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Sustainability for Exploration, Development and Small Producing Mining Companies

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Prepared by
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Sustainability for Exploration, Development and Small Producing Mining Companies

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introduction

This is one of two guides written to help exploration, development and small producing (EDSP) companies understand and address sustainability performance in the mining sector (the other guide, "Community Engagement: A Getting Started Toolkit for Exploration and Development Companies", is available here). We examined many of the existing Canadian and International frameworks, guidelines, toolkits and standards and consulted with industry professionals to locate the most relevant sustainability resources for EDSP companies (a complete list is provided in Appendix 1).

Next, we narrowed down the resources reviewed to those which we deemed most useful for addressing EDSP companies' sustainability risks and issues. From here, a set of Quick Sheets were created out of the selected resources to make the guidance more accessible and relevant to EDSP companies. In each Quick Sheet we make an effort to highlight the material from the original resources that is most appropriate for the scale, stage and limited resources of EDSP companies. These Quick Sheets accompany this guide.

Note: Users of this guide should ensure they review original guidance documents when seeking to achieve full conformance. Users should also periodically check for updates/changes to all frameworks and guidance documents referenced in this guide.

Figure 1

KEY SUSTAINABLE MINING FRAMEWORKS

key sustainability frameworks for the mining industry: a closer look

Canadian resource companies are increasingly aligning themselves with a range of sustainability frameworks, such as the Prospectors and Developers Association of Canada's e3 Plus[1], the Mining Association of Canada's Towards Sustainable Mining[2], the International Council of Mining and Metal's Sustainable Development Framework[3], the UN Global Compact[4]and the International Finance Corporation Performance Standards[5]. In doing so, companies benefit from the sharing of industry good practice. Host country regulations are a pre-requisite baseline of performance and these frameworks represent guidance that helps you achieve these baseline performance requirements and go beyond them. Additionally, these frameworks can provide value to companies by facilitating benchmarking, supporting reputation enhancement and improving access to financing.

This guide is meant for companies that are early in their sustainability journey. A priority for many EDSP companies is access to financing. Therefore, a logical starting point are the IFC Performance Standards because of their important link to financing and because they provide guidance on issues that are highly material to most EDSP companies. In addition, adhering to the IFC Performance Standards will lay an excellent foundation for adhering to the other standards.

1 PDAC e3 Plus: http://www.pdac.ca/e3plus/
2 MAC Towards Sustainable Mining: http://www.mining.ca/site/index.php/en/towards-sustainable-mining.html
3 ICMM Sustainable Development Framework: http://www.icmm.com/our-work/sustainable-development-framework
4 UN Global Compact: http://www.unglobalcompact.org/
5 International Finance Corporation Performance Standards: http://www1.ifc.org/wps/wcm/connect/115482804a0255db96fbffd1a5d13d27/PS_English_2012_Full-Document.pdf?MOD=AJPERES

The International Finance Corporation's Performance Standards set out expectations for the environmental and social performance of your projects. Compliance with the IFC Performance Standards can help your company access financing.

the equator principles and the international finance corporation performance standards

The IFC is the investment arm of the World Bank Group and is a significant provider of direct project financing in developing countries, with a total investment program of US$18.3 billion in 2013. The organization also mobilized $6.5 billion to support the private sector in developing countries[6] In addition, the IFC Performance Standards are the basis of the **Equator Principles**[7], which were created by the financial industry in 2003 and have been ratified by 78 of the world's largest banks, including all five of Canada's major banks.

The Equator Principles are a financial industry benchmark for determining, assessing and managing environmental and social risk in projects. They are designed to apply to projects in both developed and developing countries. The third edition of the Equator Principles was released in late May 2013 and came into effect June 4th, 2013, on the 10th anniversary of the Principles. The Principles now apply to Project Finance Advisory Services and Project Finance where total project capital costs are $10 million or more; Project-Related Corporate Loans; and Bridge Loans (earlier versions applied only to Project Finance).

The Equator Principles III also include new and more robust reporting requirements from both Equator Principles Financial Institutions (signatories) and the clients they finance. The Equator Principles III were expected to be applied to all new transactions after January 1, 2014. Please refer to the full Equator Principles III for further details[8].

When a project is proposed for financing, a financial institution that adheres to the Equator Principles will, as part of its internal social and environmental due diligence, assess the project based on the magnitude of its potential impacts and risks in accordance with the environmental and social performance criteria of the **International Finance Corporation's (IFC) Performance Standards**[9].

As such, as a starting point, we recommend that you consider aligning your sustainability efforts with the International Finance Corporation's Performance Standards and the rest of this guide is written from that perspective.

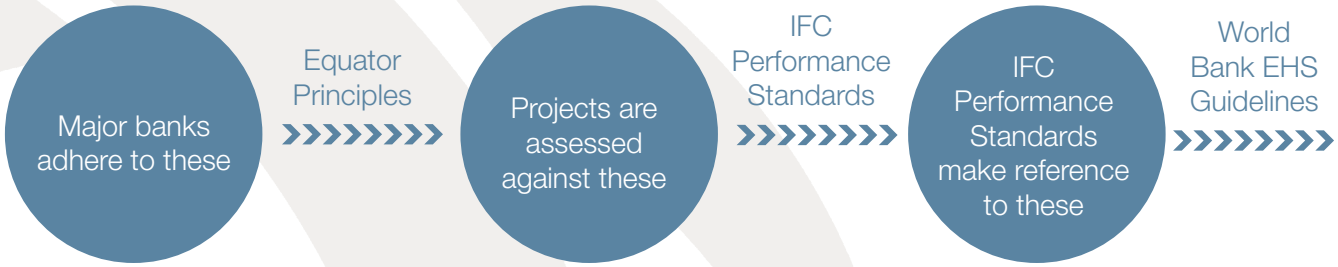
6 http://www.ifc.org/wps/wcm/connect/CORP_EXT_Content/IFC_External_Corporate_Site/What+We+Do/Investment+Services
7 Equator Principles Financial Institutions: http://www.equator-principles.com/index.php/members-reporting/members-and-reporting.
8 http://www.equator-principles.com/resources/equator_principles_III.pdf
9 International Finance Corporation Performance Standards: http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+sustainability/publications/publications_handbook_pps

IFC PERFORMANCE STANDARDS
Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts
Performance Standard 2: Labour and Working Conditions
Performance Standard 3: Resource Efficiency and Pollution Prevention
Performance Standard 4: Community Health, Safety and Security
Performance Standard 5: Land Acquisition and Involuntary Resettlement
Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Systems
Performance Standard 7: Indigenous Peoples
Performance Standard 8: Cultural Heritage

Alignment with the IFC Performance Standards largely results in fundamental alignment with the principles found in the other major Canadian and International sustainable mining frameworks, specifically PDAC's e3 Plus; MAC's Towards Sustainable Mining; ICMM's Sustainable Development Framework; and the UN Global Compact Principles. Also, during their creation, the IFC ensured that the Performance Standards are consistent with many of the major United Nations and International Labor Organization (ILO) declarations and conventions, giving a company that follows the Performance Standards the security of knowing that they are acting in accordance with many major global standards applicable to business conduct.

Figure 2

RELATIONSHIPS BETWEEN KEY FRAMEWORKS



Complying with the IFC Performance Standards means also complying with the World Bank Group's EHS Guidelines.

The IFC Performance Standards reference the **World Bank Group Environmental, Health and Safety Guidelines (EHS Guidelines)**[10] . The IFC uses the World Bank EHS Guidelines as a technical source of information during project appraisal. The guidelines outline general and industry-specific examples of good international industry practice; propose specific management actions; and set out allowable limits with respect to parameters like Arsenic and Particulate Matter (mainly in accordance with the World Health Organization's recommendations). The World Bank EHS Guidelines contain the performance levels and measures that are normally considered acceptable to the IFC and that are generally considered to be achievable in new facilities at reasonable costs by existing technology.

10 World Bank EHS Guidelines:http://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/IFC+Sustainability/Sustainability+Framework/Environmental,+Health,+and+Safety+Guidelines/

Connecting Your Company's Sustainability Performance to Improved Access to Finance

Seeking financing directly from the IFC?

Your sustainability performance will be assessed directly against the criteria found in the IFC Performance Standards.

Seeking financing from one of the financial institutions that is an Equator Principles signatory?

Each bank will have incorporated the Equator Principles, and subsequently the IFC Performance Standards, into their own risk assessment processes. Therefore, the sustainability performance of your project will be assessed somewhat differently for each financial institution, but all will be against criteria based on the IFC Performance Standards.

In both cases, be sure to track and document the efforts that you make towards adhering to the Performance Standards. This paper trail will be important if you ever seek financing from either the IFC or an Equator Principles Financial Institution, and it could help you secure lower cost financing.

resources to help

We identified several of the best resources to support EDSP companies in achieving the requirements found in the IFC's eight Performance Standards. Each of these resources are profiled in more detailed Quick Sheets that accompany this guide and are introduced below.

Foundational Documents (start with these)

Equator Principles (full document)

International Finance Corporation Performance Standards (Quick Sheet)

World Bank EHS Guidelines General & Mining-specific (Exploration and Development or Small Producing)

Best-Practice Management Advice

IFC Stakeholder Engagement Handbook

IFC Grievance Mechanism

IFC Participatory Water Monitoring

IFC Handbook for Preparing a Resettlement Action Plan

IFC Foundations of Local Procurement Program in Rural Settings

ICMM Good Practice Guide Indigenous Peoples and Mining

ICMM Good Practice Guidance for Biodiversity and Mining

IFC Strategic Community Investment

Foundational Quick Sheets

THE EQUATOR PRINCIPLES

There is already an excellent introduction to the Equator Principles III in the form of a summary document available on the Equator Principles website. It describes each of the 10 principles in more detail. We provide a link to the full Equator Principles document here and recommend that you review it as it the principles underpin this guide's recommendations.

INTERNATIONAL FINANCE CORPORATION PERFORMANCE STANDARDS

The International Finance Corporation Performance Standards (IFC PS) Quick Sheet (available here) takes you through the key information you need to know about the IFC PS. It covers how the Performance Standard's may apply to you; explains the process by which the IFC typically executes its due diligence; and takes you through the eight Performance Standards.

WORLD BANK ENVIRONMENT, HEALTH AND SAFETY GUIDELINES (GENERAL AND MINING-SPECIFIC COMBINED)

Two Quick Sheets have been created for the World Bank EHS Guidelines, one for companies who are only conducting exploration and development activities ("Exploration and Development" Quick Sheet, available here), and one for companies who are constructing and producing in addition to exploration and development activities ("Small Producing" Quick Sheet, available here). This has been done out of the recognition that some issues which arise at later stages of mine development are rarely going to be of concern to earlier explorers. The Exploration and Development Quick Sheet provides specific management advice pertaining to:

- Air Emissions and Ambient Air Quality;
- Land Use and Biodiversity;
- Energy use; Water Use;
- Water Quality and Availability;
- Wastewater and Ambient Water Quality;
- Storm Water; Septic Systems; Monitoring;
- Water Conservation;
- Emergency Preparedness and Response;
- Communicable Diseases;
- Hazardous Materials Management;
- Waste Rock Dumps;
- Waste Geochemical Characterization;
- Tailings Planning;
- Waste Storage;
- Noise and Vibration;
- Contaminated Land;
- Structural Safety of Project Infrastructure; and briefly
- Construction.

The Small Producing Quick Sheet contains and elaborates on all of the headings found in the Exploration and Development Quick Sheet, with two additional sections: Structural Safety of Project Infrastructure and Decommissioning.

Management Advice Quick Sheets

STAKEHOLDER ENGAGEMENT

(Pertains to IFC Performance Standard 1)

It is recommended that you begin your exploration of the Management Advice Quick Sheets with "Stakeholder Engagement", as stakeholder engagement provides the foundation for issue identification and management. This Quick Sheet (available here) provides good practice pointers on engagement through the various stages of a mining project, from project conception to operations.

INDIGENOUS PEOPLES

(Pertains to IFC Performance Standard 7)

If your project has Indigenous Peoples (IPs) in its vicinity, the next Quick Sheet to turn to is the Indigenous Peoples Quick Sheet (available here). If you are unsure whether you have Indigenous Peoples in your project's vicinity, refer to section one of the Indigenous Peoples Quick Sheet to help you identify your stakeholders as IPs or otherwise.

This Quick Sheet will help you navigate the current dialogue and practices around Indigenous Peoples' rights; provide generalized advice for how to manage your relations with IPs; and provide specific advice on appropriate indigenous engagement.

GRIEVANCE MECHANISMS

(Pertains to IFC Performance Standard 1)

Grievance Mechanisms can serve as a clear channel of communication whereby community members can voice their opinions and your company can better understand the social and environmental risks and opportunities associated with your project's development. **A well functioning grievance mechanism generally improves trust and respect, and is a key component to building your project's social license to operate.**

The Grievance Mechanism Quick Sheet (available here) tailors advice to EDSP companies and takes you through the basics of grievance mechanisms in terms of their purpose; how they fit into the larger context of project accountability and legal procedures; essential elements of a well functioning grievance mechanism; and four grievance resolution approaches.

PARTICIPATORY WATER MONITORING

(Pertains to IFC Performance Standards 1 and 3)

Water is a critical resource to both communities and mining companies, and it can become one of the most frequently encountered and intense sources of conflict around mine sites. In the past ten years, participatory monitoring has become well recognized as a good way to keep relations positive with community members and engender trust in data. The Participatory Water Monitoring Quick Sheet (available here) dives deeper into the merits of participatory water monitoring; introduces foundational water monitoring concepts to deepen your understanding; and takes you through the basics of establishing and operating a participatory water monitoring program.

BIODIVERSITY

(Pertains to IFC Performance Standard 6)

Adopting responsible practices with respect to biodiversity is an increasingly important part of accessing land and capital and gaining and keeping your social license to operate. The Biodiversity Quick Sheet (available here) will briefly take you through the basics of biodiversity to broaden your understanding of the issues at hand relative to the project cycle; will give you tips and tricks to help you manage impacts on biodiversity; and will provide insight into remediation planning.

LOCAL PROCUREMENT

The Local Procurement Quick Sheet (available here) helps to introduce the main elements of a local procurement program, provides key actions at various stages of the project life cycle and helps you consider the local procurement possibilities in your own project.

Often, one of the major interests that communities express during stakeholder engagement is access to economic opportunities. The Local Procurement Quick Sheet aims to help you to think about how communities could better capture economic spin-offs, as well as the capacities they may need to build to do so. This may involve investing in skills development at an early stage of the project cycle, including understanding the local availability of skills and building capacity to fill the gaps. Even if your company has no intention of seeing the project through to construction and production, investing in skills development will strengthen relations with all stakeholders, including regulators and NGOs, and will ensure that there is a locally available workforce – both of which could increase the acquisition attractiveness of the project.

STRATEGIC COMMUNITY INVESTMENT

Strategic community investment can help your company increase its social license, manage risks, improve workforce productivity and ensure access to land. The IFC has released a "Quick Guide" on Strategic Community Investment)[11], so we have not produced a Quick Sheet. This "Quick Guide" will orient you in the current practices of strategic community investment and will provide valuable advice for the design and delivery of strategic community investments.

RESETTLEMENT

(Pertains to Performance Standard 5)

Lastly, a Quick Sheet on Resettlement (available here) has been created to introduce you to international best-practice for this often sensitive and highly scrutinized activity. IFC Performance Standard 5 outlines expectations for resettlement. (Note: Our reviewers stressed that the IFC places considerable importance on this standard.) This Quick Sheet introduces you to some of the key requirements and recommended management actions. It covers the expected process for resettlement planning, including compensation negotiation and payment, Resettlement Action Plans and select key definitions.

11 IFC Strategic Investment Quick Guide: http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+sustainability/publications/publications_handbook_communityinvestment__wci__1319576907570

next steps

If this guide has done its job, it has given you a starting point to begin your company's journey towards enhanced value creation and protection through sustainability measures. From here, you should review the following resources:

1. Equator Principles III full document [12]
2. IFC Performance Standards Quick Sheet
3. Quick Sheets: World Bank EHS Standards for Exploration and Development Companies /for Small Producing companies (whichever one is relevant to your company)
4. Stakeholder Engagement Quick Sheet
5. Indigenous Peoples and Mining (if applicable) Quick Sheet
6. Grievance Mechanism Quick Sheet
7. Participatory Water Monitoring Quick Sheet
8. Biodiversity and Mining Quick Sheet

The above-listed documents are applicable to the majority of projects. Depending on the phase and context of your project, you will want to refer to the following Quick Sheets in the order that is appropriate.

9. Local Procurement Quick Sheet
10. IFC Strategic Community Investment Quick Sheet
11. Resettlement Quick Sheet

Note: one of the first steps on the road towards sustainable performance is to appoint someone responsible for:

1. Oversight of the company's sustainability and CSR performance (e.g. Board sub-committee)
2. Execution of the company's sustainability and CSR mandate (i.e. a designated sustainability practitioner)

Note: developing a public Sustainability or Corporate Social Responsibility (CSR) policy and mission/value statement is another initial step that should be taken. This requires few resources and sends a positive message to your stakeholders.

12 http://www.equator-principles.com/resources/equator_principles_III.pdf

appendices

Appendix 1: Complete List of Reviewed Resources

To generate this guide, we consulted a broad range of existing frameworks, guidelines, toolkits and international standards, including:

- United Nations declarations and other instruments, including:
  - Global Compact
  - Millennium Development Goals
  - Universal Declaration of Human Rights
  - Declaration on the Rights of Indigenous Peoples
  - The Ruggie Report: “Protect, Respect and Remedy” Framework
  - Guiding Principles on Business and Human Rights
  - Principles for Responsible Investment
  - Convention Against Corruption
  - Convention on Combating Bribery of Foreign Public Officials in Business Transactions
- International Labor Organization (ILO)
  - Convention 169 on Indigenous and Tribal Peoples in Independent Countries
- OECD Guidelines for Multinational Enterprises
- The Extractives Industries Transparency Initiative
- Voluntary Principles on Security and Human Rights
- The Equator Principles
- International Finance Corporation Performance Standards and Toolkits
- World Bank Environment, Health and Safety General Guidelines
- World Bank Environment, Health and Safety Mining Guidelines
- Prospectors and Developers Association of Canada (PDAC) e3+ Principles and Guidance
- Mining Association of Canada (MAC) Towards Sustainable Mining (TSM) Principles and Guidance
- International Council of Mining and Metals Principles, Position Statements and Toolkits

- Global Reporting Initiative's 3.1 Guidelines
- Global Reporting Initiative's 4.0 Guidelines
- Global Reporting Initiative's Mining and Metals Sector Supplement
- The Devonshire Initiative
- Responsible Jewelry Council Principles and Code of Practices
- World Gold Council Conflict-Free Gold Standard
- The Carbon Disclosure Project
- The Carbon Registry
- International Standards Organization (ISO 26000 Social Responsibility)
- World Business Council for Sustainable Development
- Ontario Securities Commission Disclosure Instrument NI 43-101
- US Securities Exchange Commission’s Disclosure Requirement on Conflict Minerals
- Dow Jones Sustainability Index
- Fairtrade Labeling Organization’s Fairtrade, Fairmined Gold Standard

Appendix 2: Complete List of International Finance Corporation Resources

The International Finance Corporation has released the following publications and toolkits:

- Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets (2007)[13]
- Handbook for Preparing a Resettlement Action Plan (2002) [14]
- Guide to Getting Started in Local Procurement (2011) [15]
- The Water Footprint Assessment Manual – Setting the Global Standard (2011)[16]
- Strategic Community Investment: A Good Practice Handbook for Companies Doing Business in Emerging Markets (2010)[17]
- Women in Mining: A Guide to Integrating Women into the Workforce (2010)[18]
- Projects and People: A Handbook for Addressing Project-Induced In-Migration[19]
- Gender Dimensions of the Extractive Industries (2009)[20]
- Mainstreaming Gender into Extractive Industries Projects (2009)[21]
- Creating the Foundation for a Linkage Program in a Rural Setting (2009)[22]
- Introduction to Health Impact Assessment (2009)[23]
- Developing SMEs Through Business Linkages (2008)[24]

13 http://www.ifc.org/wps/wcm/connect/938f1a0048855805beacfe6a6515bb18/IFC_StakeholderEngagement.pdf?MOD=AJPERES
14 http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+sustainability/publications/publications_handbook_rap__wci__1319577659424
15 http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+sustainability/publications/publications_handbook_guidetogettingstartedinlocalprocurement__wci__1319579447675
16 http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+sustainability/publications/publications_handbook_waterfootprintmanual__wci__1319577922803
17 http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+sustainability/publications/publications_handbook_communityinvestment__wci__1319576907570
18 http://www1.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+sustainability/publications/publications_report_womeninmining
19 http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+sustainability/publications/publications_handbook_inmigration__wci__1319576839994
20 http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+sustainability/publications/publications_report_genderdimensionsofextractiveindustries__wci__1319576704143
21 http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+sustainability/publications/publications_handbook_mainstreaminggenderintoextractiveindustries__wci__1319577108523
22 http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+sustainability/publications/publications_gpn_foundationsforlinkageprogram__wci__1319579320531
23 http://www1.ifc.org/wps/wcm/connect/a0f1120048855a5a85dcd76a6515bb18/HealthImpact.pdf?MOD=AJPERES&CACHEID=a0f1120048855a5a85dcd76a6515bb18
24 http://www1.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+sustainability/publications/publications_handbook_developingsmes

The Compliance Advisor Ombudsman (CAO) for the IFC has also released helpful toolkits and advisory documents to assist companies in achieving the IFC Performance Standards:

- A Guide to Designing and Implementing Grievance Mechanisms for Development Projects (2008)[25]
- Participatory Water Monitoring: A Guide for Preventing and Managing Conflict (2008)[26]

25 http://www.cao-ombudsman.org/howwework/advisor/documents/implemgrieveng.pdf
26 http://www.cao-ombudsman.org/howwework/advisor/documents/watermoneng.pdf

Appendix 3: Prospectors and Developers Association - e3 Plus (Overview)

The PDAC e3 Plus has been developed specifically for exploration and development companies, and their three toolkits (Environmental, Social, Health & Safety) provide an enormous amount of useful, relevant information. The PDAC e3 Plus framework is accessible to anyone for free; there are no requirements associated with its use; and there is no evaluation and monitoring of companies implementing the e3 Plus framework. Membership in PDAC is currently $350/year. The primary benefits associated with alignment with the e3 Plus framework are the knowledge you will gain from their educational resources, improved performance and potential reputation enhancement.

e3 PLUS PRINCIPLES
Principle 1: Adopt responsible governance and management
Principle 2: Apply ethical business practices
Principle 3: Respect human rights
Principle 4: Commit to project due dilligence and risk assessment
Principle 5: Engage host communities and other affected and interested parties
Principle 6: Contribute to community development and social wellbeing
Principle 7: Protect the environment
Principle 8: Safeguard the health and safety of workers and the local population

To assist companies achieve the principles, the Prospector's and Developers Association of Canada has released the following free Toolkits, which were also reviewed in the course of this project:

- Social Responsibility (2009)[27]
- Environmental Stewardship (2009)[28]
- Health and Safety (2009)[29]

27 http://www.pdac.ca/programs/e3-plus/toolkits/social-responsibility
28 http://www.pdac.ca/programs/e3-plus/toolkits/environmental-stewardship
29 http://www.pdac.ca/programs/e3-plus/toolkits/health-and-safety

Appendix 4: Mining Association of Canada - Towards Sustainable Mining (Overview)

The Mining Association of Canada's Towards Sustainable Mining (TSM) framework contains 17 principles (listed below) in addition to 25 performance indicators which must be reported on annually. Going forward, as your company grows, you may consider membership in the Mining Association of Canada. Adherence to the Towards Sustainable Mining framework is a condition of membership, and the cost of membership is $10,000 per year.

TSM PRINCIPLES (NOT NUMBERED)
Companies will demonstrate leadership worldwide by:
Involving communities of interest in the design and implementation of our Towards Sustainable Mining initiative
Proactively seeking, engaging and supporting dialogue regarding our operations
Fostering leadership throughout our companies to achieve sustainable resource stewardship wherever we operate
Conducting all facets of our business with excellence, transparency and accountability
Protecting the health and safety of our employees, contractors and communities
Contributing to global initiatives to promote the production, use and recycling of metals and minerals in a safe and environmentally responsible manner
Seeking to minimize the impact of our operations on the environment and biodiversity, through all stages of development, from exploration to closure
Working with our communities of interest to address legacy issues, such as orphaned and abandoned mines
Practicing continuous improvement through the application of new technology, innovation and best practices in all facets of our operations

TSM PRINCIPLES (NOT NUMBERED)
In all aspects of our business and operations, we will:
Respect human rights and treat those with whom we deal fairly and with dignity
Respect the cultures, customs and values of people with whom our operations interact
Recognize and respect the unique role, contribution and concerns of Aboriginal peoples (First Nations, Inuit and Métis) and indigenous peoples worldwide
Obtain and maintain business through ethical conduct
Comply with all laws and regulations in each country where we operate and apply the standards reflecting our adherence to these Guiding Principles and our adherence to best international practices
Support the capability of communities to participate in opportunities provided by new mining projects and existing operations
Be responsive to community priorities, needs and interests through all stages of mining exploration, development, operations and closure
Provide lasting benefits to local communities through self-sustaining programs to enhance the economic, environmental, social, educational and health care standards they enjoy

The 25 performance indicators are categorized under tailings management; energy use and GHG emissions management; external outreach; crisis management planning; biodiversity conservation management; and safety and health. Evaluation and monitoring is built into the TSM framework, with public reporting of performance against the 25 indicators on an annual basis and external verification of performance every 3 years. Public reporting is based on performance self-assessments and the external verification system consists of 3 components:

1. Verification of company self-assessments by an external verifier every three years.
2. Letter of assurance from a CEO or authorized officer confirming the verified results.
3. Annual post-verification review of two or three member companies' performance by the Community of Interest (COI) Advisory Panel.

To assist companies achieve the principles, the Mining Association of Canada has released the following free Toolkits, which were not reviewed in the course of this project:

- A Guide to the Management of Tailings Facilities (2011)[30]
- A Guide to Audit and Assessment of Tailing Facility Management (2011)[31]
- Developing an Operation, Maintenance and Surveillance Manual for Tailings and Water (2011)[32]
- Energy and GHG Emissions Guidance Document (2009)[33]
- Crisis Management Planning Reference Guide (2013)[34]

30 http://www.oma.on.ca/en/ontariomining/resources/MACtailingsguide2011.pdf
31 http://www.mining.ca/sites/default/files/documents/GuidetoAuditandAssessmentofTailingsFacilityManagement2011.pdf
32 http://www.mining.ca/sites/default/files/documents/DevelopinganOMSManualforTailingsandWaterManagementFacilities2011.pdf
33 http://www.mining.ca/documents/energy-and-ghg-emissions-management-guidance-document
34 http://www.mining.ca/documents/crisis-management-planning-reference-guide

Appendix 5: International Council of Mining and Metals - Sustainable Development Framework (Overview)

Membership in the International Council of Mining and Metals has historically been reserved for only the largest resource companies. For the larger Producing companies it may be of interest to become acquainted with ICMM's Sustainable Development Framework as your company continues to grow. All ICMM members are required to implement the Sustainable Development Framework, which includes integrating ten principles and seven supporting position statements into corporate policy, as well as reporting to the "Core" guidelines of the Global Reporting Initiative's G4.

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

ICMM also has seven position statements which are expected be adopted by ICMM member companies. These are: Policy on climate change; Mining: Partnerships for Development; Transparency of Mineral Revenues; Mercury Risk Management; Mining and Indigenous Peoples Issues; and Mining and Protected Areas. The cost of membership is $10,000+ per year.

To assist companies achieve the principles, the International Council of Mining and Metals has released the following free Toolkits, which were also partially reviewed in the course of this project:

- Overview of Leading Indicators for Occupational Health and Safety in Mining (2012)[35]
- Community Development Toolkit (2012)[36]
- Measurement, Reporting and Verification [of Emissions] and the Mining and Metals Industry (2011)[37]
- The Role of Mining and Metals in Land Use and Adaptation (2011)[38]
- Mining Partnerships for Development Toolkit (2011)[39]
- Voluntary Principles on Security and Human Rights: Implementation and Guidance Tools (2011)[40]
- Good Practice Guide: Indigenous Peoples and Mining (2010)[41]
- Working Together: How Large-scale Mining Can Engage with Artisanal and Small-scale Miners (2010)[42]
- Mining and Biodiversity: A Collection of Case Studies (2010)[43]
- Handling and Resolving Local Level Concerns & Grievances (2009)[44]
- Planning for Integrated Mine Closure (2008)[45]
- Good Practice Guidance for Mining and Biodiversity (2006)[46]

35 http://www.icmm.com/leading-indicators
36 http://www.icmm.com/news-and-events/news/articles/icmm-presents-updated-community-development-toolkit
37 www.icmm.com/document/2660
38 www.icmm.com/document/2630
39 http://www.icmm.com/mpdtoolkit
40 http://www.voluntaryprinciples.org/files/Implementation_Guidance_Tools.pdf
41 http://www.icmm.com/library/indigenouspeoplesguide
42 http://commdev.org/working-together-how-large-scale-mining-can-engage-artisanal-and-small-scale-miners
43 http://www.icmm.com/biodiversity-case-studies
44 http://www.icmm.com/page/15816/
45 http://www.icmm.com/page/9566/icmm-publishes-closure-toolkit
46 http://www.icmm.com/page/1182

Appendix 6: United Nations (UN) - Global Compact (Overview)

The United Nations (UN) Global Compact has become a globally recognized sustainability framework whose members span across many industries. As your company's commitment to sustainable mining becomes more established, membership in the UN Global Compact is a good signaling mechanism to communicate this commitment to your various stakeholders. The primary benefit to members is reputational and being part of a peer group that is committed to common goals.

UN GLOBAL COMPACT PRINCIPLES
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights
Principle 2: Ensure that your business is not complicit in human rights abuses
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
Principle 4: Elimination of all forms of forced and compulsory labour
Principle 5: Effective abolition of child labour
Principle 6: Elimination of discrimination in respect to employment and occupation
Principle 7: Businesses should support a precautionary approach to environmental challenges
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility
Principle 9: Encourage the development and diffusion of economically friendly technologies
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

A company joining the initiative is expected to:

1. Make the Global Compact and its principles an integral part of business strategy, day-to-day operations and organizational culture;
2. Incorporate the Global Compact and its principles in the decision-making processes of the highest-level governance body (i.e. Board);
3. Contribute to broad development objectives (including the Millennium Development Goals) through partnerships; integrate in its annual report (or in a similar public document, such as a sustainability report) a description of the ways in which it implements the principles and supports broader development objectives (also known as the Communication on Progress); and
4. Advance the Global Compact and the case for responsible business practices through advocacy and active outreach to peers, partners, clients, consumers and the public at large.

Companies must also make an annual submission of their Communication on Progress (COP), which must contain the following three elements:

1. A statement by the chief executive expressing continued support for the Global Compact and renewing the company's ongoing commitment to the initiative and its principles.
2. A description of practical actions (e.g. disclosure of any relevant policies, procedures, activities) that the company has taken (and plans to take) to implement the Global Compact principles in each of the four issue areas (human rights, labour, environment, anti-corruption). Note: In cases where a COP does not address one or more of the four issue areas, an explanation must be provided ("report or explain").
3. A measurement of outcomes (i.e., the degree to which targets/performance indicators were met, or other, qualitative or quantitative, measurements of results)

The cost of membership is tiered, starting at $500/year for companies with annual sales/revenues of less than $25 million USD; $2,500/year for companies with annual sales/revenues of $25-250 million USD; $5,000/year for companies with annual sales/revenue of $250 million to $1 billion USD; and $10,000/year for companies with annual sales/revenue of $1 billion USD or more.

To assist companies in achieving the principles, the UN Global Compact has released the following publications and toolkits:

- Foundations for Social Investment (2012)[47]
- Water as a Casualty of Conflict: Threats to Business and Society in High Risk Areas (2012)[48]
- A Framework for Corporate Action on Biodiversity and Ecosystem Services (2012)[49]
- Partners in Development: How Donors Can Better Engage the Private Sector for Development in LDCs (2011)[50]
- Principles for Social Investment (2010)[51]
- Guide on How to Develop a Human Rights Policy (2010)[52]
- Guide to Human Rights Impact Assessment and Management (2010)[53]
- Guide to Responsible Business Engagement with Water Policy (2010)[54]
- Framework for Responsible Business Engagement with Water Policy (2010)[55]
- A Resource Guide to Corporate Human Rights Reporting (2009)[56]
- A Guide for Integrating Human Rights into Business Management (2009)[57]
- Fighting Corruption through Collective Action – A Guide for Business (2008)[58]
- Business Fighting Corruption – Experiences from Africa (2008)[59]
- The Labor Principles of the UN Global Compact – A Guide for Business (2008)[60]
- Business Guide to Partnering with NGOs and the United Nations (2007)[61]
- Unchaining Value – Innovative Approaches to Sustainable Supply (2007)[62]

47 http://www.unglobalcompact.org/docs/issues_doc/development/PSI_Foundations_of_Social_Investment.pdf
48 http://www.circleofblue.org/waternews/wp-content/uploads/2012/06/Water-as-a-Causality-of-Conflict-Threats-to-Business-and-Society-in-High-Risk-Areas.pdf
49 http://www.unglobalcompact.org/docs/issues_doc/Environment/BES_Framework.pdf
50 http://www.unglobalcompact.org/docs/issues_doc/development/Partners_in_Development.pdf
51 http://www.unglobalcompact.org/docs/issues_doc/development/PSI.pdf
52 http://www.ohchr.org/Documents/Publications/DevelopHumanRightsPolicy_en.pdf
53 http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+sustainability/publications/publications_handbook_hria__wci__1319577931868
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55 http://www.pacinst.org/reports/responsible_business_engagement_framework/responsible_business_engagement.pdf
56 https://www.globalreporting.org/resourcelibrary/A-Resource-Guide-to-Corporate-Human-Rights-Reporting.pdf
57 http://www.ohchr.org/Documents/Publications/GuideHRBusinessen.pdf
58 http://info.worldbank.org/etools/docs/antic/Whole_guide_Oct.pdf
59 http://www.unglobalcompact.org/docs/news_events/8.1/bfc_web.pdf
60 http://www.ilo.org/empent/Publications/WCMS_101246/lang--en/index.htm
61 http://www.unglobalcompact.org/AboutTheGC/tools_resources/un_business.html
62 http://www.unep.org/resourceefficiency/Portals/24147/scp/unchaining/publications/Unchaining-Value-Final-Report.pdf

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about NBS

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