions and terms of employment. Companies should respect agreements negotiated through collective bargaining. Companies should always provide reasonable working conditions and terms of employment, even if no relevant agreement is in place. Companies should not seek out 'protection unions' to diminish the fair election of another union.

Companies should not threaten to transfer projects or parts of projects, nor transfer workers from other countries, in attempts to influence labour negotiations or organization efforts.

Self-Assessment Questions

- Are appropriate company policies in place that will safeguard workers' rights to organize and bargain collectively in all relevant jurisdictions?

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

OECD Due Diligence Guidance for Meaningful Stakeholder Engagement <http://mneguidelines.oecd.org/stakeholder-engagement-extractive-industries.htm>

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Pages 35-37 \(Chapter V, Employment and Industrial Relations, Recommendations 1, 2, 3, 7\)](#)

United Nations (UN) Guiding Principles on Business and Human Rights (GPs)

[Page 32.33 \(GP 29 and 30\)](#)

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Pages 16-20 \(PS 2, Objectives: Requirements, Working Conditions and Management of Worker Relationship, Sections 8-20\)](#)

4. Labour

4.3 Collective Bargaining

Monitoring and Evaluation

Companies should establish procedures to monitor and measure the effectiveness of management plans, and of compliance with related legal and contractual obligations and regulatory requirements. Monitoring typically includes tracking performance and comparing against baselines or management-program requirements, as well as dynamic mechanisms, such as internal inspections and audits. Companies should document performance, and incorporate appropriate corrective and preventive actions in amended management-programs and plans. Implement corrective and preventive actions in collaboration with third parties, implement and track their impacts.

Self-Assessment Questions

- Have processes to monitor and evaluate the effectiveness of non-discrimination policies been established?

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

4. Labour

4.3 Collective Bargaining

Disclosure and Transparency

Companies should periodically report to local stakeholders on the status of projects, known risks and impacts, and progress made toward identifying and implementing appropriate management programs. Companies should also discuss activities that aim to address issues and outcomes identified during consultation processes or through grievance mechanisms. The frequency of reports should be commensurate with the concerns of stakeholders, but not less than annually.

Companies should report:

- the management approach to collective bargaining, and how it was developed and is monitored
- the percentage of employees covered by collective-bargaining agreements
- policies likely to affect employees' decisions to join a trade union, or to bargain collectively
- any operation or supplier at risk of failing to respect freedom of association and collective bargaining, and measures taken to mitigate these risks

Self-Assessment Questions

- Has the company undertaken a materiality assessment to analyze what should be disclosed to whom?
- Has the company established annual reporting to local stakeholders on relevant topics?

INTERNATIONAL STANDARDS

Global Reporting Initiative (GRI)

[Organizational Profile:](#)
- GRI 102-41

[Freedom of Association and Collective Bargaining:](#)
- GRI 407-1

4. Labour

4.4 Localization, Training and Skills Development

Identification (assessment; due diligence)

Many Canadian companies operate in jurisdictions where there is relatively little familiarity with industrial health and safety practices, environmental protection and community relations. Canadian companies can often play an important role in improving the knowledge of employees and contractors in these areas. Companies should provide whatever training, skills development and best practices are needed to ensure that projects can consistently meet regulatory and organizational requirements.

Companies should recognize that local hiring is often an effective way to foster sustainable development and avoid conflicts with local stakeholders. Companies should assess the local skills and knowledge base to identify training and education needs. Companies should also engage with local leaders, civil organizations and governments, to learn about their relevant development plans, and determine the best way to work together.

Self-Assessment Questions

- Has an assessment of local skills and education levels been conducted?
- Have potential employment opportunities for local people been identified as early as possible?
- Has an assessment of potential training and education initiatives been completed as early as possible?

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Page 20 \(Chapter II, General Policies, Recommendations 10, 11\)](#)

[Pages 55-56 \(Chapter IX, Science and Technology, Recommendation 2; Commentary 93, 94\)](#)

ADDITIONAL RESOURCES

Community Development Toolkit. Available through the ICMM website library.

Mining Partnerships for Development Toolkit. Available through the ICMM website library.

A Guide to Getting Started in Local Procurement.

http://www.ifc.org/wps/wcm/connect/03e40880488553ccb09cf26a6515bb18/IFC_LPPGuide_PDF20110708.pdf?MOD=AJPERES

4. Labour

4.4 Localization, Training and Skills Development

Practices, policies, procedures (behaviours)

As much as possible, companies should employ local workers and develop their skills through training programs. To this end, companies should:

- clearly define local person (i.e. geographic area, length of residence in the area)
- prioritize the recruitment of local people
- develop training programs for local residents to fill semi-skilled and skilled positions
- develop localization plans and targets for professional roles

Companies should invest in training and lifelong learning, and ensure that training opportunities exist for women and other vulnerable groups, such as youth, low-skilled people, people with disabilities, migrants, older workers and Indigenous peoples.

Companies should plan and implement all localization and training efforts in co-operation with worker representatives and, when appropriate, relevant government authorities and civil organizations. Companies should also develop ties with local universities and research institutions, and participate in co-operative research projects alongside local industry or industry associations.

Self-Assessment Questions

- Has a clear definition of “local” been established?
- Are policies and practices in place to help ensure that those most affected by project development are prioritized to some extent for training and employment opportunities?

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Pages 36, 40, 41 \(Chapter V, Employment and Industrial Relations, Recommendation 5; Commentary 58\)](#)

[Page 46 \(Chapter VI, Environment, Commentary 73\)](#)

United Nations (UN) Guiding Principles on Business and Human Rights (GPs)

[Page 17 \(GP 16 Commentary\)](#)

ADDITIONAL RESOURCES

Community Development Toolkit. Available through the ICMM website library.

Mining Partnerships for Development Toolkit. Available through the ICMM website library.

A Guide to Getting Started in Local Procurement.

http://www.ifc.org/wps/wcm/connect/03e40880488553ccb09cf26a6515bb18/IFC_LPPGuide_PDF20110708.pdf?MOD=AJPERES

4. Labour

4.4 Localization, Training and Skills Development

Monitoring and Evaluation

Companies should track the outcomes (including employment results) of training programs. Companies should offer employment opportunities to reasonable numbers of trainees.

Companies should establish procedures to monitor and measure the effectiveness of management plans, and of compliance with related legal and contractual obligations and regulatory requirements. Monitoring typically includes tracking performance and comparing against baselines or management-program requirements, as well as dynamic mechanisms, such as internal inspections and audits. Companies should document performance, and incorporate appropriate corrective and preventive actions in amended management programs and plans. Implement corrective and preventive actions in collaboration with third parties, implement and track their impacts.

Self-Assessment Questions

- Are processes in place to monitor and evaluate the effectiveness of training programs and localization policies?

ADDITIONAL RESOURCES

Community Development Toolkit. Available through the ICMM website library.

Mining Partnerships for Development Toolkit. Available through the ICMM website library.

A Guide to Getting Started in Local Procurement.

http://www.ifc.org/wps/wcm/connect/03e40880488553ccb09cf26a6515bb18/IFC_LPPGuide_PDF20110708.pdf?MOD=AJPERES

4. Labour

4.4 Localization, Training and Skills Development

Disclosure and Transparency

Companies should periodically report to local stakeholders on the status of projects, known risks and impacts, and progress made toward identifying and implementing appropriate management programs. Companies should also discuss activities that aim to address issues and outcomes identified during consultation processes or through grievance mechanisms. The frequency of reports should be commensurate with the concerns of stakeholders, but not less than annually.

Companies should report:

- the management approach to training, skills development, and local employment, along with how it was developed and is monitored
- the average hours of training per year per employee by gender
- the percentage of employees receiving regular performance and career-development reviews
- the proportion of the total workforce and senior management hired from the local community at significant locations of operation

Self-Assessment Questions

- Has the company undertaken a materiality assessment to analyze what should be disclosed to whom?
- Has the company established annual reporting to local stakeholders on relevant topics?

INTERNATIONAL STANDARDS

Global Reporting Initiative (GRI)

Training & Education:

- [GRI 404-1](#)

- [GRI 404-3](#)

Market Presence:

- [GRI 202-1](#)

- [GRI 202-2](#)

Oil & Gas Sector Supplement

Disclosures related to Market

Presence:

- [OG Market Presence Disclosures on Management Approach](#)

4. Labour

4.5 Health and Safety

Identification (assessment; due diligence)

Companies should assess regulations and local prevailing occupational health and safety practices. Throughout the project lifecycle, companies should continuously identify potential hazards to workers, particularly any life-threatening hazards.

Companies should make reasonable efforts to work only with reputable and legitimate supply-chain partners and service providers that meet health and safety standards. Companies should screen prospective partners and contractors to determine their ability and willingness to meet the performance standards described in this workbook. Screening processes should accord with prevailing domestic and industry norms. The [Supply Chain](#) section provides further guidance.

Self-Assessment Questions

- Are processes in place to continuously assess occupational health and safety hazards?

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

Good Practice Guidance on Occupational Health Risk Assessment. Available through the ICMM website library.

Good Practice Guidance on HIV/AIDS, Tuberculosis and Malaria. Available through the ICMM website library.

Health and Safety Performance Indicators. Available through the ICMM website library.

Health and Safety Critical Control Management: Good Practice Guide. Available through the ICMM website library.

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Page 20 \(Chapter II. General Policies, Recommendations 10, 11\)](#)

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Pages 20, 21 \(PS 2. Requirements, Occupational Health and Safety, Section 23\)](#)

4. Labour

4.5 Health and Safety

Practices, policies, procedures (behaviours)

Companies should take steps to protect occupational health and safety, in part by respecting regulatory standards and industry norms. As with environmental and social practices, companies should continuously strive to improve occupational health and safety in all operations, even when not formally required to do so.

As per good international industry practice (GIIP), companies should take steps to prevent work-related accidents, injury and disease by addressing potential hazards. Companies should provide preventive and protective measures, including the modification, substitution or elimination of hazardous conditions and substances. In addition, companies should respect a worker's decision to leave a work situation that presents a serious risk to health or safety.

Companies should establish and maintain a system of health-and-safety (H&S) management appropriate to the nature and scale of identified potential hazards. To orient H&S management activities, companies should establish a policy defining H&S objectives and principles. Companies should establish, maintain and strengthen as necessary an organizational structure that defines roles, responsibilities and authorities to implement the management systems. Companies should also provide adequate H&S education and training to workers.

For H&S guidance, companies should refer to the IFC Performance Standards and the **World Bank Environment, Health, and Safety Guidelines (EHS Guidelines)**, or other internationally recognized sources.

Self-Assessment Questions

- Have all reasonable efforts been made to minimize hazards?
- Have health and safety management systems been developed and implemented in accordance with international standards, such as OHSAS 18001?

INTERNATIONAL STANDARDS

OECD Guidelines for Multinational Enterprises (MNEs)

[Pages 36, 40 \(Chapter V. Employment and Industrial Relations, Recommendations 4; Commentary 57\)](#)

[Page 44 \(Chapter VI. Environment, Recommendations 7\)](#)

[Page 55 \(Chapter IX. Science and Technology, Recommendation 5\)](#)

International Finance Corporation's (IFC's) Performance Standards (PSs)

[Pages 16, 17, 20, 21 \(Objectives: PS 2, Requirements, Occupational Health and Safety, Section 23\)](#)

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

Good Practice Guidance on Occupational Health Risk Assessment. Available through the ICMM website library.

Good Practice Guidance on HIV/AIDS, Tuberculosis and Malaria. Available through the ICMM website library.

Health and Safety Performance Indicators. Available through the ICMM website library.

Health and Safety Critical Control Management: Good Practice Guide. Available through the ICMM website library.

4. Labour

4.5 Health and Safety

Monitoring and Evaluation

Companies should document and report all occupational accidents, diseases and incidents in accordance with industry standards.

Companies should establish procedures to monitor and measure the effectiveness of H&S plans, and of compliance with related legal and contractual obligations and regulatory requirements. Monitoring typically includes tracking performance and comparing against baselines or management-program requirements, along with dynamic mechanisms, such as internal inspections and audits. Companies should document performance, and incorporate appropriate corrective and preventive actions in amended management-programs and plans. Implement corrective and preventive actions in collaboration with third parties, implement and track their impacts.

Companies should have mechanisms for internal reporting and management review of H&S performance. Senior management should receive periodic performance reviews of the H&S management system based on systematic data collection and analysis, and the reviews should inform actions to improve performance, and to ensure that procedures, practices and plans are being implemented, and are seen to be effective.

Companies should consult regularly with employees and contractors, or their representatives, to better understand real and perceived H&S hazards, and impacts on the workforce. Companies should promote the use of grievance mechanisms. The [Grievance Mechanism](#) section provides further guidance.

Self-Assessment Questions

- Are processes in place to monitor and evaluate the effectiveness of health and safety management systems?

ADDITIONAL RESOURCES

IFC Performance Standards Guidance Notes.

http://www.ifc.org/wps/wcm/connect/e280ef804a0256609709ffd1a5d13d27/GN_English_2012_Full-Documents.pdf?MOD=AJPERES

Good Practice Guidance on Occupational Health Risk Assessment. Available through the ICMM website library.

Good Practice Guidance on HIV/AIDS, Tuberculosis and Malaria. Available through the ICMM website library.

Health and Safety Performance Indicators. Available through the ICMM website library.

Health and Safety Critical Control Management: Good Practice Guide. Available through the ICMM website library.

4. Labour

4.5 Health and Safety

Disclosure and Transparency

Companies should periodically report to local stakeholders on the status of projects, known risks and impacts, and progress made toward identifying and implementing appropriate management programs. Companies should also discuss activities that aim to address issues and outcomes identified during consultation processes or through grievance mechanisms. The frequency of reports should be commensurate with the concerns of stakeholders, but not less than annually.

Companies should report:

- the management approach to health and safety, and how it was developed and is monitored
- the rates of injury, and total number of work-related fatalities, by operation

Self-Assessment Questions

- Has the company undertaken a materiality assessment to analyze what should be disclosed to whom?

INTERNATIONAL STANDARDS

Global Reporting Initiative (GRI)

[Occupational Health & Safety:](#)
[- GRI 403-2](#)

Glossary and Definitions

Area of Influence: The geographical space and the people inhabiting the geographical space that will be directly or indirectly affected by extractive activities on a nearby property.

Artisanal and Small-scale Mining (ASM): Formal or informal mining operations with predominantly simplified forms of exploration, extraction, processing, and transportation. “ASM” is normally low capital intensive and uses high labour intensive technology. “ASM” can include men and women working on an individual basis as well as those working in family groups, in partnership, or as members of cooperatives or other types of legal associations and enterprises involving hundreds or even thousands of miners. For example, it is common for work groups of 4-10 individuals, sometimes in family units, to share tasks at one single point of mineral extraction (e.g. excavating one tunnel). At the organisational level, groups of 30-300 miners are common, extracting jointly one mineral deposit (e.g. working in different tunnels), and sometimes sharing processing facilities.

Baseline: Information gathered at the earliest possible point in a project against which predicted changes (positive and negative impacts) are measured.

Best Practice: The highest industry standard regarding any specific thematic issue as explained by Canada’s six endorsed CSR Standards and/or host country government regulations.

Catchment-based Approach: Used to understand water characteristics and predicting potential impacts. A catchment is the area of land from which all surface run-off and subsurface water flow through a sequence of streams, rivers, groundwater aquifers and lakes into the seas or another outlet at a single river mouth, estuary or delta; and the area of water downstream affected by a site’s discharge. A catchment-based approach encourages considering holistically how competing demands on water resources from a range of water users can create local pressures and potentially lead to conflict.

Community: A group of individuals broader than a household, who identify themselves as a common unit due to recognized social, religious, economic or traditional structures or shared locality.

Conflict-Affected and High-Risk Areas: Conflict-affected and high-risk areas are identified by the presence of armed conflict, widespread violence or other risks of harm to people. Armed conflict may take a variety of forms, such as a conflict of international or non-international character, which may involve two or more states, or may consist of wars of liberation, or insurgencies, civil wars, etc. High-risk areas may include areas of political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure and widespread violence. Such areas are often characterised by widespread human rights abuses and violations of national or international law.

Consultation: A process of two-way communication between project proponents and people potentially affected by, or able to influence a project, in order to enhance understanding, build relationships and improve decision-making.

Cumulative Social Impacts: Those changes in baseline social conditions that result when the direct and indirect effects of a project are combined with those of other past, existing and/or immediate projects and activities.

Cultural Heritage: Refers to tangible objects such as property, sites, structures or natural features that embody cultural values such as sacred groves, rocks, lakes and waterfalls.

Direct Social Impacts: Those changes in baseline social conditions that are caused by a specific project-related activity.

Due diligence: Due diligence is an on-going, proactive and reactive process through which companies can identify, mitigate and account for how they address their actual and potential adverse impacts as an integral part of business decision-making and risk management systems. Due diligence can help companies ensure they observe the principles of international law and comply with domestic laws, including those governing the illicit trade in minerals and United Nations sanctions.

Free, Prior and Informed Consent (FPICs): The principle that specific groups (such as indigenous peoples), based on their defined rights and claims, have the right to give or withhold their consent to proposed projects that may affect them.

Grievance Mechanism: A formal process established by a company through which project-affected stakeholders (e.g. local communities, employees, contractors) can raise grievances and receive remedy.

Indirect Social Impacts: Those changes in baseline social conditions that are caused by actions resulting from direct impacts.

Influx: The arrival and settlement of new migrants to an area as a result of project development activities.

Legitimate artisanal and small-scale mining: The legitimacy of artisanal and small-scale mining is a difficult concept to define because it involves a number of situation-specific factors. For the purposes of this Guidance, legitimate refers, among others, to artisanal and small-scale mining that is consistent with applicable laws. When the applicable legal framework is not enforced, or in the absence of such a framework, the assessment of the legitimacy of artisanal and small-scale mining will take into account the good faith efforts of artisanal and small-scale miners and enterprises to operate within the applicable legal framework (where it exists) as well as their engagement in opportunities for formalisation as they become available (bearing in mind that in most cases, artisanal and small-scale miners have very limited or no capacity, technical ability or sufficient financial resources to do so). In either case, artisanal and small-scale mining, as with all mining, cannot be considered legitimate when it contributes to conflict and serious abuses associated with the extraction, transport or trade of minerals.

Management system: Management processes and documentation that collectively provide a systematic framework for ensuring that tasks are performed correctly, consistently and effectively to achieve the desired outcomes, and that provide for continual improvement in performance.

Materiality: The risk-significance of a given issue to a company's performance.

Material Information: Information whose omission or misstatement could influence the decisions taken by users of the information.

Resettlement: A compensation process through which physically displaced households are provided with replacement plots and residential structures at a designated site. Resettlement includes initiatives to restore and improve the living standards of those being resettled.

Social Impact Assessment (SIA): Considers the socioeconomic risks and impacts associated with the development of a project. The objective of conducting an SIA is to establish a set of baseline data from which to recommend appropriate mitigation measures to address positive and negative impacts likely to arise.

Stakeholders: Individuals and groups of people affected by and/or able to influence a project, including those in authority positions and/or representing others, but also groups and individuals who may be, or may be perceived to be, marginalized or negatively impacted.

Supply chain: The term supply chain refers to the system of all the activities, organisations, actors, technology, information, resources and services involved in moving mined products from the source to end consumers.

Worst Forms of Child Labour: The phrase refers to children in situations of slavery or practices similar to slavery, child prostitution, the use of a child for illicit activities, or a child's participation in work which is likely to harm the health, safety or morals of a child.

