Solidaridad

Benchmark Study of Environmental and Social Standards in Industrialised Precious Metals Mining

Revised Report

Issued December 2011

By Amanda Stark and Estelle Levin

For Solidaridad

Solidaridad

About Solidaridad

Solidaridad is an international organisation with more than 20 years of experience in creating fair and sustainable supply chains from producer to consumer. We believe that fair and sustainable trade can be a powerful catalyst to reduce poverty, build communities and protect the environment. Solidaridad is a network of nine regional affiliate offices worldwide. We partner with companies, financial institutions, investors and other NGOs to develop supply chains with added value that enable producers, such as farmers and miners, to lift themselves out of poverty. We also foster support among the general public and consumers by building awareness of the opportunities that sustainable trade offers. Solidaridad has been working in the gold supply chain since 2006 to improve conditions at artisanal and small-sale mines. We launched an expanded Gold Programme in 2010 to broaden our work to the industrial mining sector. For more information, please visit www.solidaridadnetwork.org.

Estelle Levin Ltd.

About Estelle Levin Ltd.

Estelle Levin Ltd. is a boutique development consultancy specialising in natural resources governance and sustainable supply chains. Much of its work is in the extractives sector, on behalf of clients like development agencies, NGOs, mining companies, consultancies, and end-users like jewellers. Working individually or by bringing in the relevant expertise, we help organisations mobilise natural resources in ways that achieve their development and commercial ambitions whilst ensuring empowerment and ecological protection; development through sustainability & sustainability through development. Contact Estelle Levin at estelle@estellelevin.com.

Authorship

This report was researched and written by Amanda Stark and Estelle Levin between June and October 2010, with research contributions from Cristina Villegas and Agata Surma. The authors solicited comments on the draft report from the standard-setting bodies between October and December 2010, and finalised the report in December 2010. The report was modified in July 2011 following input from the International Cyanide Management Institute. The research approach was designed by Estelle Levin in collaboration with Amanda Stark and Jennifer Horning.

Acknowledgements

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About This Report

This report is a final version which has been shared with the eight initiatives that have been reviewed herein to give them the opportunity to respond to our analysis. Five of the eight responded with feedback which has been incorporated. Although the report has been re-issued as of December 2011, it contains updates on the International Cyanide Management Code. This update includes information based on documents available at the time of publishing.

Cover picture: The processing plant of an industrial gold mine in West Africa © Estelle Levin, 2010

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Acronyms

AP	Action Plan
ARM	Alliance for Responsible Mining
ASM	Artisanal and Small-scale Mining
BIAC	Business & Industry Advisory Committee
CAO	Compliance Advisor Ombudsman
CLS	Core Labour Standard
CN	Cyanide
CSO	Civil Society Organization
CSER	Corporate Social and Environmental Responsibility
DDII	Diamond Development Initiative International
EHS	Environmental Health & Safety
EIA	Environmental Impact Assessment
EITI	Extractive Industries Transparency Initiative
EMS	Environmental Management Systems
EPs	Equator Principles
EPFI	Equator Principle Financial Institution
FDI	Foreign Direct Investment
FI	Financial Institution
FPIC	Free, Prior, Informed Consent
GRI	Global Reporting Initiative
ICMC	International Cyanide Management Code
ICME	International Council on Metals and the Environment
ICMM	International Council on Mining and Metals
IFC	International Finance Corporation
IFC PS	International Finance Corporation Performance Standard
IFI	International Finance Institution
IRMA	Initiative for Responsible Mining Assurance
MMSD	Mining, Minerals, and Sustainable Development
MMSS	Mining and Metals Sector Supplement (GRI)
MNE	Multi-National Enterprise
NCP	National Contact Point
NGO	Non-Governmental Organization
OECD	Organization for Economic Co-operation and Development
PPAH	Pollution Prevention and Abatement Handbook (World Bank)
RJC	Responsible Jewellery Council
SDF	Sustainable Development Framework
SEA	Social & Environmental Accounting
SIA	Social Impact Assessment
TBL	Triple Bottom Line
TUAC	Trade Union Advisory Committee
UNEP	United Nations Environmental Program
UNGC	United Nations Global Compact
WWF	World Wildlife Fund

Glossary

Term	Definition
Aggregated	Refers to aggregated reporting – providing data obtained by aggregation, as distinct from unit record data.
Artisanal and small-scale Mining (ASM)	Mining conducted with rudimentary tools such as picks and shovels or simple machinery, usually informal or semi-formal individuals or small groups of people on a subsistence basis.
Assurance	An evaluation method that uses a specified set of principles and standards to assess the quality on an organization's performance, the underlying systems, processes and competencies that underpin its performance, and/or the reporting thereof.
Category A (EPs)	Projects with potential significant adverse social or environmental impacts that are diverse, irreversible or unprecedented.
Category B (EPs)	Projects with potential limited adverse social or environmental impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures.
Category C (EPs)	Projects with minimal or no social or environmental impacts.
Concessions	Mineral exploration areas within which companies are granted rights to operate and derive revenues from that operation.
Consent	Refers to indigenous/local communities' consent to mineral exploration within their territory/habitation areas.
Consultation	Refers to stakeholder consultation, aimed at understanding how key stakeholders perceive the Standards' individual and relative strengths and weaknesses.
Disaggregated	Refers to providing unit record data for increased transparency.
Greenwashing	Deceptive use of aggregated data to show compliance with the Standards.
Industrial Mining	Often termed medium- or large-scale, done by professional, corporate outfits legally and in the pursuit of profit.
Normative Document	Usually a Standard setting out the scheme's Objectives, Scope, Principles, Requirements / Criteria, and Indicators for measuring performance. Other normative documents include code of practice, technical specification, regulation, and verification methodology.
Operator	The company or organisation implementing or using the Standard to limit or manage its social and environmental impacts.
Principle	A fundamental statement of intent of the Standard
Regulation	A set of laws and rules imposed by a government, backed by the use of penalties that are intended specifically to modify the economic behaviour of individuals and firms in the private sector. (based on OECD)
Requirement	A condition that needs to be met in order to achieve a Principle.
Standard	A set of officially approved principles and criteria designed to measure and safeguard specified social, environmental, and management issues in the industrial gold mining sector.
Tailings	Leftover material/waste from the mining process.

I. Introduction

Rationale

Solidaridad has been working in the gold sector since 2006 and is now engaged in supporting artisanal miners in South America and Africa to become Fairtrade/Fairmined certified, in close collaboration with the Alliance for Responsible Mining and the Fairtrade Labelling Organizations International (FLO). Solidaridad recognizes that about 80% of mined gold comes from industrial mining, which has significant social and environmental impacts. Since the 1990's, several Standards have emerged which seek to help organisations (primarily in the private sector) understand their impacts with a view to mitigating the negative and optimising on the positive. This study has reviewed, compared, and benchmarked the Principles and Criteria of a number of these Standards (please see definition of Standard on page 5) in order to inform Solidaridad as to which Standards most effectively safeguard specified social, environmental, and management issues in the industrial gold mining sector.

Scope

Eight Standards were reviewed, benchmarked, and compared. These are:

1. The Equator Principles (EPs)
2. Extractive Industries Transparency Initiatives (EITI) Principles and Criteria
3. Global Reporting Initiative (GRI) Mining and Minerals Sector Supplement
4. International Council on Mining and Metals (ICMM) Sustainable Development Framework
5. International Cyanide Management Code (ICMC)
6. International Finance Corporation (IFC) Performance Standards
7. Organisation for Economic Co-Operation and Development (OECD) Guidelines for Multinational Enterprises
8. Responsible Jewellery Council (RJC) – Code of Practices, including Mining Supplement

These Standards were chosen based on their reputation for being 'best in class' for their respective scopes. The IRMA standards were also selected originally, but unfortunately were not able to be included as they have not yet been publicly released. Though a review of the United Nations Global Compact (UNGC) was considered, it was decided that the amount of overlap with the GRI meant this would not be so useful.

Analytical Approach

The credibility and effectiveness of the Standards were evaluated through benchmarking, stakeholder consultation, and review of documentary critiques. The practical results of this evaluation and analysis has produced four categories: 1) Strengths 2) Weaknesses 3) Loopholes 4) Gaps. The Strengths and Weaknesses of the standards show what either facilitate or prevent the Standards from being credible and effective. A Gap is where an issue (relevant to the Standard's scope and mission) is not included, at all or adequately, such that it remains unprotected. A Loophole is where the Standard, or part of it, is written or designed in such a way that it is possible for an organisation to either ignore or greenwash an issue, i.e. say that they are dealing with it but to little effect in practice.

There are two ways of evaluating the Standards. The first is through consideration of the design and content of a Standard's normative documents. We call this 'in theory'. The second is how it is actually used and with what effects. We call this 'in practice'.

Methodology

Three major methods were used for this study: 1) a benchmark, 2) stakeholder consultation, and 3) review of published literature which critique the Standards.

Benchmark of standards

The benchmarking process was as follows:

- A list of the principal social, environmental, and management issues which the standards address and which stakeholders deem to be important was developed, with a view to benchmarking the standards against these.
- All eight Standards were initially reviewed to ensure that the right issues were included and optimally sub-categorised.
- The issues were then assembled into five major groupings:
    - The Development and Management of the Standard itself
    - The Standard's requirements of Operators:
        - Social issues – external (i.e. community-relevant)
        - Social issues - internal (i.e. labour-relevant)
        - Environmental issues
        - Management systems and practices
- The eight Standards were then re-examined in depth by two people to extract information on each issue into a spreadsheet. This allowed for direct comparison on an issue-by-issue basis across the standards, but also to see what issues each standard did and did not cover.
- 53 Issues were determined as relevant to benchmark for this study, some issues originally evaluated were thrown out for overlap.
- A scale of 0-4 was determined to benchmark the standards.

    0 = the standard does not include information regarding the issue (i.e. does not make any requirement of an implementor directly on this issue).

    1 = the standard mentions the issue with relatively no specificity, relevance, or feeble requirements.

    2 = the standard provides some information regarding the issue with a minimal level of specificity, has relevance and fair (adequate) requirements.

    3 = the standard provides detailed information regarding the issue with good specificity, has relevance and robust requirements.

    4 = the 'leading edge' which is used in the rare case that a standard shows exceptional information on the issue based on specificity, has relevance and very robust requirements.
- The Standards were benchmarked on an issue-by-issue basis
- The benchmark judged Standards for issues **required** of participants, and not just issues they may discuss in a general sense, or which they may be intended to indirectly benefit. This means that the IFC Guidance notes and ICMM Toolkits were not judged as part of the benchmark, for example.

Some key considerations are as follows:

- A score of 3 or 4 on an issue does not imply perfection; room for improvement is likely.

- A Standard may score 0 on an issue whether or not the issue is reasonably within the Standard's scope (i.e. relevant to its goals).
- In benchmarking we understand that these standards are not always directly comparable as they do not have the same scopes nor are they intended for implementation by the same types of organisation (e.g. the EITI is focused at country governments in the first instance, whereas all the other standards are directly targeted for implementation by gold mining companies). In these cases, the emphasis is placed on what *is* comparable between them.
- We included only documents which made actual *requirements* of operators, i.e. against which an operator might be audited or assessed were they to seek some type of assurance based on the Standard. This means that we did NOT include guidance documentation in the benchmark, though we note where, for certain standards (e.g. the IFC PS, ICMC, RJC), this would have led to a higher score.

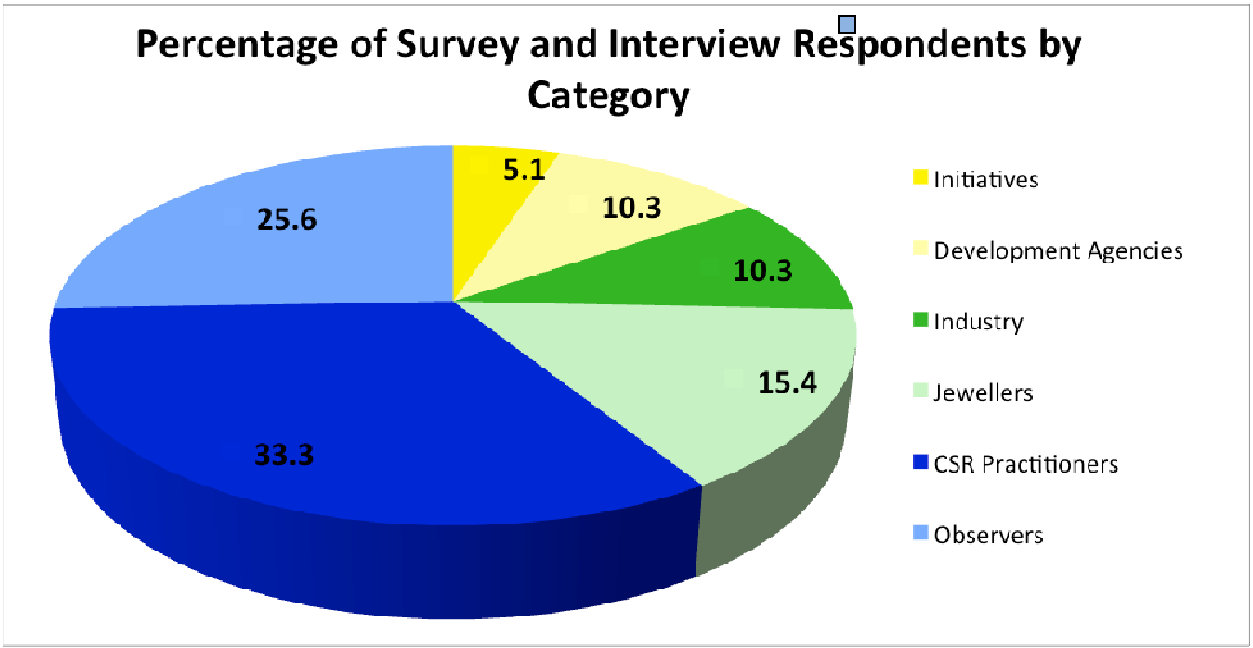
Results of the benchmark can be found in Section II.

Stakeholder Consultation

Whereas the benchmark attempts an objective analysis of the standards, we felt it was important to solicit the opinions of various stakeholders who study or use the standards in the course of their work on industrial mining in order to understand how key stakeholders perceive the standards' individual and relative strengths and weaknesses. To this end, we purposively sampled and then allowed for snowball sampling of the following groups of stakeholders:

	Stakeholder Group	Category Assigned
1.	Representatives of each of the Standards being reviewed.	Initiatives
2.	People in industrial mining companies responsible for managing social and environmental impacts.	Industry
3.	Consultants who use the standards to advise mining companies on management of their social and environmental impacts.	CSER Practitioners
4.	NGOs, academics, and others who scrutinise mining operations and their impacts and /or advocate for the application of social and environmental safeguards in the mining sector.	Observers
5.	Development agencies and NGOs, who through their work ensure the application of social and environmental safeguards in the mining sector.	Development Agencies
6.	Jewellers, to understand the key issues of concern for them and their knowledge of social and environmental safeguarding in industrial mining.	Jewellers

A list of those stakeholders who participated through the survey or interview process and who did not wish to conceal their identities can be found in Annex I. Participants were diverse, as the chart shows:



Results of the stakeholder consultation can be found throughout this report.

Surveys

Two separate surveys were conducted: one for jewellers only, and a second for all other industry stakeholders. In total, 97 individuals from 79 organisations and companies were invited to take a survey, and to share the invitation with other potentially interested parties. As the survey was conducted over the course of the Northern Hemisphere summer holiday period (July, August), an incentive of a 75€ gift card prize was awarded.[1] We received 6 responses for the jewellers' survey, and 26 responses for the general survey, giving a response rate of 33%.[2] Responses from industry, development agencies and the initiatives were low, with only 14% of invited industry and development agency invitees willing to participate.

In the survey each standard was reviewed using the same questions, covering the five major issue groupings: development and management of the actual Standard; and the social, labour, environmental, and management requirements of the mining company or site itself. The survey also included summary questions addressing the Standards together, comparing one Standard to another. Every survey question included a comment box for the respondents to make comments. Access to the survey can be found in Annex II.

Interviews

25 individuals were invited to participate in follow-up interviews to delve deeper into issues and opinions that we felt were significant. Interviewees were selected in a three part approach:

1) Individuals who did not respond to the survey but could have been of value to the study (four of eight interviewees had not taken the survey).
2) Individuals whose contact information was acquired after the survey closed.
3) Individuals who responded to the survey with information that the interviewers were looking to expand upon.

[1] The prize-winner was selected out of a hat by Wing-Sze Wong, a Solidaridad employee who knows none of the participants.
[2] Survey respondents who did not request anonymity are listed in Annex I.

Eight interviews were conducted over a two week period in August 2010. Interviewees included individuals from mine companies, practitioners who review standards at mine sites, academics, and NGO's.[3] Interview questions were similar between interviewees of similar categories listed above as 1), 2), and 3), were directly related to the survey, and to interviewees' survey responses.

Initiatives

An earlier version of this report was emailed to the Initiatives reviewed herein in order to give them an opportunity to respond to the analysis, including correcting any potential mistakes. This version includes amendments made based on feedback from the EITI, the EPs, the GRI, the ICMC and RJC. Other Initiatives did not respond to our invitation to comment or were not able to respond within the available time-frame.

Literature Review

An internet and academic journal search for published and 'grey' articles and press releases that review and critique the Standards was conducted. In addition, interviewees and others contacted in the course of the study recommended documents for review. An annotated bibliography was written, from which a selection of articles for proper consultation was chosen. The literature review was then conducted by Agata Surma and Cristina Villegas on a standard-by-standard basis, based on the following questions:

1. STANDARD DEVELOPMENT: has the leading organisation(s) been critiqued on how it has developed the Standard? (How has the Standard been developed and why? What is it trying to achieve? What is its scope? (Who / what does it target – see stakeholders in table below? How should it be used and by whom?) etc.)

2. STANDARD MANAGEMENT: has the management of the Standard been critiqued? (How has the Standard's development been managed? How is its application managed? Is this done well? What level of consultation / participation do they require? Who gets oversight of the system and protects it from corruption or abuse? How good is the system for continual improvement of the standard?)

3. STANDARD CONTENT: does it cover the right issues in the right ways? (What issues are targeted? Which are not? Does it cover the right issues to achieve its stated mission/objectives? Are the requirements rigorous enough to achieve its stated mission / objectives, or are their loopholes that allow glossy statements but change little on the ground?)

4. RESULTS: does its application achieve what it sets out to do? (Does the application of the Standard lead to any change on the ground? Does it realize its goals? Has it been evaluated?)

This literature review has been used to inform the analysis and writing of the report. The Standards had different levels of coverage. We found only one that evaluated the ICMM SDF, whereas there were a fair number of articles which took issue with the EPs or IFC PS, for example.

Language

Each initiative may use language slightly differently and so for consistency's sake we use the following terminology throughout the report (ISEAL 2007a and b):

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[3] Interview participants willing to be noted are listed in Annex I.

Standard is a document that provides the rules, guidelines and characteristics of an assurance system. It sets out the Objectives, Scope, Principles, Requirements / Criteria, and Indicators of the system. Please note that throughout the report we also use the word 'Standard' to apply to:

- Guidance documents which may not be intended for *assurance* purposes but are oriented at risk or issue management (e.g. OECD Guidelines for Multinational Enterprises).
- A set of 'Principles' (e.g. the Equator Principles, the ICMM Principles)
- A set of 'Standards' (e.g. the IFC Performance Standards)
- Supporting documents, which contain further commitments and requirements (e.g. ICMM Position Statements)

Principles are "fundamental statements about a desired outcome. They often provide greater detail about the Objectives." (ISEAL 2007b) They are statements of intent and "the criteria and indicators flow from the Principles." It is not possible to verify an organisation's activities or characteristics against principles.

Criteria or **Requirements** are the conditions that need to be met in order to achieve a Principle. They are used to judge an organisation's or product's compliance with the Standard. They are audited against using pre-determined Indicators.[4]

Report Outline

Section II presents the **results of the Benchmark**, including an analysis of the Best in Category and Best in Class for specific issues and groups of issues.

Section III provides an **overview of each Standard** in terms of how and why it was developed, what it is supposed to cover and how it is supposed to be used. Each overview includes a summary of which foundational documents were reviewed for the benchmark (though many others may have been reviewed in addition), as well as top-line benchmark results. At the end of the section is a table which sets out key features of the Standards for ease of comparison.

Section IV section presents **the main analysis of the Standards** in terms of the development, management and content of each Standard (what it requires, how it is written, and how it is intended to be used), as well as how it is actually used and whether it achieves its mission and objectives in practice. Each Standard is analysed based on the findings of the benchmark, the stakeholder consultation, and the literature review.

Section V provides a summary of **stakeholders' views** on the development, content, and use of the Standards, individually and relative to each other. It is based on the Stakeholder Survey which is attached in Annex II.

Section VI, **the conclusions**, considers the key issues the Standards need to address across the board in order to ensure they meet their shared goal of promoting sustainability by safeguarding social and/or environmental issues and/or ensuring good governance. It also presents how industrial gold mines should

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[4] Note that the word 'standard' can sometimes be used to mean 'requirement' or 'criteria' by people in the mining industry. This is NOT how we are using the word 'standard' in this document.

use the different standards in order to optimally safeguard society and the environment, and contribute to sustainability.

A Note to the Reader

Whilst we found varied literature describing the Standards' development, intent and content, we found very few publications that evaluated the effectiveness of any of the Standards in safeguarding social and environmental impacts at mine sites. We therefore had to rely heavily on stakeholder opinion to evaluate the Standards' performance in practice. Consequently, as far as is possible given survey respondents' and interviewees' requests for anonymity, it is important for the reader to note:

- which stakeholders we were able to engage
- the opinions we were able to include
- the level of disclosure permitted by stakeholders as to their identity.

Please see Chapter V for more information.

Further, an *extensive, open* consultation was beyond the scope of this report and the resources available, given Solidaridad's goal. Purposive and snowball sampling was used, and we were able to involve just 41 people, who had varying expertise on different standards. Their sum profile means that they cannot be said to be scientifically representative of opinion in this sector on the performance of these standards. We have presented stakeholders' opinions where we have judged a stakeholder to hold sufficient understanding of the Standard for the opinion to be valid and useful. We also rely on reader ability to interpret the reliability of information provided as either 'fact' or 'opinion' based on how it is cited, and from whom / where it is cited.

Lastly, to our knowledge, this is the first attempt to publish a benchmark of voluntary standards to safeguard environmental and social issues in the gold mining sector. Solidaridad chose to release this report to aid in public understanding of these Standards and of the need for effective tools to measure the impacts of gold mining. We urge other stakeholders to publish the results of any ongoing monitoring, evaluation and review of the Standards to build on this base. Perhaps those best suited to this task are the staffs of the Standards themselves, with input from third parties, such as the users of the Standards. Indeed, some of the Standards have done or will periodically do just this (e.g., IFC, RJC). We look forward to reviewing this future work.

II. The Benchmark

The main purpose of the Benchmark is to provide Solidaridad with an objective understanding of the relevant social and environmental performance of the Standards. The benchmarking process is outlined in Section I.

A scale of 0 - 4 was determined to judge the *likely* performance of the Standard on each issue. The attribution of the number depended on what the standard actually ***required***[5] of Operators in relation to each issue.

0 = the Standard does not include information regarding the issue (i.e. does not make any requirement of an implementor directly on this issue), including where the issue is not relevant for a Standard.

1 = the Standard mentions the issue with relatively no specificity, relevance, or feeble requirements.

2 = the Standard provides some information regarding the issue with a minimal level of specificity, has relevance and fair (adequate) requirements.

3 = the Standard provides detailed information regarding the issue with good specificity, has relevance and robust requirements.

4 = the 'leading edge,' which is used in the rare case that a Standard shows exceptional information on the issue based on specificity, has relevance and very robust requirements.

A total score was calculated for each of the standards as well as for each of the issues. The Standard total score gives an overall impression of how the Standard ranks based on the issues covered in this benchmark. The issue total score shows how well the Standards together address the issues covered (and thus where further requirements may be necessary to ensure mitigation of risks).

Based on the topics in this benchmark, the strongest Standards were: Responsible Jewellery Council (RJC) with a total score of 122, Global Reporting Initiative (GRI) (114), the IFC Performance Standard (IFC PS) (114), the Equator Principles (EPs) (113). There are two reasons why these standards ranked in the 100s whereas the other standards achieved much lower scores. Firstly, the four with 100+ scores provide Requirements under each Principle or Standard, so are inevitably more detailed than the others, which provide Principles only. Secondly, the same four have a much broader scope, i.e. they do not have a limited scope (e.g. transparency, cyanide management) but are intended for wider application. Standards that do not score 100+ either comprise just Principles (i.e. are aspirational rather than mandatory) or have a limited scope. This calls into question the utility of comparing Standards with incompatible scopes and/or objectives. ***Thus, whilst the benchmark totals for each Standard tell us little more than which Standards cover more issues, the benchmark does allow us to determine which Standards cover which issues, which are best or worst at addressing specific issues, and which issues are well covered or not.*** By knowing the gaps within each Standard and across all the Standards it is possible to determine where further work is necessary to improve the management of an issue.

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[5] In other words, we have evaluated what is mandatory for operators in order for them to be certified or receive some other stamp of approval (e.g. IFC funding) following a (most likely 3rd party) review.

The following three tables present the Benchmark itself, and then derived from this, which Standards were 'best in category' and which demonstrated leadership (i.e. 'best in class') on specific issues.

The Benchmark

		Standards								Issue Total
Issue	Description	EP	EITI	GRI	ICMM♦	ICMC	IFC	OECD	RJC	
Governance Structure (how standard is governed)										
Consultation, Evaluation & Review	Has there been a review of the standard's content/ effectiveness? In compliance with ISEAL?	2	3	4	3	3	3	3	2	**23**
Communication, reporting	Quality of the Initiative's reporting and communication with its stakeholders	1	3	3	3	3	2	3	3	**21**
Management & Administration	Who is in management? How are they chosen / elected? Who is in charge of administration?	1	3	3	3	2	2	2	2	**18**
Monitoring & Verification	Level (1st/2nd/3rd party)	2	3	1	4	3	1	1	3‡	**18**
Non-compliance, enforcement, and disciplinary measures	What happens to non-compliant users?	2	3	0	0	3	1	3	3‡	**14**
Section Total		8	15	11	13	14	9	12	13	
Management and monitoring systems (of the mine / company)										
Communication, Reporting, Transparency	Quality of information sharing to financial and community stakeholders	3	3	3	2	2•	3	2	3	**21**
Self Assessment	Types of self-assessment required, Incl. risk assessment	3	2	3	3	2•	3	1	3	**20**
Business Partners & Shareholders	Business Relations – What does the mine or mining company require of its business partners as a condition of doing business together?	3	2	1	2	3•	3	2	2	**18**
Mine Closures	Construction, Worker Notice, management of environmental legacy	3	0	2	3	2•	3	1	3	**17**
Emergency Procedures & Preparedness	Plans, Routes, Training	3	0	0	2	4	3	1	4	**17**
Impact Assessment	What is assessed?	3	0	2	2	2•	3	2	2	**16**
Bribery, Anti-Corruption, & Smuggling	Are there requirements for combating these?	1	2	2	1	0	1	3	3	**13**
Security	Over People, Products, and Land	3	0	1	1	1•	3	0	2	**11**
Product Responsibility	Product stewardship	0	0	2	0	3•	0	3	2	**10**
Sourcing Policies	Local procurement	0	0	3	1	3	0	1	0	**8**
Open Markets	Anti-monopoly and fair	0	0	1	1	0	0	2	0	**4**

Issue	Description	Standards: EP	EITI	GRI	ICMM♦	ICMC	IFC	OECD	RJC	Issue Total
	trading									
Section Total		22	9	20	18	22	22	18	24	
Environmental										
Hazardous Substances	Mercury/ Cyanide/ explosives/ acid/ pesticides	4	0	1	3	4	4	2	3	**21**
Energy and Materials Efficiency	Includes Recycling and Reuse	3	0	4	3	0	3	2	3	**18**
Biodiversity	Species protection	3	0	3	3	3	3	0	3	**18**
Habitats and Landscape	Specific treatment of habitat protection and how to deal with general impacts on the environment	3	1	2	0	3•	3	3	1	**16**
Waste	What to do with waste	3	0	2	2	3	3	0	3	**16**
Tailings	What to do with tailings	3	0	2	1	3	3	0	3	**15**
Transport	Of Product and People	3	0	3	1	3	3	0	2	**15**
Emissions	Air Pollution including Carbon	3	0	3	3♦	0	3	0	1	**13**
Water Consumption	Water use and pollution	1	0	3	0	3•	1	0	3	**11**
Protected Areas	Specific mention of protected terrestrial ecosystems	2	0	2	2	0	2	0	2	**10**
Environmental Rehabilitation	Requirements for rehabilitation	3	0	1	1	1•	3	0	1	**10**
Land Adjacent to Protected Areas and Their Environs	Specific mention of buffer zones	1	0	2	1	0	1	0	0	**5**
Section Total		32	1	28	20	23	32	7	25	
Social (affected stakeholders) Community / Social										
Legal Compliance	Local and Nat'l Laws	3	3	2	2	1	3	3	3	**20**
Community Development	Economic & Social impacts, Development Optimisation	3	1	3	4	0	3	3	2	**19**
Health & Safety	Of the community	2	0	3	3	3	2	1	3	**17**
Community Consent	Community consultation (earns a 1 or 2) and Free, Prior and Informed Consent (earns a 3 or 4)	2	2	3	2	2	2	1	2	**16**
Indigenous Peoples (and other terms applicable)	Specific requirements relating treatment of to Indigenous Peoples and their rights	3	0	3	3	0	3	0	3	**15**
Human Rights	Specific requirements relating to human rights	2	0	3	2	0	2	3	2	**14**
Transparency & External Reporting	What is required?	0	3	3	3	1•	0	2	2	**14**
Displacement & Resettlement	Compensation and rehabilitation	3	0	2	1	0	3	0	3	**12**
Archaeology & Cultural Heritage	Treatment of relevant Land and Structures	3	0	2	1	0	3	0	1	**10**
Construction	Of facilities	3	0	1	0	2	3	0	1	**10**
Non-discrimination	Specific requirements to prevent discrimination	0	0	1	1	0	0	1	4	**7**
Security	Forces and treatment of Property	1	0	1	1	0	1	0	3	**7**
ASM	Treatment of Miners	0	0	1	1	0	0	1	3	**6**

Issue	Description	Standards								Issue Total
		EP	EITI	GRI	ICMM♦	ICMC	IFC	OECD	RJC	
	and mining areas									
Conflict Zones	Treatment of people in conflict areas and the territory itself	1	1	0	0	0	1	1	1	**5**
Section Total		26	10	28	24	9	26	16	33	
Labour										
Occupational Health & Safety	How are employees kept safe?	3	0	3	3	3•	3	1	4	**20**
Empowerment	Training, professional development, etc.	1	0	4	3	3•	1	2	2	**16**
Non-discrimination	What is considered discrimination in the workplace and what measures are taken to prevent it?	3	0	2	2	0	3	3	3	**16**
Discipline & Grievance Process	How are workplace grievances managed?	3	3	1	1	0	3	1	2	**14**
Forced Labour	Prevention of bonded/ indentured labour	3	0	3	1	0	3	1	3	**14**
Freedom of Association & Right to Collective Bargaining	Including specific mention of unions	3	0	3	0	0	3	3	2	**14**
Employment Relations	How are employees treated at work?	2	0	3	1	0	2	3	2	**13**
Child Labour	Age categories	3	0	2	1	0	3	1	3	**13**
Remuneration	Wages, Pensions, Benefits	2	0	3	1	0	2	0	3	**11**
Employment Terms of Engagement	contracts, benefits, etc.	2	0	2	0	0	2	1	3	**10**
Local Procurement	Sourcing local inputs, including labour	0	0	1	1	0	0	3	0	**5**
Section Total		25	3	27	14	6	25	19	27	
'Standard' Total		**113**	**38**	**114**	**89**	**74**	**114**	**72**	**122**	

* The Equator Principles and the IFC are similarly scored because the EP's require donors to demonstrate their compliance with ("or justified deviation from") the IFC PS.[6]

♦ ICMM requires members to report 'in line' with GRI reporting Guidelines and Mining and Metals Sector Supplement. ICMM has not taken on all the same scores as GRI because GRI is a structure of reporting and each individual indicator is not required as in other standards. ICMM has taken the same emissions score as GRI because a commitment to GRI reporting on mercury emissions is discussed in the mercury position statement/

‡ RJC may have scored higher than a '3' in these specific categories had RJC's Assessment Workbook, Assessment Manual, Certification Handbook, and Complaints Mechanism (located online) been reviewed for this study. There are not requirements for members within these documents, but guidance.

• ICMC may have scored a higher score in these specific categories had ICMC's Implementation Guidance and Verification Protocol documents (located online) been reviewed for this study.

Key
0 = the standard does not include information regarding the issue. (i.e. does not make any requirement of an implentor directly on this issue, and includes issues which may not be applicable given the stated scope of the Standard).
1 = the standard mentions the issue with relatively no specificity, relevance, or feeble requirements.
2 = the standard provides some information regarding the issue with a minimal level of specificity, has relevance and fair requirements.
3 = the standard provides detailed information regarding the issue with good specificity, has relevance and robust requirements.
4 = the 'leading edge' which is used in the rare case that a standard shows exceptional information on the issue based on specificity, has relevance and very robust requirements.
~ If a standard scores a 3 or 4, it is likely that there is still room for improvement, now or in the future.

[6] Equator Principles, 2006.

Best in Category

This table shows which Standard has the most rigorous approach to the five principal categories of impacts by industrial mine activities that need to be managed.

Issue	Best in Category	Category Rating	Explanation (Highest scoring issues)	Red Flags (i.e. issues scoring multiple 0s or 1s in this category)
Operator's Management and Monitoring Systems	RJC	24 Out of 33 possible[7]	Communications, Reporting, Transparency; Self Assessment; Mine Closures; and Emergency Procedures & Preparedness Each Issue scored a 17 or higher in this section and the highest score was a 21	• Bribery, anti-corruption & smuggling • Sourcing Policies • Product Responsibility • Open Markets
Environment	IFC (and EPs)	32 Out of 36 Possible	Hazardous Substances; Energy & Materials Efficiency; Biodiversity; Habitats; and Waste Each Issue scored a 16 or higher in this section and the highest score was a 20	• Water consumption • Land adjacent to Protected Areas
Social - Community	RJC	33 Out of 42 Possible	Community Development; Legal Compliance; Health & Safety; Indigenous Peoples; Community Consent; and Human Rights Each issue scored a 14 or higher in this section and the highest score was an 18	• Archaeology & Cultural Heritage • Construction • Conflict Zones
Social - Labour	GRI and RJC	27 Out of 33 Possible	Occupational Health & Safety, Empowerment; Non-discrimination; Forced Labour; Freedom of Association & Right to Collective Bargaining Each issue scored a 14 or higher in this section and the highest score was a 20	• Discipline & Grievance Process • Local Procurement

Best in Class

The table below shows the Standards which scored '4' on certain issues, meaning that the Standard is 'leading edge', showing exceptional information on the issue based on specificity, has relevance, and very robust requirements. There are very few 'best in class' issues, meaning that there is much room for improvement amongst existing Standards if they are to ensure that society and the environment are sufficiently protected in the course of industrial gold mining. On the issues which did not make best in class, mining companies should be seeking to go beyond compliance with the Standards and setting best practice themselves as far as possible.

[7] The 'possible' score was tabulated by referencing '3' as the highest score for each issue per Standard. The authors recognize that there was an opportunity to score a '4', though this was in reality outside the spectrum of the benchmark as it was ranked as a 'leading edge.'

Issue	Best in Class	Principle Number	Explanation
These entries are what the standards say for each of the issues listed at the left with exception of the Hazardous Substances entry because it is extremely long. There are … marks between edited out portions.			
Consultation, Evaluation & Review	GRI	N/A (see issue description in the benchmark table)	GRI 'Framework is continually improved and expanded'[8] -Developed multiple Sector Supplements for various industries -Consensus is sought in making changes through stakeholder groups
Monitoring and Verification	ICMM	ICMM Assurance	ICMM covers assurance in an extensive document. Determination of best in class results from that document.
Emergency Procedures & Preparedness	ICMC		The entire standard is oriented at emergency procedures and preparedness for preventing and managing Cyanide spills.
Emergency Procedures & Preparedness	IFC	Performance Standard 1-16	Where the client identifies specific mitigation measures and actions necessary for the project to comply with applicable laws and regulations and to meet the requirements of Performance Standards 1 through 8, the client will prepare an Action Plan. These measures and actions will reflect the outcomes of consultation on social and environmental risks and adverse impacts and the proposed measures and actions to address these, consistent with the requirements under paragraph 21. The Action Plan may range from a brief description of routine mitigation measures to a series of specific plans (For example...Hazardous Materials Management Plans, Emergency Preparedness and Response Plans).
		Performance Standard 2-16	The client will provide the workers with a safe and healthy work environment, taking into account inherent risks in its particular sector and specific classes of hazards in the client's work areas, including physical, chemical, biological, and radiological hazards. The client will take steps to prevent accidents, injury, and disease arising from, associated with, or occurring in the course of work by minimizing, so far as reasonably practicable, the causes of hazards. In a manner consistent with good international industry practice, the client will address areas, including: the identification of potential hazards to workers, particularly those that may be life-threatening; provision of preventive and protective measures, including modification, substitution, or elimination of hazardous conditions or substances; training of workers; documentation and reporting of occupational accidents, diseases, and incidents; and emergency prevention, preparedness and response arrangements.
		Performance Standard 3-7	The client will be prepared to respond to process upset, accidental, and emergency situations in a manner appropriate to the operational risks and the need to prevent their potential negative consequences. This preparation will include a plan that addresses the training, resources, responsibilities, communication, procedures, and other aspects required to effectively respond to emergencies associated with project hazards. Additional requirements on emergency preparedness and response are found in paragraph 12 of PS 4.
		Performance Standard 4-12	The client will assess the potential risks and impacts from project activities and inform affected communities of significant potential hazards in a culturally appropriate manner. The client will also

[8] GRI, 2010j.

			assist and collaborate with the community and the local government agencies in their preparations to respond effectively to emergency situations, especially when their participation ad collaboration are necessary to respond to such emergency situations. If local government agencies have little or no capacity to respond effectively, the client will play an active role in preparing for and responding to emergencies associated with the project. The client will document its emergency preparedness and response activities, resources, and responsibilities, and will disclose appropriate information in the Action Plan or other relevant document to affected communities and relevant government agencies.
Hazardous Substances	ICMC	N/A (see Standard summary , p 19)	The entire standard discusses Cyanide in each of their standards/principles. Taking into account so many aspects of cyanide management within the standard, this Standard has received a '4' for the benchmark.
Hazardous Substances	IFC	Performance Standard 1 - 16.	Prepare an Action Plan. ...The Action Plan may range from a brief description of routine mitigation measures to a series of specific plans. (For example, ...Hazardous Materials Management Plans, Emergency Preparedness and Response Plans, Community Health and Safety Plans, ...)
		Performance Standard 2 – 16	The client will provide the workers with a safe and healthy work environment, taking into account inherent risks in its particular sector and specific classes of hazards in the client's work areas, ...minimizing, so far as reasonably practicable, the causes of hazards. In a manner consistent with good international industry practice, the client will address areas, including: the identification of potential hazards to workers, particularly those that may be life-threatening; provision of preventive and protective measures, including modification, substitution, or elimination of hazardous conditions or substances; training of workers.
		Performance Standard 3 – 3	During the design, construction, operation and decommissioning of the project (the project lifecycle) the client will consider ambient conditions and apply pollution prevention and control technologies and practices (techniques)... The project-specific pollution prevention and control techniques applied during the project life-cycle will be tailored to the hazards and risks associated with project emissions and consistent with good international industry practice,... this performance standard, the term "pollution" is used to refer to both hazardous and nonhazardous pollutants in the solid, liquid, or gaseous forms, and is intended to include other forms such as nuisance odors, noise, vibration, radiation, electromagnetic energy, and the creation of potential visual impacts including light.
		Performance Standard 3 – 5	The client will avoid or minimize the generation of hazardous and non-hazardous waste materials as far as practicable. Where waste generation cannot be avoided but has been minimised, the client will recover and re avoid or minimize the generation of hazardous and non-hazardous waste materials as far as practicable. Where waste generation cannot be avoided but has been minimised, the client will recover and reuse waste; where waste can not be recovered or reused, the client will use waste; where waste can not be recovered or reused, the client will treat, destroy, and dispose of it in an environmentally sound manner. If the generated waste is considered hazardous, the client will explore commercially reasonable alternatives for its environmentally sound disposal considering the limitations applicable to its transboundary movement....

III. Summary Overview of the Standards

This section provides an overview of each standard in terms of how and why it was developed, what it is supposed to cover and how it is supposed to be used. Each overview includes a summary of which foundational documents were reviewed for the benchmark (though many others may have been reviewed in addition), as well as top-line benchmark results. At the end of the section is a table which sets out key features of the Standards for ease of comparison.

Equator Principles – EPs

The Equator Principles are a voluntary set of guidelines for determining, assessing and managing social and environmental risk in project financing.[9] The EPs were established in 2003, revised in 2006, and today they have been adopted by more than 60 international banks, who together control approximately 80% of project financing around the world.[10] They were developed to commit signatory banks to require their project finance loan clients to follow the IFC Performance Standards (IFC PS).[11] The EPs apply to all new projects via non-recourse project finance loans (as defined by Basel II[12]) under the Equator Principle Financial Institutions (EPFIs) with a total capital cost of US$10 million or more, no matter what industry sectors, without geographic requirement, and not specific to mining. New Governance Rules were released on July 1, 2010 which, among other things, ensure that EPFIs meet their own responsibilities such as public reporting on EP implementation.[13] The EPFI Steering Committee has the authority to manage and coordinate the administration, management and development of the EPs on behalf of the EPFIs. Financed projects are assigned one of three categories based on the level of social and environmental impact.[14] These categories require different levels of assurance, up to 3rd party. The EPs are compulsory for mining companies that have project finance loans made by EPFIs to finance their mining projects.

Documents reviewed	Poor performance on Keystone Issues[15]	'Leading Edge' issues	Benchmark Score
The "Equator Principles"	• Bribery, anti-corruption & smuggling • Product Responsibility • Open Markets • Transparency, external reporting These issues are specific to the EPs and not the IFC PS. The above listed issues are areas in which, solely as a funding structure, the EPs could take more responsibility.	• Environment (because it refers to IFC Performance Standards)	113

[9] Equator Principles, 2010b.
[10] Hardenbrook, 2007; BankTrack, 2010b.
[11] BankTrack, 2010b.
[12] Basel II is the second set of the Basel Accords, recommendations on banking laws and regulations.
[13] Equator Principles, 2010.
[14] Category A project s are "Projects with potential significant adverse social or environmental impacts that are diverse, irreversible or unprecedented." Category B projects have "potential limited adverse social or environmental impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures." Category C projects have "minimal or no social or environmental impacts". Equator Principles, 2006, p.6.
[15] Issues of relevance to the Standard for which the Standard achieved a 0 or a 1 in the benchmark.

Extractive Industries Transparency Initiative - EITI[16]

The EITI is a Standard for encouraging transparency and good governance in the oil, gas, and mining industries by requiring companies to publish what they pay to governments and for governments to disclose what they receive.[17] The EITI was launched by Tony Blair in October 2002, and subsequent conferences yielded a collaboration of stakeholders to produce the requirements for the principles. The multi-stakeholder Board oversees the initiative. The EITI holds a conference every two years where Board members are appointed for the following two years. Four global EITI conferences have taken place.

The EITI is designed to be implemented by the signatory governments, who then establish their own systems and requirements for the extractive sector companies operating therein. There are 30 country members, of which 3 are compliant, 27 are still candidates (though many of these have been audited in recent months), and 5 have expressed their intention to become candidates.[18] EITI audits are conducted by third parties, who are paid by the EITI.

Compliance with the EITI is compulsory for extractives companies within EITI signatory countries. At the international level, a company can elect to be a “supporting company”, meaning that it “has made a statement where it endorses the EITI Principles and Criteria, and made the statement available on its website; contributes to implementation in EITI implementing countries; [and] is asked to make an annual contribution to the international management of the EITI” but is not a member country that is required to follow EITI compliance.[19]

Mining companies which support the EITI are demonstrating their commitment to promoting good governance and transparency in financial reporting in the countries in which they operate.

Normative Documents reviewed	Poor performance on Keystone Issues	‘Leading Edge’ issues	Benchmark Score
The EITI Rules Including the Principles, Criteria and Validation Guide	The EITI performs badly on a number of issues and less than 3 on many issues that are important. This is primarily because either many are not relevant given its mission or it aims to address these things indirectly. Also, our review was of the *international normative documents only*. Had this been a comprehensive review of the EITI, including for example reviewing the legislation of several member countries, we would have likely found that the EITI does in practice address a wider range of issues than what is required at the international level.	None One would have expected the EITI to be best in class for Communication, Reporting, Transparency and the issue of Bribery, Anti-corruption and smuggling. It was not because It did not give the same level of detail as other Standards that were awarded 4 for being leading edge on an issue. The EITI argues that by not being too prescriptive the Rules provide flexibility to national governments, which makes them more appealing. On this point, the EITI is going for breadth rather than depth, by being designed to maximize membership rather than seek best practice across the board.	38

[16] EITI, 2010a
[17] EITI, 2010a
[18] EITI, 2010h
[19] EITI, 2010b

Global Reporting Initiative Mining and Metals Sector Supplement – GRI MMSS[20]

In 1997, the Boston-based non-profit CERES started a "Global Reporting Initiative" (GRI) project division and began staffing, fundraising and network development. A GRI Steering Committee formed and ran until 2002. In 1999 UNEP joined as a partner and 20 companies released reporting based on the guidelines set forth by GRI. In 2002 GRI operations were transferred from CERES to a foundation, and in 2003 a 60 member Stakeholder Council was appointed and a three-year development process was undertaken. In 2004 there was a structured feedback process which included 450 experts globally and in 2006 public comment was solicited for the Draft G3 Guidelines, engaging more than 3,000 individuals from diverse sectors, worldwide.[21] More than 850 organisations released sustainability reports using GRI reporting indices. GRI reporting indices are used by many organisations to standardize their reporting globally across social, environmental, and economic performance. The mining industry especially uses the GRI's Mining and Metals Sector Supplement (MMSS), which was released in March 2010 after work with ICMM, a multi-stakeholder working group, and a pilot phase. Use of the MMSS will be required for GRI Application level A reporters published after 31 December 2011. GRI is compulsory for those members of organisations like the ICMM and RJC who require it of mining company members, and for those who have signed on to report using GRI.

Normative Documents Reviewed	Poor performance on Keystone Issues	'Leading Edge' Categories & Issues	Benchmark Score
"Mining and Metals Sector Supplement" "RG &MMSS Sustainability Reporting". IP Indicator Protocols for MMSS: • Economic (EC) • Environment (EN) • Human Rights (human rights) • Labor Practices and Decent Work (LA) • Product Responsibility (PR) • Society (SO)	• Discipline & Grievance Process • Local Procurement	Categories: • Labour category Issues: • Consultation, evaluation & review • Empowerment • Energy & Materials Efficiency	114

International Council on Mining and Metals Sustainable Development Framework – ICMM SDF[22]

ICMM was established in 2001 out of the International Council on Metals and the Environment (ICME) to address the core sustainable development challenges faced by the mining industry.[23] The ICMM Sustainable Development Framework was developed "systematically" since 2001 and has its foundations in the Mining, Minerals and Sustainable Development (MMSD) Project, which was completed in 2004.[24]

[20] GRI, 2010c.
[21] ICMM, 2010e.
[22] ICMM, 2010b.
[23] ICMM, 2001.
[24] "The Mining, Minerals and Sustainable Development Project (MMSD) was an independent two-year project of research and consultation looking at how the mining and minerals sector could contribute to the global transition to sustainable development." IIED, 2010.

The ICMM SDF was first adopted in 2003 as 10 Principles which cover business practices, corporate decision-making, human rights and cultural respect, risk management strategies, health and safety, conservation, responsible product design and disposal, community development, and communications. The Council has since adopted a number of 'position statements' which support the principles by providing further commitments on, for example, transparency for mineral revenues, mercury risk management, indigenous peoples, and protected areas.[25]

The second part of the framework – reporting – was made more robust (i.e. beyond the requirement in principle 10) in 2005 when the ICMM council committed its members to report to the GRI 'in accordance' level. This relationship with GRI had already been in the works as ICMM and GRI had been working on the MMSS reporting structure which was completed in 2004. With the release of the GRI MMSS, ICMM approved a pilot third party assurance procedure for its members, which was amended two years later.[26] In May 2008, "the ICMM Council committed member companies to publicly report on their sustainable development performance on an annual basis, in line with the Global Reporting Initiative's (GRI's) Sustainability Reporting Framework" and specifically against the GRI's MMSS.[27]

In 2008, ICMM began a strategic review of its goals and objectives with further review the following year of its efforts to date and of its members' commitments. In May of that year it introduced the third component of the framework, independent assurance of members' performance and progress against the 10 Principles and their public reporting of performance in line with e GRI's Guidelines and MMSS.[28]

The ICMM SDF was developed by industry members and is led by industry CEOs. The ICMM SDF is compulsory for ICMM member companies. The ICMM produces a number of 'toolkits' for members to help fulfil their commitments to the SDF, though members will not be assured against these. An example is their publication, *Working Together*, which sets out how large-scale mining companies can constructively engage with artisanal miners working near or on their concessions.[29]

The ICMM SDF achieved a score of 89 in the benchmark and demonstrated best practice, scoring a '3' or '4' on 16 out of 53 issues. Had the toolkits been included, it would have scored higher but since these are optional tools for guidance and not requirements, they were not eligible.

Normative Documents Reviewed	Poor performance on Keystone Issues	'Leading Edge' issues	Benchmark Score
ICMM 10 Principles Sustainable Development Framework: Assurance Procedure Reporting Position Statements: • Mercury Risk Management • Mining: Partnerships for Development • Mining and Indigenous Peoples	• Non-compliance, enforcement, and disciplinary procedures • Bribery, anti-corruption, smuggling • Grievance Procedures • Security • Sourcing Policies • Product Responsibility • Internal Policy • Open Markets • Habitats	Monitoring & Verification	89

[25] ICMM, 2010c.
[26] ICMM, 2008.
[27] ICMM, 2010e.
[28] ICMM, 2008. .
[29] ICMM, 2010f.

• Mining and Protected Areas • Transparency of Mineral Revenues	• Transport • Tailings • Water Consumption • Environmental Rehabilitation • Land Adjacent to Protected Areas • Construction • Transparency, External Reporting • Non-discrimination • Security • ASM • Conflict Zones • Forced Labour • Employment Relations • Child Labour • Freedom of Association & Right to Collective Bargaining • Remuneration • Discipline & Grievance Process • Employment Terms of Engagement • Local Procurement (labour)		

International Cyanide Management Code - ICMC[30]

The "International Cyanide Management Code for the Manufacture, Transport, and Use [of] Cyanide in the Production of Gold" (ICMC) was developed by a multi-stakeholder[31] Steering Committee under the United Nations Environmental Program (UNEP) and International Council on Metals and the Environment (ICME). It involved "an extensive consultation process … to solicit the perspectives of a wide range of stakeholders."[32] The Code was officially launched in 2002 and began accepting signatory applications in July 2005.[33]

The ICMC is a voluntary program for companies engaged in the production of gold using cyanide, as well as manufacturers and transporters of cyanide used at gold mines. It aims to provide comprehensive guidance for best practice in the use and management of cyanide.[34] The Code is performance based and requires that mine sites be certified in compliance through periodic, third-party audits by certified, professional auditors.[35] Audit results are posted on the Code website for public review.

As of September 22, 2011, the Code had 102 signatories, of which 31 were gold mining companies. Together, the signatories produce annually approximately 57% of the world's industrially-mined gold, based on estimations by ICMI.[36] According to the ICMI, "129 gold mines have either been certified in compliance with the Code (82 mines) or are preparing for Code certification audits (47 mines) in 36 countries around the world" and the Code is also being used "at 88 cyanide transport operations and 20

[30] ICMI, 2010a.
[31] The Committee comprised "participants from the gold mining and cyanide manufacturing industries, NGOs, governments, inter-government organizations, the International Finance Corporation, and labour." ICMI comments on report, 2011, by email to the authors, 30th May, 2011
[32] Consultation involved posting working drafts of the Code on the UNEP web site, direct distribution to 140 groups and individuals to solicit comments from governments, NGOs, academics, consultants, industry, and financial institutions, and presentations to the Steering Committee by 15 stakeholders and groups from Australia, Papua New Guinea, Eastern Europe, South Africa, Canada and the United States. ICMI comments on report, 2011, by email to the authors, 30th May, 2011
[33] Solomon et al., 2006.
[34] ICMI, comments on report, 2011, by email to the authors, 30th May, 2011
[35] ICMI, comments on report, 2011, by email to the authors, 30th May, 2011
[36] ICMI, letter to Solidaridad, 23 September 2011.

cyanide production facilities."[37] Further, 2010 saw "the largest annual increase both in terms of actual numbers as well as percentage in the Code's brief history" with 8 new mining companies joining.[38]

Support for the Code comes not only from the gold mining industry, (including eight of the ten largest mining companies[39], many smaller operations[40] and the World Gold Council[41]), but also from important multilateral organizations and nation-states. For example, the G8 nations endorse the ICMC as a certification system "for increasing transparency and good governance in the extraction and processing of mineral raw materials and to reduce environmental impacts."[42] Environment Canada recommends that the transportation, storage, use, and disposal of cyanide and cyanide-related materials be done "in a manner consistent with practices described in the International Cyanide Management Code."[43] The IFC requires that mines receiving funding from the World Bank conform to the Code.[44] The Responsible Jewellery Council requires that its members using cyanide for gold production be certified under the Code.[45]

Compliance with the ICMC is compulsory for companies seeking certification, which they can achieve by becoming Signatories to the Code and reaching compliance within three years. Certification is based "on the findings of certified professional health, safety, or environmental auditors and technical experts, and posting Summary Audit Reports and the names and credentials of the auditors on its web site for public review."[46]

The Code is managed by the International Cyanide Management Institute, which was established "to administer the Code, promote its adoption, evaluate its implementation, and manage the certification process."[47] The ICMI is a "non-profit corporation, governed by a multi-stakeholder Board of Directors comprised of gold mining industry representatives and other Stakeholders."[48]

Normative Documents reviewed	Poor performance on Keystone Issues	'Leading Edge' issues	Benchmark Score
"The International Cyanide Management Code"	• Protected Areas • Land adjacent to protected areas • ASM All other issues for which ICMC scored 0 are not relevant to its mission or scope.	Issues: • Emergency Procedures & Preparedness • Hazardous Substances	74

[37] ICMI, letter to Solidaridad, 23 September 2011.
[38] ICMI, letter to Solidaridad, 29 May 2011.
[39] According to ICMI, these largest gold mining companies produce over 1 million ounces of gold a year *each*. ICMI, letter to Solidaridad, 29 May 2011.
[40] ICMI, letter to Solidaridad, 23 September 2011.
[41] On its website, the WGC states that the Council "and its members support the International Cyanide Manangement Code." At http://www.gold.org/about_gold/sustainability/environmental/. Accessed, July 23rd, 2011.
[42] G8, 2007, Article 85, p. 31.
[43] ICMI comments on report, 2011, by email to the authors, 30th May, 2011. See also Environment Canada (n.d.)
[44] ICMI comments on report, 2011, by email to the authors, 30th May, 2011
[45] RJC, 2009f.
[46] ICMI comments on report, 2011, by email to the authors, 30th May, 2011.
[47] Businesswire, 2006.
[48] Green & Bateman (2006), p. 22-13.

International Finance Corporation Performance Standards (IFC PS) [49]

The IFC offers a variety of financial products and services to clients throughout the developing world. In 1950 the idea of the IFC was conceptualised and the following year endorsed by the US government, which worked along with the World Bank (WB) to build support. The IFC was eventually created in 1956 with just 12 staff and $100 million in authorised capital. In the 1980's and 1990's, the IFC coined the term 'emerging markets,' became financially independent from the WB, enacted its first policy on public disclosure (to increase information shared before board approval), and adopted its Environmental and Social Safeguard Policies. In the most recent decade, IFC has looked to mainstream sustainability into its investments and has turned its focus to the world's poorest countries. Its investments had reached $16.2 billion in 2008.

The IFC Performance Standards (IFC PS) are compulsory for projects seeking funding from IFC and they have formed the foundation for a number of other financial instruments, including the EPs, OECD Export Credit Agencies and European Development Finance Institutions.[50] They are also used as a general guidance for best practice in Social and Environmental Impact Assessment of gold mine developments. The December 2007 EHS Guidelines for Mining require that precious and base metals mining operations manage cyanide "consistent with the principles and standards of practice" of the ICMC[51]

The Environmental Health & Safety (EHS) review process was two and a half years long and ended in 2007, which is also the year in which the Guidance Notes that accompany the IFC PS were last updated. A more recent review took place in 2010 and a new draft for public comments was published in December 2010.[52]

Normative Documents reviewed	Poor performance on Keystone Issues	'Leading Edge' issues:	Benchmark Score
IFC Performance Standards on Social and Environmental Sustainability (2007) Environmental, Health and Safety Guidelines for Mining	• Bribery, anti-corruption & smuggling • Sourcing Policies • Product Responsibility • Open Markets • Water consumption • Land adjacent to Protected Areas • Transparency, external reporting • Non-discrimination • Security • ASM • Conflict Zones • Empowerment • Local Procurement	Operator's Management & Monitoring Systems Environment Social	114

[49] IFC, 2010f; IFC, 2010g; IFC 2010c; IFC, 2010b; IFC, 2010d.
[50] IFC, 2010a.
[51] IFC, 2007, p. 9.
[52] IFC, 2010e.

Organisation for Economic Co-operation and Development Guidelines for Multi-National Enterprises - OECD Guidelines[53]

Created as an economic counterpart to NATO, and established in 1961 by a convention, "OECD brings together the governments of countries committed to democracy and the market economy from around the world to: Support sustainable economic growth, Boost employment, Raise living standards, Maintain financial stability, Assist other countries' economic development, [and] Contribute to growth in world trade." In addition to being one of the world's largest publishers in economics and public policy, the OECD collects data, monitors trends, analyzes and forecasts developments, and researches evolving patterns in a number of markets and industries.

The OECD is currently composed of 33 member countries and has cooperative relations with over 70 non-member economies. The annual budget is approximately 340 million Euros, the programme work is determined by the Council, and its Secretariat staff totals 2,500.

The OECD Guidelines are compulsory for companies that are based in member countries: "The Guidelines are recommendations addressed by governments to multinational enterprises operating in or from adhering countries. They provide voluntary principles and standards for responsible business conduct in areas such as employment and industrial relations, human rights, environment, information disclosure, combating bribery, consumer interests, science and technology, competition, and taxation."[54]

"Adhering governments - representing all regions of the world and accounting for 85% of foreign direct investment – are committed to encouraging enterprises operating in their territory to observe a set of widely recognised principles and standards for responsible business conduct wherever they operate. The most recent [completed] revision of the Guidelines was completed in June 2000."[55] After a ten year span without review, in April 2010, 42 countries agreed to a terms of reference for a process to update the guidelines and work on this revision started in June, 2010 with the goal to complete it in 2011. Topics recommended for this review include 'all major areas of business ethics'.[56]

A respondent to the survey also commented that, 'It is less common for mining companies to use the OECD Guidelines, as they tend to use the IFC PS instead'.[57]

Normative Documents Reviewed	Poor performance on Keystone Issues	'Leading Edge' issues:	Benchmark Score
The OECD Guidelines for Multinational Enterprises	• Monitoring & Verification • Emergency Procedures & Preparedness • Self-assessment • Security • Sourcing Policies • Biodiversity • Waste • Transport	None	72

53 OECD 2010b; OECD 2010a; OECD 2010f.
54 OECD 2010d.
55 OECD 2010c.
56 OECD 2010a.
57 CSER Practitioner Survey Response.

	• Water Consumption • Emissions • Protected Areas • Environmental Rehabilitation • Land Adjacent to Protected Areas • Health & Safety • Free, Prior and Informed consent • Indigenous Peoples • Displacement & Resettlement • Archaeology & Cultural Heritage • Construction • Non-discrimination • Security • Conflict Zones • Occupational Health & Safety • Forced Labour • Child Labour • Remuneration • Discipline & Grievance Process • Employment Terms of Engagement • Local Procurement		

Responsible Jewellery Council - RJC[58]

In 2005, fourteen organisations from diamond and gold jewellery companies formed the Council for Responsible Jewellery Practices. The Council was incorporated as a non-profit company in 2005 and adopted the trading name of Responsible Jewellery Council in 2008. By September 20th, 2010, membership had exceeded 250.[59]

Membership in RJC is open to any business or association that participates in the diamond, gold or platinum jewellery supply chain or engages in activities that impacts consumer confidence in these industries. RJC's management team is composed of six members in four countries. RJC's Council is governed by a Board of Directors and is supported by committees. Compliance with the RJC Code of Practices is compulsory for companies seeking membership.

The process for developing RJC's Mining Supplement began in May of 2007 with a gap analysis of their Code of Practices. There were public comment periods and stakeholder meetings, and the formation of a Consultative Panel leading up to the publication of the Mining Supplement in December of 2009, which was integrated into the Code of Practices and is now being used to certify members. More than 380 comments were received during the public comment periods and are published on their website.[60]

RJC is proposing to develop options for chain-of-custody certification for its members' jewellery supply chain related to gold, diamonds, and platinum. RJC's chain-of-custody certification would be "a voluntary, complementary element to the RJC certification process" as it cannot be compulsory owing to competition/anti-trust laws.[61]

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[58] RJC, 2010a; RJC, 2010c
[59] RJC, 2010g.
[60] RJC, 2010c.
[61] RJC, 2010b.

The RJC system has only just become operational with the announcement of it first certified member on September 8, 2010.[62] As such, it is not yet possible to evaluate the impact of implementation. The RJC Principles and Guidelines were established through reference to 21 other Standards, including the EITI, ICMC, and the IFC PS and make specific deferral to some of these in relevant sections.[63]

Normative Documents Reviewed	Poor performance on Keystone Issues	'Leading Edge' issues:	Benchmark Score
Code of Practices, version 3 (December 2009) Guidance Document	• Sourcing policies • Open Markets • Habitats • Emissions • Environmental Rehabilitation • Land Adjacent to Protected Areas • Archaeology & Cultural Heritage • Construction • Conflict Zones • Local Procurement	Social (community) Non-discrimination Occupational Health & Safety	122

Key Features of the Standards

Table Two below provides a top-level view on the key features of the Standards to provide a starting point from which to discuss their relative strengths, weaknesses, gaps, and loopholes in Section IV. This table covers the Management and Development of the Standards only. Further commonalities and differences are reviewed in Section IV.

Mission: All of the standards explicitly seek to enable operators to manage social and/or environmental relevant risks posed by their activities.

Focus: The Standards range from having a specific and limited content focus (e.g. cyanide management; transparency and good governance) to being applicable either by geography (e.g. in specified countries, developing countries, or globally) or sector (e.g. jewellery industry supply chain operators; mining companies) or for any institution for which the issues are relevant (e.g. sustainability reporting).

Scope: All the Standards are applicable to industrial gold mining. Four are mining/minerals or extractives-specific (ICMM, ICMC, RJC, EITI). The other four are for assuring the quality of reporting (GRI), lending (EP, IFC) or the overseas activities of multi-national enterprises (OECD). Only the EITI is intended for use by governments (who will then make requirements of companies) but it can also be used by 'supporting companies' (see below). All others are for use by companies either as part of their internal CSER management systems, and/or as a condition for receiving a loan (IFC, EPs), membership in an organisation (ICMM) or certification (ICMC, RJC).

Key Issues: All do have social and environmental requirements at some level, but each may focus more or less on specific issues (e.g. human health, human rights, corruption) and the quality of treatment of these issues differs widely.

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[62] RJC, 2010f.
[63] RJC, 2009f.

Owners: Two of eight are owned and led by Boards comprised of governments only (OECD, IFC), three by industry (EPs, RJC, ICMM), and two are multi-stakeholder (GRI, EITI) and one (ICMC) by an independent[64] Board.

Consultation in standard development: Five of the eight rated as good and three as fair (RJC, ICMM, EPs) for consultation with stakeholders throughout and since their development process. RJC and ICMM were rated as fair and not good because only one stakeholder group (industry, including the jewellery supply chain) is involved in decision-making. Three are presently undergoing public and/or expert review (EITI, IFC, OECD). All of the standards have engaged civil society; their rating rests on how well and often, and to what degree.

Assurance: For the Standards that require assurance, all seek 3rd party assurance. IFC and GRI do not require assurance, but it has become standard practice for companies using the GRI to have their sustainability reporting practices assured by an auditor. For GRI, reporting must indicate the application level of the GRI Guidelines (whether it be A,B, or C). Companies may request external assurance for their report. If external assurance is included, they add a '+' to their Application Level. The EPs only require assurance for category A projects. In that case, it is in the form of 'independent review' and 'monitoring and reporting over the life of the loan.'[65]

Non-compliance: Procedures for dealing with non-compliance are only incorporated into those standards where assurance is required. Consequences range from developing an Action Plan to loss of membership or signatory status.

Guardians: Stakeholders, members, advisors, Board members, CEOs, founders, and funders ensure good governance by having oversight and input into how the Standard is developed and used. Various structures and processes are in place amongst the Standards to achieve this, for example through participation or monitoring.

Beneficiaries: The Standards are supposed to help a variety of stakeholders. Beneficiaries range from the environment; consumers and supply chain operators (who benefit from improved risk management by their suppliers and employees); governments, citizens, companies and affected communities where the companies are operating; and the implementing parties themselves.

The key for Table Two is as follows:

Key	
Mission	What is the initiative trying to achieve?
Focus	What is being assured? Is it the producer organisation or the product? Or both?
Scope	Where, when and by whom can it be used? (Geography, context, users)
Minerals	Which minerals?
Key Issues	What are the key issues it covers?
Owners	Who owns the system? How does this work?
Consultation (form and develop)	What type of consultation happens?
Assurance	How is this assurance to be done? Is it 1st, 2nd, 3rd party?
Non-compliance	What will happen to actors who do not comply?

[64] ICMI comments on report, 2011, by email to the authors, 30th May, 2011. According to ICMC, "Code signatory companies have no voice in electing its directors … the Board elects its own members, who serve as individuals rather than as representatives of any particular interest group or constituency." The Board also comprises people of diverse sectoral backgrounds (industry, development agency, NGO) and geographies. ICMI comments on report, 2011, by email to the authors, 23rd September 2011.
[65] Equator Principles, Principles 7 and 9.

Guardians	Who oversees the system and protects it from corruption or bias? How will this work?
Beneficiaries	Who is the system supposed to benefit?

Table Two: Summary Overview of the Standards

Issue	EPs	EITI	GRI	ICMM	ICMC	IFC	OECD	RJC
CONCEPT AND DEVELOPMENT								
Key Issues	Environmental and Social risks in lending	Corruption, disclosure, anti-bribery, transparency	Environmental, economic and social reporting	Economic dev., environmental impacts, worker safety, & energy efficiency	Human health and the environment	Mining: Environment, Health & Safety	All major areas of business ethics	Responsible ethical, human rights, social, & environmental practices
Mission	Promotes responsible environmental and social practices in project financing	Supports the full disclosure and verification of company payments and government revenues	Makes companies more accountable for environmental and social impacts of their activities by providing guidance on best practice in sustainability reporting	Acts as a catalyst for improving performance in mining and metals industry, to address core sustainable development challenges	Promotes responsible management of cyanide used in gold mining	Fosters sustainable economic growth in developing countries by financing private sector investment	Addresses the economic, social and environmental challenges of globalisation	Advances responsible ethical, social & environmental practices, which respect human rights
Focus	Borrower	Governments and extractives companies	Companies doing reporting	Companies in mining and metals	Companies producing, transporting or using cyanide for gold mining	Companies and financial institutions in emerging markets	Companies from OECD countries	Companies in the jewellery supply chain
Scope	Projects looking to borrow at least $10M	Governments and companies operating in EITI member countries	All regions and companies	Member mining companies that commit to implementing the ICMM SDF	Gold mines using cyanide and the producers and transporters of this cyanide	Companies and FIs in developing regions; member countries of the IFC	Companies registered in 33 OECD member countries or non-member economies that have co-operative agreements with the OECD (over 70)	Member companies (jewellery supply chain operators)
Minerals	Not mineral-specific	Oil, gas and mining	Not mineral- specific	Mining and Metals	Gold	Not mineral-specific	Not mineral-specific	Diamond, Gold, Platinum
TECHNICAL ARRANGEMENTS								
Owners	Industry: Steering Committee composed of Chair and EPFIs	Multi-stakeholder: EITI Board, through the EITI Secretariat	Multi-stakeholder: Secretariat implements technical work plan set by the Board and manages network	Industry: led by CEOs in the mining industry	Industry: ICMI, via an independent Board of Directors	Government: Board of Governors delegates powers to Board of Directors to represent member countries and review all proposed	Government: OECD Council overseas the standard and has binding decision-making power over	Industry: Management team of RJC is comprised of six permanent staff based in four countries

Issue	EPs	EITI	GRI	ICMM	ICMC	IFC	OECD	RJC
						investments	Member States	
Consultation on standard development and use	FAIR: Fast-tracking prevented meaningful input from stakeholders initially, but the review process in 2006 allowed for increased consultation.	GOOD: Civil society is actively engaged. Expert evaluation due for 2011.	GOOD: Civil society openly engaged for developing Guidelines, and involved in decision-making.	FAIR: Engages with broad range of stakeholders	GOOD: Developed by multi-stakeholder Steering Committee under guidance of UNEP then ICME (now ICMM)	GOOD: Civil society is actively engaged. Public evaluation is presently underway.	GOOD: BIAC / TUAC & activities with CSO. Public evaluation is presently underway.	FAIR: Civil society engaged through various consultation events and internet, but not involved in decision-making.
Assurance	Can be 3rd party	3rd party	No external assurance *required*, however, it is now standard practice for the reporting quality to be assured	3rd party	3rd party	No external assurance required	3rd party	3rd party
Non-compliance	If borrower is non-compliant, the lender can require borrower to propose solution for compliance	Depending on phase of Member, if no meaningful progress is made, Board can de-list	Not applicable; reporting framework	Corrective action plans and internal investigations of significant non-compliance	Possible loss of signatory status	Complaints and audit process through CAO office	Compliance in practice is mixed, because there may be no legal liability	If a company critically breaches, it can be expelled from the Council, otherwise corrective action
Guardians	EPFIs	The International EITI Board – a 20 member multi-stakeholder board	16 member Board, Stakeholder Council of 60	ICMM Council supported by Executive Working Group	8 member Board, ICMI staff	Compliance Advisor/Ombudsman at FIs	Starts with the National Contact Points (NCPs)	27 member Board. Board representation for the founders for the first 10 years
Beneficiaries	Borrowers, affected stakeholders, and the environment	Companies, governments and citizens of the resource-rich countries adopting EITI	Companies learning about their own processes, civil society affected by greater transparency, and the environment	ICMM member companies, impacted communities, and the environment	ICMC adopters in gold mining industry and cyanide supply chain, workers in these industries, local communities of adopters, and the environment	Borrowers, affected stakeholders, and the environment	OECD member countries and companies and affected stakeholders	Jewellery supply chain adopting RJC, affected stakeholders, and the environment

IV. Analysis: The Initiatives in Theory and Practice

This section deals with the development, management and content of each Standard: what it requires, how it is written, how it is intended to be used, as well as how it is actually used and whether it achieves its mission and objectives in practice. Each Standard is analysed below based on the findings of the **benchmark**, the **stakeholder consultation**, and the **literature review**.

Something is considered a **Strength** where it enhances or ensures the credibility, sustainability or legitimacy of the Standard, and its effectiveness in achieving its mission to safeguard society and/or the environment.

Where an aspect of the Standard undermines the credibility, sustainability, legitimacy or effectiveness of the Standard, then it is considered a **Weakness**. If the standard scored a '0', it potentially is discussed as a weakness (depending on its relevance for the Standard's mission).

When a Standard has failed to cover an issue, especially one that stakeholders identify as significant to ensuring the Standard's credibility, sustainability, legitimacy, or effectiveness, then this is considered a **Gap**.

A **Loophole** is where there is an internal or external gap, omission, or poor wording allows for the uptake in the Standard to not occur in the way that it was potentially intended.

In some cases, a topic addressed may be relevant to more than one of the above categories, e.g., a Standard may have a characteristic that is considered both a weakness and a loophole.

Equator Principles – EPs

Key Issues

The EPs and IFC PS were both established for use by organisations seeking loans to finance large infrastructure projects.[66] The difference is that the IFC PS are principally intended for use by the IFC, a public institution that is part of the Bretton Woods system, and the EPs are for use by private sector financial institutions. The EPs have scored more or less the same as the IFC PS in the benchmark, since the EPs require operators to demonstrate compliance with the applicable IFC PS and the World Bank's Environmental Health & Safety (EHS) Guidelines.

The EPs are considered to be flexible. This is partly due to the fact that, although the EPs refer borrowers to the IFC PS, EPFIs may allow borrowers to justify any deviation from the IFC PS (see Principle 3). This flexibility can be both a benefit and a deficiency. Where it is considered to be a benefit, the assertion is that the EPs need to be able to cover a wide variety of borrowers and so flexibility is essential. Where it is considered a deficiency, it is because the flexibility can function as a loophole: the lack of stringency and specificity allows for more discretionary application of the principles.

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[66] The Equator Principles, 2010.

Whilst the EPs were seen as radical in 2003 when they were launched, and though critics may have judged that they "clearly have improved the situation by placing the private sector in a proactive environmental role and strengthening the public's ability to hold the financial sector accountable for its actions,"[67] the EPFIs have continued to be the focus of NGO criticism. This criticism has taken the form of campaigns against projects which the NGOs believe to be environmentally or socially destructive.[68] NGOs are concerned with serious gaps in the EPs and the need for enforcement.[69] In January 2010 in an open letter to the EPs, a coalition of NGOs stated their disappointment "with the lack of transparency, accountability, effectiveness and true compliance with the Principles and the lack of progress in their further development." [70] Indeed, even if they *do* hold one of the highest scores in the Benchmark, in its review of the revised Principles in 2006 BankTrack asserted that it "views the EPs as a baseline, rather than best practice, in the field of sustainable financing policies."[71]

Stakeholders judged that EP assessments are 'not always rigorous', and banks have 'not been so great in their application.'[72] One CSER Practitioner stated that they had 'used the principles contained in the EPs to inform good practice in relation to related social and economic risk and management challenges'[73] so there is evidence of it in use, even if for purposes beyond its intent.

Strengths

Environmental and Social Standardisation: The incorporation of the EPs increased standardisation of principles for environmental and social protection in lending. Before the EPs, variation in environmental and social requirements enabled borrowers to shop from bank to bank to find a lender whose standards were as low as the borrower needed them to be.[74] The standardisation of environmental and social requirements thus prevents banks from competing in a race to the bottom.[75] Though there is a degree of standardisation, there is still room for flexibility for banks to incorporate their own procedures in line with the EPs.[76] This is not to say that there is not room for greater stringency within the EP environmental and social standards (see Gaps section below).

Added Value for Borrowers: The EPs have encouraged positive dialogue and learning for borrowers.[77] In 2007 HSBC carried out a global stakeholder engagement process and asked its reporting assurer to assess how accurately it was implementing the EPs internally. They found that the EPs were one of the most important issues for HSBC because it added credibility to the CSER report, aided the satisfaction of stakeholder demands, improved stakeholders' perception that HSBC is a leader in the industry, and helped ensure the early identification of risks and opportunities for improvement.[78] In this sense the EPs were effective for bringing benefits to the bank, but no actual view on the real social and environmental impacts of requiring the EPs was considered.

[67] Hardenbrooke, 2007
[68] Affolder, 2006, pps.141-166; Rodriguez, 2008.
[69] Affolder 2006, p.157.
[70] BankTrack, 2010a.
[71] BankTrack, 2006.
[72] CSER Practitioner Survey Responses.
[73] CSER Practitioner Survey Responses.
[74] Hardenbrooke, 2007, pps.212-213.
[75] Hardenbrooke, 2007,p. 231.
[76] Affolder 2006, p.155.
[77] BankTrack, 2005, p.14
[78] Rodriguez, 2008, p.1-2.

Weaknesses

Inconsistent Language: The verbiage in the EPs is described as 'generally inconsistent.'[79]

Limited Guidance: In April 2010 the EPs published Governance Rules as a constitution under which the association will operate. It would also be valuable for the EPs to give more guidance or training on how to implement the EPs across the board.[80] This concern was raised prior to the publication of the rules and some observers are sceptical as to whether or not they will assist in reporting.[81] The aim of the Governance Rules is to enable EPFIs to meet their responsibilities, including public reporting on EP implementation.[82] Given the specifics of financing, it is important for borrowers and EPFIs alike to be on the same page when beginning the financing relationship. It would be helpful for the EPs to further document these steps and define requirements more clearly.[83]

Monetary Limits: The EPFIs will not finance loans which are less than $10 million. This limit has been reduced from $50 million, enabling more projects to be subject to the EP in developing regions (and thus increasing the potential impact of the EPs for safeguarding society and the environment where they are properly applied). Though the $10 million mark has been established, it does not mean that projects below this threshold will not be financed, it is; however, very uncommon.[84]

Lead Arranger or not?: EPFIs play different roles in the structure of financing, but rarely is this reflected in project reports.[85] There may be between five and fifteen banks involved in financing a given project.[86] The bank putting most money in is the 'lead arranger' and has senior status.[87] When an EPFI is the 'lead arranger', it has more project control and will be able to incorporate EP requirements into the project funding. Where they are not the 'lead arranger', EPFIs still commit to applying the EPs even if the EPFI has less leverage.

Financing Happens Late in the Process: Currently, banks get involved in project financing deals late in the project development process.[88] The consequence is that many project decisions will have been made, which decreases the opportunities EPFIs may have for influencing projects. If the financial advisor that is hired by the project sponsors is an EPFI, there is more influence earlier in project decisions.[89]

Project Financing Tends to be Secretive: There is a lack of transparency both at the level of implementation and also in the quality of reporting.[90] This prohibits EPFIs and external actors from accessing information on whether or not and in what ways projects are following the EPs. Critics have called for more specific reporting requirements and greater transparency, both of which would enhance public confidence.[91] For example, in HSBC's 2007 stakeholder engagement process, stakeholders criticised the level of disclosure,

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[79] Goel & Cragg, 2005, p. 20
[80] Equator Principles, 2010a. The Equator Principles has indicated in their response to the report that further implementation guidance is available internally for signatories but is not publicly available.
[81] Hardenbrooke, 2007,p. 209, and Rodriguez 2008, p.2.
[82] The Equator Principles ,2010b.
[83] Hardenbrooke 2007,p. 209. Rodriguez 2008, p.2.
[84] Equator Principles benchmark report review comment.
[85] Rodriguez 2008, p.2.
[86] Rodriguez, 2008, p.2.
[87] Rodriguez, 2008, p.2.
[88] Richardson, 2005.
[89] Equator Principle benchmark report review comment.
[90] Rodriguez, 2008, p.2.
[91] Rodriguez, 2008 ; BankTrack, 2005, p.17.

demanding that the bank disclose both approved and rejected projects by region, industry sector, and the role in which the bank had played.[92] Disclosing the cases where an industrial mining company has been refused financing by an EPFI on the basis of EP concerns would do much in the interests of transparency to highlight critical sites from a social / environmental perspective, with a view to improving public scrutiny and pushing companies to really strive for best practice in these sensitive locations (regardless of who is financing them). Banks are signing confidentiality agreements with clients and then cannot disclose non-public information without consent of the client. Disclosure currently would have to be done on the individual EPFI level pending agreement from the client.[93]

Wrongful Categorisation: EP projects are categorised into three classes (A, B, or C) based on their level of social or environmental impact, working backwards from C which means minimal or no environmental impact. In practice, however, projects can be inappropriately categorised. This in turn can create the potential for violations under the system. An NGO looked into a project that was 'Category B' listed and found to have 127 violations of IFC policies. When the IFC looked into the alleged violations, however, they determined that the project was compliant with policies.[94] This is likely a case of wrongful categorisation at the start of the project. Though the project may still have been in violation according to the NGO, even if it had been a categorized as a 'Category A' project at the start, the number of alleged violations may have been fewer if the project had had a more rigorous assessment and review process to highlight better the risks from the start.

Weak Governance: The Secretariat does not set and assure a minimum system of accountability.[95] Increased Secretariat responsibility would allow the EPs to record improvement recommendations, apply a grievance mechanism, serve as a sounding board for studies, and function in other roles specific to the EPs. This would increase its credibility.

Inadequate Reporting Requirements: The reporting process is weak. Many banks provide limited or no information on how they implement the EPs and the quality of reports is inconsistent.[96] BankTrack has called for "a stringent set of reporting obligations for adopting banks, including new adopters" as well as "mandatory external, independent and transparent third party verification of compliance with these reporting guidelines."[97]

Evaluating Own Behaviour:[98] While the EPFIs *may* have CSER policies and procedures to govern their own behavior, this is not a required condition to be accepted into the group of EPFIs. Further, the EPs do not make requirements of the social, labour, or environmental practices of other banks with whom they might partner.[99] The EPs could develop further principles applicable to banks and make it all 'in house.'

Gaps

Requirements: Increasing the specificity of existing standards, or further adding standards to include:

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[92] Rodriguez 2008, pps.1-2.
[93] Equator Principle benchmark report review comment.
[94] Affolder, 2006, pps. 155-157.
[95] Goel & Cragg, 2005, p.20; BankTrack, 2005, p.17.
[96] BankTrack, 2005,p. 5.
[97] BankTrack, 2010.
[98] Baines, 2009, 234.
[99] Hardenbrooke, 2007, p.207.

Environment:[100]

- Water (not currently covered)
- Biodiversity (increase coverage)
- Climate change (barely covered)
- Exclude from funding:
    - Mines with significant negative impacts above a certain critical threshold
    - 'No-go' regions (e.g., critical habitats, primary tropical forests, and working in or near protected areas.)

Social:[101]

- Various Human Rights and Labour Issues (see IFC analysis below)
- Specialised information for financing in post-conflict environments (not currently covered)
- Engagement with artisanal and small-scale miners (ASM) (see IFC analysis below)
- Free, Prior and Informed Consent (not currently covered)
- Management systems (inadequately covered)[102]
    - Bribery (barely covered)
    - Anti-Corruption (barely covered)
    - Business Partner/ Shareholder interactions (not covered except through the IFC)
- Exclude from funding:
    - Projects in conflict zones
    - Projects with high potential for human rights violations
    - Forced displacement[103]

Reporting Non-compliance: There is a general lack of mechanisms for project-affected communities and borrowers to report grievances.[104] These mechanisms are the responsibility of the client according to Principle 6.[105] If established, grievance mechanisms offer the potential to reduce or prevent abuse of the EPs and increase non-compliance being reported. System-wide grievance mechanisms may be beneficial for the EPs.

Loopholes

Discretionary Categorisation: The categorisation of projects as being in either Category A, B, or C is largely discretionary, which can allow for too much wiggle room.[106] Different categories have different obligations and reporting requirements, which means they are more or less rigorous. A project's category determines a number of obligations and processes, such as the need for: assurance throughout the project; social and environmental assessments; an Action Plan (AP); consultation with affected communities; establishment of a grievance mechanism; and/or a covenant for financing. Wrongful categorisation of projects means that projects which should have had more rigorous procedures do not, thus increasing the likelihood that negative impacts will occur.

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[100] BankTrack 2010a; CSER Practitioner and Observer Survey Responses.
[101] Goel & Cragg, 2005, p. 22; CSER Practitioner and Observer Survey Responses.
[102] Goel & Cragg, 2005, p.22; CSER Practitioner Survey Responses.
[103] Observer Survey Response.
[104] BankTrack, 2006.
[105] Equator Principles, 2010b.
[106] Baines, 2009, 235.

Selective Reporting of Issues Related to Assessment and Assurance: Category A and B projects require an "adequate, accurate and objective" assessment of the environmental and social impacts and risks of the project, as well as the proposal of mitigation and management measures in an Action Plan.[107] However, these can be prepared by the "borrower, consultants, or external experts, " which leaves scope for selective reporting of the issues. As a precaution, Category A project Actions Plans must then be independently reviewed by a third party, as part of the EPFI's due diligence,[108] and Category A and some Category B projects will be independently monitored over the life of the project on behalf of the EPFI.[109]

Segmentation Allows for Misrepresentation of Likely Impacts: If a project is divided into phases, it 'can misrepresent its overall environmental impact' and may be categorised as Category B or C, instead of Category A.[110] According to IFC PS 1, paragraph 5, the project's area of influence will be evaluated including (iii) "other project-related developments that are realistically defined at the time the Social and Environmental Assessment is undertaken; and (iv) areas potentially affected by impacts from unplanned but predictable developments caused by the project that may occur later or at a different location."[111] This can still be a serious loophole for the EPFIs, especially since no assurance is mandated for Category C projects and determinations may not be made for future aspects of the projects.

Abuses in 'Equator Compliant' Mode: In early 2010, NGOs expressed their disappointment "about the continued involvement of EPFIs in projects that should have no place in the portfolio of banks that strive to be sustainability leaders."[112] They allege that the EPFIs continue to fund "huge mining projects scarring entire mountains and polluting rivers and seas with their waste ... the Equator Principles allow for all of these disgraces to proceed, only now in an 'Equator compliant' mode"[113] On this basis, mines which are financed by EPFIs will not necessarily escape the scrutiny and possible criticism of NGOs and are not necessarily safeguarding society and the environment effectively.

'Free Riders': There is a potential free rider problem. Some banks do extensive due diligence on projects' compliance while others do not.[114] These free riders threaten the credibility of the EPs and the EPFIs as a whole.[115]

Allowing Weak Practices as Good Practice: As there is an uptake of the EPs, organisations are choosing the EPs over stricter standards, such as industry-specific ones, which would do more to safeguard society and the environment. This may be reducing the number of organisations which would otherwise be implementing best practices, so reducing the social and environmental gains which could be being made.[116] In this sense the EPs may allow companies to make CSER reporting gains without making real CSER impact gains, and so their application could be actually preventing significant progress in certain cases.

(In)Direct financing: The EPs say that EP signatories (EPFIs) only agree not to provide loans 'directly' to projects which do not comply with EPs. Thus, if a borrower's project does not comply with the EPs, the EPFI

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[107] Equator Principles, 2006. Principle 2. See also footnote 2.
[108] Equator Principles, 2006. Principle 7.
[109] Equator Principles, 2006. Principle 9.
[110] Hardenbrooke, 2007.
[111] IFC, 2010c.
[112] BankTrack, 2010a.
[113] BankTrack, 2010a.
[114] Hardenbrooke, 2007.
[115] Bank Track, 2006.
[116] Affolder, 2006, p.158; Goel & Cragg, 2005, p.20; Richardson, 2005, p.290.

could still loan to the project sponsor if there is another EP compliant project at the same company or parent company.[117] The EPFI in this case may choose to place a condition on the agreement that the loan may not be used for the non-EP compliant project.[118]

Costly and Voluntary: Application of the EPs is voluntary for the financial sector. There is a lack of stringency and specificity in the EPs, and therefore there is room for borrowers to view the principles as optional rather than essential. The EPs are also seen to add both time and cost to projects, some potential EP borrowers try to self-finance projects in order to avoid them.[119] This limits the effectiveness of the EPs by limiting their potential impact.

Selective Reporting: Borrowers are able to and may be inclined to *not* contribute specific information.[120] This is a problem seen across the standards, and could be mitigated by improving the stringency of the assessment, reporting and review process.

Use by Industrial Gold Mines

As a project financing tool which relies almost entirely upon the IFC PS for their social and environmental content, the EPs are only useful in judging the performance of industrial gold mining companies if an EPFI is funding a given project and if the following information is known to the reviewer:

1. What is the project's categorisation? In all cases this will almost certainly be an A or B. Knowing the categorisation would aid scrutiny by observers.
2. The fact of the financing suggests that the EPFI is largely in compliance with the IFC PS, on the one hand, but also that it has ensured good process in risk management, i.e. it has done appropriate consultation with affected communities, has established a grievance mechanism, has identified its risks and has developed a strategy to manage them (Action Plan), and, if it is a category A project (and possibly category B), its implementation of the Action Plan is being monitored by an independent reviewer.
3. Compliance with the EPs does not prove that risks are managed, only that there is a plan for management.

Extractive Industries Transparency Initiative - EITI

Key Issues

The EITI helps bring greater transparency to the extractives sector, which has traditionally been 'closed door' and extremely secretive. This may be owing to the huge sums of money that governments and their representatives can gain from it. According to the World Bank's 'EITI++' campaign[121] (which has now evolved into GOXI[122]), there is an opportunity to improve this level of transparency to go beyond the

[117] Lawrence & Thomas 2004-2005, p. 24. Clarification from Equator Principles in review of benchmark report.
[118] Equator Principles benchmark report review comment.
[119] CSER Practitioner, Survey Response.
[120] CSER Practitioner Survey Response.
[121] EITI, 2010f.
[122] See http://extractiveindustries.ning.com: "GOXI is part of a broader effort, initiated by the World Bank Group and the African Development Bank, to improve development outcomes from extractive industries by fostering greater accountability in the sector. GOXI is complemented by periodic face to face, multi-stakeholder, focused dialogue on emerging governance issues related to the EI value chain – all part of one community to enable those working actively on these issues to connect, share, learn and collaborate. Working collaboratively, and harnessing the tools,

inclusion of revenues only to include transparency for financial expenditures and management in general. This broader scope could include governments as well as private – public (company-state) interactions in industries beyond extractives.

EITI scored the lowest in the benchmark (38) primarily because it has elected to strictly limited its scope at the international level. It has done so with the principal aim of improving transparency of financial contributions from companies to government, as a tool for improving the governance of the extractives sector at the national level. As such, it does not focus on most of the main issues covered in the benchmark. It was included in the assessment, however, because of its aim in ensuring good governance in public-private relations in the extractives industry. This was important because bad governance (including corruption) is understood as one of the main negative impacts the industry can have on society and the environment. EITI scored a '3' for 'Communication, Reporting, and Transparency' and a '2' for 'Bribery, Anti-Corruption, and Smuggling.' Both of these scores fared in the top 50 percentile against the rest of the Standards.

The EITI's methodology is "intentionally designed to be flexible to allow countries to decide for themselves the scope of the programme. Some countries will choose to disclose the bare minimum required by the EITI Rules, other countries have chosen to require more extensive disclosure and include other areas such as agriculture, water, and gas transit. Stakeholders within the EITI claim that it is EITI's flexibility that has allowed it to grow quickly over the past five years. As of November 2010, 33 countries are considered either 'EITI Candidate' or 'EITI Compliant'."[123] This flexibility leads to a diversity of legislative interpretations of the EITI with different countries adopting requirements that go beyond compliance with the EITI. It should be repeated that the aim of this report was to assess the *international* Standard only; no doubt the present evaluation commissioned by the EITI will look in detail at the *national* normative documents (legislation).

The EITI is still in its early days and while "there is a lot of potential and good ideas … it is not substantial yet."[124] As with the RJC, therefore, it may be too soon to really know how effective it has been in practice, except in a few countries.

Stakeholders generally felt that though it was not what EITI was initially set up for, EITI should be expanding its reach to other initiatives and to increase its own scope of requirements.[125] Many responses also centred around various aspects of the government-company disconnect in terms of obligations under the EITI. For example, respondents were of the view that a company does not 'have to do anything unless a government acts' that 'EITI standards are mainly used by governments, not so much by the industry,' and that 'they look at transfers to Government but don't show how [they are] being used' and finally, 'at issue is the large segment of the mining sector made up of State-owned enterprises who provide less support of EITI.' [126] Numerous EITI reports demonstrate, however, that many State-owned enterprises participate in EITI reporting.

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perspectives and expertise available through a growing network of practitioners on the ground, we envision better governance of natural resources with consequent benefits for all citizens." GOXI, 2010.

[123] Comments from EITI expert, Anders Krakenes, in email to Solidaridad, 26th November 2010, including citing E ITI Website, accessed 26 November 2010: http://eiti.org/countries.

[124] Observer, Personal interview, 20 Aug. 2010. Note that an EITI expert responded to this interviewee's comment by highlighting the fact that the EITI is now applied in countries which collectively have a population of 880 million people. Email from Anders Krakenes to Solidaridad, Nov 26, 2010.

[125] CSER Practitioner and Observer Survey Responses.

[126] CSER Practitioners, Development Agency, and Observer Survey Response.

Strengths

Transparency as a Tool for Peace, Democracy, and Development: Many levels of society benefit from the increased transparency that the EITI can bring to countries by allowing greater scrutiny of public revenues, so in theory enabling civil society to hold government to account for how it then spends that money.[127] The EITI states that in post-conflict countries it "is part of a wider peace and reconciliation process" and "in volatile states like Niger, Mauritania and Madagascar, the EITI creates a democratic space for citizens to contribute to their country's development."[128] Civil society views on the validity of these statements would be advantageous.

Evidence of Increased Disclosure: In an EITI newsletter published in July 2010, the EITI states that there has been a 'barrage' of new reports.[129] The newsletter states that 23 countries have completed one or more reports, with 47 total reports completed to date, and half of those were published in the year leading up to July 2010.[130] These reports are publically available, locally and internationally.

Multi-stakeholder Governance: The EITI has been developed and is governed by a diverse group of stakeholders, including civil society. The influence and reach of the EITI is extended by having the explicit support of stakeholders besides governments.

Show of Strength: Like other international standards, such as the Kimberley Process Certification Scheme, the EITI is able to throw out member countries which are non-compliant. This increases credibility by showing that violations will be treated seriously, so encouraging compliance and improving self-discipline amongst members.[131]

International Standard, Situated Nationally: The EITI allows for national-level decision making on key issues, namely who reports benefit streams and whether or not to aggregate companies' reporting.[132]

Weaknesses

No Guidance on Reporting: There is currently no guidance for countries or companies on how to prepare reports or to how auditing should work, leading to varied report quality between countries and companies.[133] As soon as the initiative gives guidance on this point, there can be cross-fertilisation on best practices and perhaps the development of one of EITI's 'policy notes' or 'good practice notes' on good reporting practices.[134] Beyond assisting the countries and companies, the formulation of how to develop reports would be an extended benefit to those that have not yet adhered to EITI.

Dependence on Government for Implementation: Governments are primarily responsible for the implementation of the EITI; subsequently companies do not have to do anything unless the government requires it, or unless they are a 'supporting company.'[135] On the other hand, in countries where the EITI is embodied in legislation, then all companies should be compliant. However, where governments have

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[127] Bracking, 2009, p. 91.
[128] EITI, 2010c.
[129] EITI, 2010c.
[130] EITI, 2010, p. 4.
[131] Observer interview response. and Observer Survey Response.
[132] Global Witness UK & Save the Children UK, 2005.
[133] Global Witness UK & Save the Children UK, 2005.
[134] EITI, 2010d.
[135] Observer, Personal interview, 20 Aug, 2010

limited capacity, implementation can be weak and full declaration of financial transactions may be difficult or nearly impossible.[136] The EITI may serve to help improve capacity as governments learn through the process on good practice in reporting and working in partnership with international organisations.[137]

Countries Can Opt Out: A new regime may choose not to renew a country's commitment to the EITI. Whilst this helps make the initiative more appealing to countries and increase members, in 2006 Publish What You Pay called for the EITI to be formally adopted as statutory law in member countries. This would reduce the chance of a country withdrawing from the EITI from one regime to the next.[138] Further, many major gold producing countries are not (yet) candidates in the EITI, nor are they registered to begin the two year process of becoming candidates.[139] Until countries like Russia, Brazil, Papua New Guinea, or Sudan, for example, seek to become candidates, a test of mining companies' commitment to social and environmental safeguarding would be their voluntary commitment to the EITI principles.

Gaps

Mainstreaming into Other Sectors: The principles of the EITI could play into fields other than extractives, since they applicable to financial transparency at a general level.[140] The *basic* structure for financial transparency has been established, with a system that requires country involvement and relates down to company-level reporting. This system with an expanded outlook could beneficially stymie corruption and loopholes in other industries in EITI member countries. According to the EITI, "several countries have chosen to include other areas in their EITI reporting. E.g., in Liberia, they report on payments from the agriculture sector, Togo has pledged to disclose payments from the water sector."[141]

Expanding Reporting to Good Governance in General: The EITI is really a mechanism for encouraging state and industry reporting on company-state transactions and relations. Nonetheless, it limits its scope to financial reporting only. Based on its mission, however, there is an opportunity for it to stimulate improvement in other issues related to good governance, for example by incorporating requirements on human rights and democratisation that determine whether governance of extractive industries is done in the interests of society, or not. Further, certain aspects of labour and community rights, like FPIC, engagement with ASM, and non-discrimination, could be incorporated by encouraging companies to report on where their interactions with government have achieved (or violated) best practice on these issues. However, it is likely that this is not being promoted for fear of de-incentivising many important extractives countries, many of which have poor democratic and human rights records, from even participating in the first place.

Requirements:[142] See previous comment.

Industry Ignorance: According to one survey respondent, only a section of industry understands that there are benefits to the EITI so sensitisation would be desirable.[143] There are 50 multinationals and 80 institutional investors who support the EITI.[144] With increased information and background regarding the

[136] Publish What You Pay & RevenueWatch Institute, 2006.
[137] Email from Anders Krakenes to Solidaridad, Nov 26, 2010.
[138] Publish What You Pay & RevenueWatch Institute, 2006.
[139] Goel and Cragg, 2005.
[140] Publish What You Pay and Revenue Watch Institute 2006; CSER Practitioner Survey Response.
[141] Email from Anders Krakenes to Solidaridad, Nov 26, 2010.
[142] CSER Practitioner, Industry and Observer Survey Responses.
[143] Development Agency Survey Response.
[144] Email from Anders Krakenes to Solidaridad, Nov 26, 2010.

EITI and its benefits, other companies could be persuaded to support the initiative, encourage other governments to enter the process, and provide the most complete and accurate information and go above and beyond the governments' reporting requirements.

Loopholes

Aggregated Reporting: Aggregated reporting allows for companies and countries that are unable to meet reporting expectations to side-step some requirements, whether purposefully or not. This can range from a minor offense to major payments being completely overlooked. When data is aggregated, it also decreases the accountability of companies, as specific sites are not distilled out from the rest and may not have as sterling practices as others. The practice of aggregating makes identifying leakages to improve problems impossible.[145]

Free-Riders and Greenwashing: NGOs state that a company may claim to support the EITI, but not fulfil its commitment to independently publish what it pays to governments or encourage the adoption of the EITI in non-EITI countries in which it operates.[146] These companies get the prestige of claiming participation, without really doing much to progress transparency and good governance more widely. For now, it seems that the purpose of the 'supporting companies' is more to lobby countries to sign up to the initiative. Supporting is, however, independent from reporting. Following the letter of EITI, if a company is implementing EITI, there are reporting requirements and the consequences include de-listing.

Secrecy: Secrecy surrounding investment contracts and the awarding of mineral concessions makes full transparency difficult to achieve, as contracts may not be available other than to government officials. Without the contracts there is no way to verify if the payments meet the original agreements.[147] As the EITI allows countries to set some of their own rules, the EITI needs to mandate how reporting should work on an initiative-wide scale so that inconsistencies and national-level cover ups do not discredit the process as a whole.

Use by Industrial Gold Mines

Where a gold mine is located in an EITI country, the quality and integrity of the national EITI system will determine whether or not the company's compliance is sufficient to be considered good practice. A universal standard on best practice in industry-state relations, derived from the EITI, would help to properly address how a company's activities can help or hinder good governance, transparency and corruption generally, rather than just in its payments to state agencies.

Key questions to consider when judging how a gold mine uses the EITI are:

- Is the company a 'supporting company' at the international level? If so, then it is seeking to advocate good governance in natural resource management at the country-level in its countries of operation.
- Has the company adopted any aspect of the EITI Principles and Criteria into internal policies and management systems at the international or site levels?
- Is the host country EITI compliant?

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[145] Publish What You Pay and Revenue Watch Institute, 2006. Note: Though the countries may give their support without having compliant or candidate status.
[146] Global Witness UK and Save the Children UK, 2005.
[147] Publish What You Pay and Revenue Watch Institute, 2006.

- If so,
    - Is the company compliant with the host country's EITI requirements?
    - Also, does this mean anything? i.e. it is necessary to judge the quality of the EITI requirements made of the host country to decide whether assessment of a company's compliance is a sign of good performance against the EITI.
- If not, is the company compliant with international Standards, such as those included here, which seek best practice in relation to company-government financial relations and reporting, including Publish What You Pay?

Global Reporting Initiative Mining and Metals Sector Supplement – GRI MMSS

Key Issues

Practitioners generally make a distinction between the TBL (triple bottom line) reporting, attributed to John Elkington and SustainAbility,[148] and sustainability reporting. TBL is reporting on social, environmental, and labour issues. Sustainability reporting covers the TBL issues, but requires much more depth and a much higher level of analysis.[149] At first, the GRI failed to clearly define sustainability, [150] but this has now been resolved. With GRI's numerous and detailed performance indicators, and especially with its sector supplements, it now makes sense to classify GRI as sustainability reporting.[151]

One of GRI's accomplishments is that it brings together diverse global companies to report on established points of information (indicators). GRI is well regarded and versatile enough to be used by many Standards as their benchmark for specific reporting criteria, such as the United Nations Global Compact (UNGC) and the ICMM SDF.

As with some of the other standards, GRI's flexibility can be both a benefit and detriment. The GRI Guidelines are accessible to a wide range of stakeholders and can be accessed at incremental levels. These incremental levels are evidenced in the vast volume of reporting topics that GRI has accumulated and lists. Even with a stakeholder engagement process and principles to follow to define indicators to report on, it is possible for companies' downfalls not to be realized if they do not report on these items.

With many of the other standards, the company's motivation to comply may be to gain a loan, membership in an organisation, or certification by demonstrating actual sustainability impacts and management thereof. The point of GRI (and EITI), on the other hand, is to aid sustainability *indirectly* by ensuring good transparency and disclosure. Where EITI requires improved transparency and disclosure on financial payments, GRI encourages transparency through disclosure on performance. In both cases the principal aim is to help others hold the institutions to account for their sustainability impacts rather than to directly help the institutions improve their impacts. That is how their effectiveness should be judged – how well do they aid accountability?

For the GRI, the aim is also to improve learning within the company to aid continual improvement. The value then is in the process as much as in the quality of the final report. For this reason, stakeholders were

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[148] Milne et al., 2008.
[149] ArchelFernandez et al., 2008, p.2.
[150] Milne et al,, 2008, p. 11. e
[151] Archel et al., 2008, p. 10

of the view that there should be no expectations that the reporting will directly affect a company's activities on reported items: "The overwhelming value of the GRI is in the process used (and the internal learning) not the product."[152]

Stakeholders held that the dependence on quantitative indicators for social criteria is problematic as 'quality of life as experienced' cannot be captured well quantitatively.[153] The topic of the possibility of aggregating data was also brought up by a couple of the stakeholders as a concern.[154] The sheer amount of indicators was discussed as being 'overkill' and problematic for smaller organisations, though there was an interest in seeing them 'more broadly adopted.'[155] For all of the indices that the GRI has, there were still requests made for better and more specific indices in social and labour categories.[156]

Strengths

Allows for Meaningful Comparisons: Stable reporting indices allow for comparison of a company's sustainability performance over time, or across companies and industries.[157] This allows companies within the same sector to be rated against each other on specific areas, like human rights or labour issues, or for self-assessment at the sector level. In this sense, GRI is an important tool for comparing the relative sustainability performance of industrial gold mines.

Continual Improvement through Incremental Reporting: The GRI's system based on numerous reporting indicators facilitates incremental reporting for companies to gradually improve their performance and transparency over time by selecting more and increasingly difficult indicators.[158] GRI has gone beyond general indices for the needs of designated sectors and created even more specific sector supplements. With a view to encourage companies to continually improve their reporting, GRI has designated three Levels to grade reports: C, B, and A, and each may earn a '+' where external assurance is achieved.[159] (see Weaknesses and Loopholes below)

Multi-stakeholder Development: Adapting from the old system of revision cycles, GRI currently identifies their priorities annually in the fourth quarter for stakeholders to comment on. Comments are reviewed, and the draft plan is open to public comment.[160]

Smaller Organisations are Using the GRI: It has become standard practice for major multi-national mining companies to create high-quality reports using the GRI, and medium scale companies are beginning to follow suit.[161] For GRI, this is a sign that there is increasing uptake of their reporting system, and that there is value in the GRI reporting indices.

Weaknesses

The Amount of Indicators: There is strength in the quantity of indicators covered by the GRI, as there are so many options to choose from. A company will go through a 'stakeholder engagement process to define

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[152] Observer Survey Response (another non quoted observer interviewee shared this view).
[153] CSER Practitioner and Observer Survey Responses.
[154] CSER Practitioner and Observer Survey Responses.
[155] CSER Practitioners and Initiative Survey Responses.
[156] Observer Survey Responses.
[157] Goel and Cragg, 2005.
[158] Goel and Cragg, 2005.
[159] GRI, 2010a.
[160] GRI, 2010b.
[161] CSER Practitioner and Development Agency Survey Responses.

indicators on which the organization should report on[162] A company may still be able to hide their shortfalls or abuses by simply choosing to not report on related indices.[163] For a small or medium sized company, it could also be challenging to select appropriate indicators as there are so many.[164] Comments throughout this survey were simply that 'there are too many of them' and 'there is overkill.'[165] Indeed, the GRI is oriented for use by large corporations, and so may not be suited for use by small and medium players.[166] However, it is these smaller players which are in most need of guidance as they are likely to have less resources and expertise available for doing sustainability reporting well. These companies would benefit from detailed guidance on how to report on their sustainability performance. (See Loopholes below)

Applicability to Large, Active Mines Only: According to one survey respondent, the GRI mining supplement is applicable to actively producing mines only, and is difficult if not impossible to apply to the larger number of junior (exploration only) mining companies.[167] Either the supplement needs to be adjusted to be suitable for this sector, or a new one should be written.

Inadequate Business Case: A case has not yet been properly made as to the benefits that 'good' reporting can bring to companies.[168] If this were to be determined, a greater number of companies would participate. Reflections of the survey responses were that the GRI could expand to more companies or be more broadly adopted.

Gaps

Requirements

Social:

- Human rights impacts (increase coverage)
- Community relations (increase coverage)
- Community relations (increase coverage)
- Local economic impacts (increase coverage)
- Security (barely covered)
- Construction (barely covered)

Environmental:

- Biodiversity (increase coverage)
- Environmental implications of mine closure (increase coverage)
- Acid mine drainage
- Toxic runoff, more specifically for:
    - Air pollution (increase coverage)
    - Water pollution (increase coverage)
    - Soil pollution (increase coverage)

Labour:

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[162] GRI benchmark report review comment
[163] GRI, 2010b. Within the Application levels, a certain number of indicators are required at minimum and from various categories, but still seems open to flexibility and thereby manipulation.
[164] Goel and Cragg, 2005.
[165] Industry and Observer Survey Responses.
[166] CSER Practitioner, Development Agency Survey Responses and Observer Interview Response.
[167] CSER Practitioner Survey Response.
[168] Goel and Cragg, 2005.

- Local procurement (barely covered)

Management Systems:
- Emergency procedures (not currently covered)

***Multiple Languages**:* The GRI should require companies that issue sustainability reports on specific operating facilities to make the reports available in the language(s) native to that facility so that local people can read them. If affected communities cannot read, reports should be made available to them by other means.

Loopholes

Good Reporting, Not Good Sustainability: Reporting in accordance with GRI does not mean that a company necessarily performs well socially and environmentally. For example, "some organisations that label themselves as GRI reporters do not behave in a responsible way with respect to social equity."[169]

Scale Allows for Selectivity and Aggregating: GRI is simply becoming too big to be manageable and effective. There are too many ways to navigate around reporting on topics that are detrimental to companies. For example, in a study that looked at 57 reports labelled 'in accordance' to GRI, 64% of the required information was missing.[170] Companies disclosed most often on 1) greenhouse gas emissions and 2) impacts of products and services.[171] This is problematic because selective reporting leaves room for non-compliance.[172] Companies may try to conceal less sustainable activity by simply not reporting on it.[173] Archel et al. (2008) found that 'there is a low level of disclosure on indirect impact indicators.' Further, the practice of aggregating information hides important site-specific data and 'allows poor performers to be hidden in the data.'[174] Companies can also profile their best cases, consciously hiding bad situations.[175] Morhardt et. al. found a significant gap between what companies actually report, and what they should be reporting.[176] This is not a GRI-specific situation, but is more easily carried out under GRI where there is simply a bounty of indicators or requirements to choose from.

Outsourcing: Companies' outsourced activities are excluded from the GRI reporting requirements.[177] Given that large mining companies rely heavily on outsourcing, e.g. for exploration services, this is an important loophole as these non-reporting companies will generally be less versed with best practices in CSER and more likely to have negative impacts.

Use by Industrial Gold Mines

If industrial gold mines report in line with the GRI MMSS, then:
- What is their rating by independent auditors on the quality of their sustainability reporting against GRI?
- Good performance in this respect means they are good at reporting, not necessarily good at tackling the issues on the ground.

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[169] Moneva et al., 2006, pps. 121-137.
[170] Archel et al., 2008, p. 9.
[171] Archel et al., 2008, p. 9.
[172] Archel et al., 2008, p. 10.
[173] Archel et al.,2008, p. 5.
[174] CSER Practitioner Survey Response.
[175] CSER Practitioner Survey Response.
[176] Milne, 2008, p.8.
[177] Archel et al., 2008, p.7.

- However, good reporting is a central pillar for ensuring accountability, so where a company seeks to excel in reporting then this is to be commended.
- Companies which report well on a site-by-site basis should also be commended, as the GRI does not require this.

International Council on Mining and Metals Sustainable Development Framework – ICMM SDF

Key Issues

ICMM is an association run by the CEOs of member mining companies. Based on the survey, the ICMM SDF is considered to be a respected system that is developing 'practical guidelines for companies,' which are 'cutting edge and high quality.' On the other hand, another stakeholder viewed it to be 'very bland and generic'.[178]

We were only able to find one document which critiqued the ICMM SDF. Though stakeholders' opinions of the SDF varied, there are some clear areas for improvement and some of these alterations are in the pipeline through the creation of the toolkits.[179]

Importantly, ***had we included ICMM's various toolkits and guidance documents in the benchmark, no doubt the ICMM SDF would have scored much higher:*** they have toolkits covering community development, engaging with artisanal and small-scale miners, planning for 'integrated mine closure', human rights, mining and biodiversity, and so on. However, our analysis has been about benchmarking the normative documents which stipulate actual *requirements* for companies to achieve in order to be compliant with the Standard. The toolkits or guidance notes are not required by ICMM, but rather exist to aid companies should they wish to achieve good practice on a specific issue.

Strengths

Industry Leadership: ICMM shows strong leadership in that the initiative is led by industry CEOs. Taking time away from their companies to invest in an industry-wide initiative shows that they are committed to improving performance in the mining and metals industries. The ICMM SDF was developed in response to demand from member companies.[180]

Good Take-up: There is evidence that companies are adopting pieces of the ICMM SDF especially the 'no-go' concept, a strength of the Standard, but there is no way of quantifying this.[181]

Increasingly Diverse Membership: An increasing number of small and medium players are members, which suggests that the ICMM SDF may be well suited to companies of this size.

Comparing Performance: Each year, ICMM produces a "performance table" which demonstrates members' performance against the SDF.[182] This is a useful tool, and would be far more useful if it were more detailed.

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[178] CSER Practitioner and Observer Survey responses.
[179] CSER Practitioner and Industry Interview responses.
[180] Observer Interview Response.
[181] Initiatives Survey Response.
[182] ICMM, 2009. See also Annex III.

Weaknesses

For and by Industry: Industry has developed and controls the SDF, with limited input from other stakeholders. According to survey respondents, there has been a lack of CSO input and it is principally the major players in the mining industry who are involved.[183]

Consent vs. Consultation*:* The ICMM SDF does not require the *consent* of Indigenous People, only consultation. This is the case despite the fact that the MMSD process, an important precursor to ICMM standards development, recommended consent over consultation as best practice.[184] This is a key weakness from a human rights perspective. This issue is prevalent in a number of the Standards.

Industry Buy-in: Currently only 18 metals and mining companies are members of ICMM.[185] Without additional industry members participating, or connecting to ICMM through the 30 associations also participating, the ICMM SDF will lack credibility.

Lack of evaluation: Published evaluations and critiques of the ICMM standards are lacking.

Gaps

Requirements[186]

Social:

- Remuneration (barely covered)
- Working conditions (barely covered)
- Protection of property rights (barely covered)
- Cultural heritage (barely covered)
- Security forces (barely covered)
- Construction (not currently covered)
- Consultation (not currently covered)
- Conflict zones (not currently covered)
- Indirect human rights and labour standards, especially in regards to ASM engagement (ASM not currently covered)[187]

Labour:

- Labour is barely addressed, so any improvement in this area would be beneficial.

Environmental:

- Toxic waste (barely covered)
- Waste water treatment (barely covered)
- Disposal of mine waste (barely covered)
- Land adjacent to protected areas (not currently covered)

[183] CSER Practitioner, Development Agency, and Observer Survey Responses.
[184] Observers Survey Responses.
[185] ICMM, 2010f.
[186] Sethi, 2005.
[187] Note that the ICMM has just published the document *Working Together* in collaboration with the IFC (COMMDEV) and CASM, which provides guidance on large-scale engagement with the ASM sector. ICMM, 2010f.

Use by Industrial Gold Mines

Member mining companies are obliged to comply with ICMM's SDF. Other mining companies use the SDF and ICMM's supporting 'toolkits' and 'guidance documents' as guidance for developing internal policies and systems for achieving CSER, or for doing social and environmental impact assessments of their mining projects. The real value of ICMM is in its toolkits and guidance documents. Key questions then:

1. Is the mine owned or operated by an ICMM member company? If so, it should be compliant with the ICMM SDF.
2. Regardless of whether the mine belongs to an ICMM member company or not, does its internal policies and procedures on social and environmental issues reflect what ICMM determines as being 'good practice', or not, as set out in its toolkits and guidance documents?

International Cyanide Management Code - ICMC

Key Issues

The ICMC is widely used by the largest mining companies:[188] eight of the world's top ten gold producers that use cyanide are Code signatories, each producing one million or more ounces of gold per year. Five other signatories produced between 200,000 and one million ounces in 2009 (complete gold production data for 2010 is not yet available). Seventeen signatories produced 200,000 or less ounces in 2009. Smaller companies are less likely to seek signatory status, which could be due to "the costs of site upgrades needed for compliance and of having certification audits conducted by independent professional auditors."[189]

Stakeholders had mixed opinions about the ICMC, some feeling that it was a very important Standard that companies considered useful, and others that the reason for there being a low number of signatory companies / mines amongst juniors and smaller mining companies was that it is losing relevancy. The latter group stated that this is because the ICMC's requirements are generally already covered in gold mining companies' internal CSER programmes (which could actually be judged as a success in so far as the requirements are internalised, but is a weakness because no verification is therefore required).[190] These differing views may reflect the fact that most survey respondents were not familiar with the Code. An observer, in line with written critiques, felt that civil society had not been sufficiently involved in the development process and that the Code management procedure is not stopping spills sufficiently well.[191] However, ICMC states that "the consultative process emploiyed during the Code's development…was sufficiently rigorous to satisfy the United Nations Environment Programme (UNEP). It should also be noted that, in addition to making each draft of the Code available to the public on the UNEP web site with an open invitation for comments, requests for comments were directly solicited from 140 groups and individuals, including governments, NGOs, academics, consultants, industry, and financial institutions, and 68 written responses were received."[192]

[188] ICMI, letter to Solidaridad, 29th May 2011.
[189] ICMI, letter to Solidaridad, 29th May 2011.
[190] CSER Practitioner Survey Responses.
[191] Observer Survey Response, Hadfield 2008, MiningWatch Canada, 2006, Orellana, 2002.
[192] ICMI, letter to Solidaridad, 23rd September 2011.

Strengths

Good Disclosure: There is a good level of transparency, as all of the Code's implementing documents are available to the public on the ICMC website.[193]

Good Guidance: The ICMI has made available a number of thorough documents for cyanide management as well as guidance for companies on how to successfully undergo the audit. The ICMI also"conducts training on Code implementation and auditing at locations around the world."[194]

Good Processes for Ensuring the Integrity of the Code: As of July 2011, the ICMI website provides detailed information on the Institute's policies for dispute resolution, and review and revision to the Code and its supporting Protocols and guidance documents.

Rigorous and Transparent Verification of Compliance: Code certification requires third party auditing of a mine's cyanide management systems using the verification protocols.[195] Once completed, Summary Audit Reports are made available to the public online and include the names of the auditor(s) that evaluated the site and depending on the level of compliance, any Corrective Action Plans and date for which the Plan must be completed. [196]

Flexible, Performance-based Requirements: The Code requires conformance with performance goals that can be achieved in ways that can be fit to site-specific conditions. While the typical ways of meeting a Code requirement are identified in the Code's Implementation Guidance, alternatives can be used if the professional and expert Code auditors determine that they meet the requirement.[197]

The Code's Benefits Extend Beyond Operations at Gold Mine Sites: The Code covers cyanide production and transport activities in addition to the use of cyanide at gold mines. According to the ICMI, this results "in a significant reduction in risks to communities and the environment", especially with regards to cyanide transport, "where the risk may be greater than that resulting from its use at the mine site because the types of engineering and administrative controls available at a gold mine cannot practically be employed during transport."[198]

Respect for 'The Code' by Operational Staff: One survey respondent commented that where he has seen the Code applied, the management staff of the gold mining operations have been very conscious of the need to sustain the operations' certification.[199]

Excellent Emergency Procedures: ICMC has a very meticulous standard for emergency procedures, as would be expected. (It scored '4' in the Benchmark on this issue.) Indeed, this Standard could be used for the broader category of emergency preparedness at mine sites, rather than only cyanide management. Establishing, maintaining, and practising emergency procedures are a necessary part of working conditions, especially when the conditions involve the use of heavy machinery in industrial and factory settings.

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[193] ICMC website, and ICMI, letter to Solidaridad, 29th May 2011.
[194] ICMI comments on report, 2011, by email to the authors, 30th May, 2011. Also ICMI 2009.
[195] ICMI, 2009a
[196] ICMI, letter to Solidaridad, 29th May 2011.
[197] ICMI Implementation Guidance, October 2009
[198] ICMI comments on report, 2011, by email to the authors, 30th May, 2011. Also International Cyanide Management Code, ICMI, January 2011.
[199] CSER Survey Response.

Companies are Not Required to Have all Mine Sites seek Certification: Companies with multiple operations can select those they wish to certify as in compliance with the Code."[200] This is actually a strength where a company is acquiring an older property "that may not have reached the end of [its] productive life" and may not be able to be brought into compliance, as it still allows participation and certification of other sites. However, observers must be made fully aware that companies with multiple operations may be able to claim compliance at one location while another location is grossly out of compliance with the Code.

Weaknesses

What is the Attraction?: Some companies that already have internal policies on cyanide management and take many of the measures required by the ICMC question why they should seek certification.[201] ICMI's view is that the Code's transparent certification process and use of third party professional audits can assure stakeholders that certified operations are managing cyanide appropriately.[202] Certification is likely only valuable for companies where unassured risk management based on the Code would not be adequate for stakeholders who have material influence over a mine's value or licence to operate; in other words, industry education is needed to raise awareness of the business case for third party verification of a company's cyanide management practices, and not just implementation of the code. Indeed, this is relevant for the promotion of assurance on social and environmental safeguards for all of the voluntary Standards considered in this document.

Too Strict? Too Lax?: One survey respondent mentioned that companies find the Code impracticable to apply, believing that it is too difficult to implemented in its entirety, and so decide not to join.[203] According to another survey respondent, the Code allows for a higher level of cyanide than is permitted under European law.[204] For example, one respondent suggested decreasing the level of cyanide allowed from 50mg/L at tailings storage facilities to 10mg/L.[205] ICMI's response to this view is that "the Code sets a recommended guideline of 50 mg/L WAD cyanide or less where wildlife has access to solutions in tailings impoundments, but mines must take further measures, such as netting or reducing cyanide levels further, if limiting cyanide levels to 50 mg/L WAD does not prevent significant wildlife mortality."[206]

Auditor independence?: Though the audits are conducted by ICMI-approved professional auditors, the auditor is not fully independent as it is the mining operation which chooses and pays the auditor.[207] The ICMC addresses this by providing four criteria for preventing conflicts of interest, including that "No auditor or audit company can derive more than 30% of his or her income from the operation being audited, its parent corporation and other subsidiaries of parent corporation, as an average over the five year period prior to the year of the audit."[208] Though this is intended to reduce or prevent the opportunity for an auditor to have worked for the company, it does not rule it out.

[201] CSER Survey Response.
[202] ICMI comments on report, 2011, by email to the authors, 30th May, 2011..
[203] CSER Practitioner Survey Response.
[204] Observer Survey Response.
[205] Observer Survey Response.
[206] ICMI comments on report, 2011, by email to the authors, 30th May, 2011. Also ICMI 2009
[207] Miranda, Chambers & Coumans, 2005.
[208] ICMI, 2007, p.4.

Gaps

Requirements:

Environmental: One observer noted that the Code does not require cyanide destruction;[210] there is still a risk of cyanide leakage into another water source or directly onto surrounding land, should a tailings dam break. However, the Code does require that "regardless of the cyanide concentration, adverse impacts on worker health, surface water quality, beneficial uses of ground water and wildlife mortality be prevented".[211]

Loopholes

Signatories May Still Spill and Nonetheless Retain Their Signatory Status: In June 2006, just three months since Canadian Mining Company Golden Star Resources, signed the Cyanide Code, cyanide-laced tailings leaked from the tailings dam of the Bogoso/Prestea dam[212] into the Ajoo stream, used by local communities as a source of drinking water and fish.[213] Though the company claimed that "the spillage was located within minutes and the pipe shut down within an estimated 30 minutes of the leak starting", the village of Dumase "reported numerous illnesess and a number of fish killed" as a result.[214] According to Norm Greenwald, Vice President of ICMI, "the spill at the Bogoso mine occurred during the three-year interim period between Gold(en) Star becoming a signatory to the code and the requied audit of its projects."[215] Hadfield goes on to note that following the achievement of signatory status, "any cyanide mishaps that occur prior to Golden Star's certification audit … do fall within the purview of the ICMC, but the significance of that purview prior to the audits is for the record only."[216] In other words, being a Signatory of the Code does not mean a mine or mining company is yet compliant, but demonstrates its commitment to seeking certification within a three year period. In the case of Golden Star, its Bogoso Mine achieved full certification by ICMI in January 2011.[217]

Use by Industrial Gold Mines

Many mining facilities depend on cyanide for processing their gold and precautions are essential. The ICMC has broad industry support and the number of mines implementing its principles and standards of practice continues to grow.[218] Where companies are not using the ICMC to guide their cyanide management, justification should be given. Key questions are:

1. Is the company a signatory? If not, why not? If so, is it certified?
2. Does the company employ internationally-recognized best practices for the management of cyanide reagent and process solutions, and for disposal of wastes containing cyanide?
3. What type of training do employees receive and what type of facilities are provided for CN management, including safe transport, use, and storage?
4. Has the company prepared appropriate response plans and does it have the necessary equipment in the event of a cyanide exposure or release?

[211] ICMI comments on report, 2011, by email to the authors, 30th May, 2011. Also ICMI 2009.
[212] The Bogoso/Prestea mine is operated by Golden Star's Ghanaian subsidiary, Bogoso Gold Limited.
[213] Miningwatch, 2006.
[214] Hadfield, 2008.
[215] Paraphrased by Doug Hadfield in Hadfield, 2008.
[216] Hadfield, 2008, p. 58.
[217] Golden Star 2011.
[218] ICMI, Letter to Solidaridad, 29th May 2011.

5. What are the business practices of business partners who also interact with CN?
6. How do the company's practices involving CN affect the community?
7. How well does the company consult with and engage the community on its use of CN, including sensitisation on real risks, its CN management strategy, and key indicators of a CN spill?

International Finance Corporation Performance Standards (IFC PS)

Key Issues

The IFC was found in the benchmark to be a very comprehensive standard, with relatively few *major* issues that the IFC did not address; contention tends to sit in how *well* it addresses things. The results of the benchmark and stakeholder consultation suggest that the IFC could address certain issues more rigorously, for example by discussing the issue of informed consent rather than consultation.

Stakeholders communicated that IFC PS are 'often used by non-IFC clients as the de-facto standard' for impact assessment and risk management.[219] Another set of related responses was that the 'final judgement will depend on the results of the next round of consultations' and that 'some issues are missing, such as human rights.'[220] Observers and Practitioners indicated that the missing requirements for the IFC PS are mostly related to human rights, but also to environmental aspects.[221]

Strengths

Continual Improvement: The IFC has a revision and improvement process and is presently producing revised versions of its Standards.[222] The aim is to allow for the Standards to adapt to changing contexts and enable the incorporation of lessons learned into new requirements.

Improving Labour Requirements: The IFC has taken the initiative to improve the quality of labour standards and support through: hiring labour experts, creating a labour advisory group, training staff, and preparing guides and good practice notes to advise IFC staff and client companies on how to improve labour standard requirements.[223]

The Best on Environment: The IFC was the most rigorous standard for addressing environmental issues.[224] High-scoring benchmark issues include: Hazardous Substances, Tailings, Waste, Emissions, Habitats, Environmental Rehabilitation, Biodiversity, Transport, and Energy and Materials Efficiency.

Enforcement Happens: The IFC has been made aware of possible violations of standards in investments, and in some cases has taken action to correct them.[225] This shows a willingness to discipline operators who do not comply, and to rectify bad practice.

Uptake by Other Standards: The IFC PS have become the most widely-accepted framework for managing environmental and social risks of projects in the developing world.[226] Consequently, various initiatives,

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[219] Development Agency Survey Response.
[220] CSER Practitioners Survey Responses.
[221] CSER Practitioners and Observers Survey Responses.
[222] Affolder 2006, p.152.
[223] Affolder, 2006, p.6.
[224] In conducting the benchmark, a number of issues for ranking were ranked as a '3' or '4'for IFC within the environmental category.
[225] Affolder 2006, p.6. Note: Though the IFC did not take action to correct every case, it may be that not all of the cases were in violation.

including the EPs and RJC, refer to them. Crossin & Banfield (2006) suggest that the IFC should take this dependence into account when they are creating or improving their standards.[227]

Multi-stakeholder Development: A process that is multi-stakeholder will be stronger through having more perspectives involved. According to Hunter, Civil Society has had a significant role in contributing to the IFC standards.[228] This is a positive statement as not all Standards have properly incorporated the opinions, interests and priorities of other stakeholders, which is a threat to those Standards' credibility, legitimacy and possibly effectiveness.

Weaknesses

Timeframe for Improvements: From the time announcements are made of a loan being submitted to a Bank's board for approval, there is typically only a 30-60 day period to make alterations, depending on the type of project.[229] If this period were extended or the process changed to allow for more effective input, it would give unions in particular a better opportunity to react to violations.

Too Much Flexibility?: The IFC PS leave a lot of room for interpretation, which allows the Standard to be inconsistently applied.[230] Indeed, throughout the course of reviewing cases, the Compliance Advisor Ombudsman (CAO) has found a drastic difference between the implementation of the IFC requirements, primarily due to a variation in the resources for conducting social and environmental audits.[231] Increasing resources for these audits could help close this gap.[232]

Managing Risk vs. Stimulating Development: A survey respondent said that the IFC often appears to focus on 'do no harm' instead of 'do some good'.[233] Its potential to safeguard the environment and society is good, but it is missing an opportunity to really stimulate meaningful progress beyond risk management. In particular, there is a need for a 'greater focus on community development, which is the priority of affected stakeholders,' but something in which mining companies do not have the expertise.[234] The IFC PS's ability to contribute to meaningful change is further inhibited by the lack of local IFC staff available to the projects or local affected populations.[235] An interviewee noted that though 'mining companies [in developing countries] aren't aware of the depth of IFC, consultants have the knowledge and are bringing the companies up to speed.'[236]

Poor Reporting: Clients of the IFC are reporting infrequently and with varying degrees of information.[237] If the IFC were to mandate regular reporting and standardise data requirements from all client borrowers, then comparison between projects would also be more possible.

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[226] Herz et al., 2008
[227] Crossin & Banfield, 2006, p. 23.
[228] Hunter, 2008, p. 7.
[229] Affolder, 2006, p.7.
[230] Observer Interview Response.
[231] Compliance Advisor/Ombudsman (CAO) for the International Finance Corporation (IFC) Multilateral Investment Guarantee Agency (MIGA), 2010.
[232] Compliance Advisor/Ombudsman (CAO) for the International Finance Corporation (IFC) Multilateral Investment Guarantee Agency (MIGA), 2010.
[233] CSER Practitioner Survey Response.
[234] Industry Survey Response.
[235] Compliance Advisor/Ombudsman, 2.
[236] CSER Practitioner Interview Response.
[237] Compliance Advisor/Ombudsman, 2.

Bias Towards Environmental Aspects: 'On the ground, environmental [impact assessments] is what everyone is 'geared up for', social assessments are a newer phenomenon and it would have been helpful to have more guidance as such.'[238]

Anglo-centrism: For being a global organisation, the IFC is very much English lanuage-based. Though there are documents available in other languages on the IFC website, a non-English reader would have to navigate through English web pages to get to the non-English documents and even still, most of the documents are in English.[239] More documents should be available in languages recognised as representative to those in regions where IFC funds the majority of their projects. Furthermore, the style of language is problematic with clients and liaison officers, who complain that they found the IFC hard to understand as it was 'high language and difficult concepts.' [240]

Gaps

Poor Complaint Procedures: There are limited ways in which complaints can be made through the IFC. Complaints are only filed through trade unions or other parties (e.g. NGOs), or brought up through self-reporting.[241] This reduces the level of access that impacted communities can have at the IFC and denies companies an official channel for resolution of complaints filed against them. The IFC should establish a formal complaints or grievance process to mitigate project tensions.

Human Rights: It is repeated over and over that IFC does not provide sufficient guidance on human rights risks. Crossin & Banfield relay that including human rights into the IFC PS would be consistent with the recommendations provided by the Extractive Industries Review.[242] The IFC is reluctant to take on human rights but it could have positive human rights effects, and since they do not currently explicitly incorporate human rights, this gives companies the choice of also not incorporating human rights into their risk management strategies.[243] IFC may discuss human rights with some level of detail (as the benchmark denotes by some of the '3s' listed) but the detail may not be the right detail, or enough detail, which is why the benchmark reflects that there is still room for improvement.

Requirements[244]:

Social:

- Advancing critical human rights issues:
    - Gender (barely covered)
    - Customary and use rights of land (increase coverage)
    - Consent regarding cultural heritage (not currently covered)
    - Shared agreements with communities (not currently covered)
    - Free health care for work-related accidents (not currently covered)
    - Increasing benefit sharing (barely covered)

Environmental:

- Climate change (increase coverage)

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[238] CSER Practitioner Interview Response.
[239] Compliance Advisor/Ombudsman, 26.
[240] CSER Practitioner, Personal interview, 19 Aug, 2010.
[241] Affolder, 2006, p.7.
[242] Crossin & Banfield, 2006, p.23.
[243] Observer Interview Response.
[244] Herz et. al.; Moneva et. al. 2006, pps.158, 178, 180, and 181; Morgera, 2007, p.*173* ; CSER Practitioners and Observers Survey Responses.

- Continual improvement (increase coverage)

  Prohibit:
  - Use of land adjacent to protected land
  - Energy-intensive mining projects
  - Mines with severely destructive potential
  - Mines in critical habitats or primary tropical forests
  - Financing that could lead to the trading of CITIES species

The following citation demonstrates a number of key gaps in the IFC's implementation and the content of its standard:[245]

> *"In June 2004, IFC approved a $45 million loan in support of the $261 million Marlin gold project in Guatemala's Western highlands, to be developed by Glamis Gold (via its subsidiary Montana Exploradora de Guatemala S.A), a Canadian mining company. In addition to providing the loan, IFC assisted in 'effective planning and implementation of… environmental and social programs by working closely with the company, NGOs, local municipalities, and community members' (IFC November 2004). In January 2005, local communities protesting against the mine clashed with security forces, resulting in one death and several injuries. Later, in March 2005, an off-duty employee of the company providing security to Glamis shot and killed one local villager. The same month, local anti-mine activists received death threats. In February 2005, a formal complaint was lodged with IFC's Compliance Advisor Ombudsman (CAO) by a Guatemalan environmental NGO. The organisation alleged, inter alia, that the mine was environmentally damaging, that local indigenous peoples had not been adequately consulted about the mine, and that the mine's existence exacerbated social tensions, violence and insecurity. Investigations carried out by the CAO in May 2005 led to criticisms of IFC's assessment of the government's capacity to effectively mitigate conflict and regulate the project and for insufficient meaningful consultation with local groups (CAO2005(1)). Significantly, the CAO found that IFC and the company had no policy on conflict assessment, and failed to take into formal consideration of security concerns and the potential for local violent conflict related to the project. The report stated: 'IFC should have considered more systematically the potential risk to human rights at the project level, should have taken appropriate measures to mitigate these risks, and should have provided clearer directives to the company with respect to both issues."*

Loopholes

Incentives and Process: Reports by the Compliance Advisor Ombudsman (CAO) (2010) and Hunter (2008) both mention that IFC staff see environmental and social concerns as impediments.[246] Should the EPFIs and IFC institute new incentive structures for staff based on achieving social and environmental gains, this may improve things. It would also set a precedent that could encourage other FIs to set up similar structures for improved social and environmental impacts through incentivising of staff.

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[245] Crossin & Banfield, 2006, p.7.

[246] Hunter, 2008, p.12; Compliance Advisor/Ombudsman (CAO) for the International Finance Corporation (IFC) Multilateral Investment Guarantee Agency (MIGA), 2010, p. 2.

Monitoring and Verification: Once a project is approved, the World Bank Group generally turns its attention to the next project and does not monitor or verify the project's compliance with the standards.[247] Instead, the project is expected to provide a view on its performance vis-à-vis the standards and a plan for managing those elements where its performance is weak. To ensure the credibility of the system, a process to verify that the loans are meeting the IFC requirements is necessary.

Greenwashing: This was a concern for survey respondents and interviewees who stated that 'irresponsible projects are continuing to receive approval by the Bank and others using the Performance Standards' and 'I don't think companies will totally comply … Some companies are trying to get noticed by having an international affiliation to put in reports, but they may not be fully signed up with IFC, they may carefully word things so it seems as if they are.'[248]

Conflict Zones: The IFC assessments "fail to systematically examine the two-way interactions between projects and the conflict context in which they are developed and operated."[249] Crossin and Banfield go on to say that clients should be encouraged to understand the risk to operations and personnel, whether or not their operations could in turn create and/or exacerbate conflict, and what measures to take to avoid or mitigate adverse impacts.[250] Another opinion is that projects in areas of conflict should be excluded from funding altogether.[251] IFC is one of just three standards in this study that mentions conflict (including EPs, which refer to the IFC PS).

Voluntary Use of International Instruments: The IFC references international instruments but does not mandate that they be followed.[252] For Environmental Impact Assessments which follow the IFC PS, terminology such as 'current' and 'appropriate' are used. This vague language does not give a suitable level of guidance, according to Morgera and the WWF, and allows for discretion.[253]

Use by Industrial Gold Mines

The IFC PS are intended for use by gold mines which are seeking funding from the IFC or EPFIs. However, they have become 'the' Standard used by CSER practitioners to assess a mine's performance and develop

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[247] Hunter, 2007, p.12.; CSER Practitioner Survey Response revealed that once a project has been approved for funding, very little monitoring is done; the "IFC tends to invest in implementing safeguards at the beginning of projects, but not through the lifespan."
[248] CSER Practitioner Interview Response.
[249] Crossin & Banfield, 2006.
[250] Crossin & Banfield, 12.
[251] Observer Survey Response.
[252] Morgera 2007, p.159; IFC Guidance Notes, p 140-141.
Referenced international instruments include:

- International Covenant on Civil and Political Rights
- International Covenant on Economic, Social and Cultural Rights
- International Convention on the Elimination of All Forms of Racial Discrimination
- Convention on the Rights of the Child
- Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment
- Convention on the Elimination of All Forms of Discrimination Against Women
- *ILO Convention on Indigenous and Tribal Peoples (No. 169)* (ILO, 1989)
- *Convention on Biological Diversity* (1992)
- *Bonn Guidelines on Access to Genetic Resources and Fair and Equitable Sharing of the Benefits Arising Out of their Utilisation* (Secretariat of the Convention on Biological Diversity, 2002)
- *Akwé: Kon Guidelines* (Secretariat of the Convention on Biological Diversity, 2004)
- Operational Policy OP 4.10 - Indigenous Peoples (World Bank, 2005)
- *Good Practice Note: Addressing the Social Dimensions of Private Sector Projects* (IFC, 2003)
- *Investing in People: Sustaining Communities through Improved Business Practice* (IFC, 2001)
- *Handbook for Preparing a Resettlement Action Plan* (IFC, 2001)
- *Doing Better Business through Effective Public Consultation and Disclosure: A Good Practice Manual* (IFC, 1998)

[253] Morgera, 2007, p.161.

risk management plans as part of a Social and Environmental Impact Assessment, for example. These assessments are usually performed as requirement by host country governments for a company to obtain a mining licence or move to mine development. One can more or less expect, therefore, that any gold mine which has had to fulfil an EIA for this purpose will have used the IFC PS.

The IFC PS are also applicable to all scales of corporate gold mining. One of the authors was part of a team to use them successfully to assess the performance of a small-scale gold and diamond mine in Sierra Leone in 2007, for example.

Organisation for Economic Co-operation and Development Guidelines for Multi-National Enterprises - OECD Guidelines

Key Issues

The overriding issue with the OECD Guidelines for survey respondents and published critiques pertains to its National Contact Points. According to the OECD, "National Contact Point (NCP) is a government office responsible for encouraging observance of the Guidelines in a national context and for ensuring that the Guidelines are well known and understood by the national business community and by other interested parties."[254] Critics have argued that the NCP system should be overhauled.[255] On a positive point, the NCP mechanism has enabled progress in a variety of crucial social violations (see below).

Stakeholders agree that the NCP system is weak, that it needs to be improved, and that the NCP role is not defined clearly enough.[256] A number of stakeholders reflected that the OECD Guidelines are not necessarily useful as standards in the mining industry and that they a) may not be used as standards for mining companies as such, b) that they may be more useful in OECD countries 'of limited influence' where 'the government is very weak,' and c) 'I haven't come across clients using them. Most mining & oil & gas companies I have worked with refer to the IFC guidelines.'[257]

Strengths

Good Complaints Procedure: There is a strong and regulated (if flawed) complaints procedure within the OECD.[258] The complaints procedure is adequately defined for the users, and is accessible to them. The NCPs are the first point of contact for the complaints process, but not the last. The infrastructure for the complaints process includes that all OECD countries have NCP staff. This model; however, could work better with some adjustments (see Weaknesses).

Deals with Conflict: There is some (though weak) guidance for MNE's operating in conflict-prone regions, which are articulated as 'weak governance zones.'[259] As with the IFC PS, the Guidelines at least mention conflict, though the issue is not covered as well. Nonetheless, the Guidelines have been used effectively to address the issue of conflict minerals. For example, a three-year investigation by a UN panel found sophisticated, high-level, political-military business networks using DRC's natural resources to enrich

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[254] OECD 2010e.
[255] EarthRights International, 2010; OECD Watch, 2005; Pak & Nussbaumer, 2009.
[256] Observers Survey Responses.
[257] Observers Survey Responses.
[258] Černič, 2008, p. 93.
[259] OECD Watch, 2005, p.23.

individuals and to fund war efforts of various factions in the conflict.[260] The UN published a list of 85 companies operating in breach of the Guidelines, thus drawing attention to the existence of the Guidelines.[261]

Successful Accountability: The OECD Guidelines have been successfully used to challenge companies which have committed violations. For example:

- At the Mopani copper mine there was a dispute with ex-miners who were squatting on the mining land and were threatened to be removed by force. The situation was resolved when the company met with the affected ex-miners and NCP as a facilitator. The individuals were resettled to land they could own.[262]

- “In Global Witness v Afrimex, a complaint was submitted to the UK NCP against British company Afrimex alleging that Afrimex paid taxes to rebel forces in the Democratic Republic of Congo and employed insufficient due diligence on the supply chain, sourcing minerals from mines that use child and forced labour. The UK NCP held that Afrimex failed to comply with the human rights requirement of the OECD Guidelines for Multinational Enterprises. The case is at the moment [2008] pending but the UK NCP has decided that the issues raised in Global Witness submissions do merit further consideration and has decided to accept the specific instance for further investigation." [263]

- "Lastly, recently "the UK National Contact Point (NCP) held that DAS Air, a UK based air cargo corporation, has violated the OECD Guidelines for multinational enterprises for its part in transporting minerals from rebel-held areas of the Eastern Democratic Republic of the Congo (DRC). [With this decision (to designate that DAS Air knew it was transporting minerals from a region in conflict), the NCP]... dismissed the argument by DAS Air denying that it knew the coltan came from rebel areas: 'DAS Air did not try to establish the source of the minerals they were transporting from Kigali and Entebbe, stating they were unaware of the potential for the minerals to be sourced from the conflict zone in eastern DRC. The NCP finds it difficult to accept that an airline with a significant presence in Africa including a base in Entebbe would not have been aware of the conflict and the potential for the minerals to be sourced from Eastern DRC.' The importance of this decision appears to be undermined by the fact that DAS Air Corporation is now in liquidation. By holding that DAS Air corporation violated OECD Guidelines, the UK NCP has confirmed that the exploitation of natural resources in conflict zones by or involving corporations may result in continuation of the conflict and FHRs violations. Nonetheless, this development illustrates the changes in function of the UK NCP, which has effectively responded to a number of criticisms as outlined above."[264]

[260] OECD Watch, 2005, p. 23.
[261] OECD Watch, 2005, p. 23.
[262] Grene, 2009, pps. 37-54.
[263] Černič, 2008, p. 89.
[264] Černič, 2008, pps. 91-92.

Weaknesses

Vague Language: Vague language on supply chain responsibilities allows for companies to ignore or not deal with important issues, and leaves the requirements open to interpretation.[265]

Remains Voluntary: As of 2009, 29 countries reported linking the OECD Guidelines to export credit agreements, overseas investment guarantees, or inward investment programs, but only two made it a condition for receiving state funding (Netherlands and Slovak Republic).[266]

Poorly Functioning NCP Mechanism: There is a plethora of negative comments regarding the role of the NCPs.[267] NGOs were of the view that the NCP mechanism had failed, but it has gotten better since 2000.[268] The quality of NCP officials varies.[269] It may be a problem that NCP officials are based solely within government offices.[270] A survey respondent also said that the NCP system has weakened the OECD.[271] Many commentators have made recommendations regarding the role of the NCP, as this is considerably the most written about topic related to the OECD. Many of the recommendations have to do with further regulations and requirements for the NCP position, and empowing it with more decision-making authority. In practice, however, the NCP mechanism has proven to work in a number of cases (see above).

Confidentiality: OECD Watch has said that there is an overuse of confidentiality in the OECD.[272] The BIAC has lobbied to extend confidentiality to the whole process.[273] Where confidentiality resides, transparency does not. Initiatives need to keep an element of transparency for reporting and inter-institutional learning.

Gaps

Requirements:[274]

Social: Currently treatment of human rights is confined to compliance with national law, but where national law is not in keeping with international standards in human rights, then the OECD standards on Human Rights should be applied. Further, human rights does not include security forces.

Environmental: The OECD is grossly lacking in any environmental standards. Any coverage of environmental standards would be an improvement.

Labour:

- Remuneration (not currently covered);
- Forced, compulsory, or child labour (not currently covered).[275]

Governance: Standardize the functions of NCP, dispute resolution services, and include timelines for complaints to be filed.

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[265] Clean Clothes Campaign, 2006.
[266] Grene, 2009, p.40.
[267] Černič, 2008; Clean Clothes Campaign, 2006; EarthRights International 2010; Grene, 2009; OECDWatch, 2005, Pak & Nussbaumer, 2009.
[268] EarthRights International, 2010; OECD Watch, 2005; Pak & Nussbaumer, p.28.
[269] Clean Clothes Campaign, 2006. Černič, 2008, p. 98; CSER Practitioner Survey Response.
[270] Pak and Nussbaumer, 2009, p.29.
[271] Observer Survey Response.
[272] OECD Watch, 2005, p.25.
[273] OECD Watch, 2005, p.25.
[274] EarthRights International, 2010; Pak & Nussbaum, 2009, p.28; Observer Survey Response.
[275] Černič, 2008.

Loopholes

Voluntary: Since the OECD is a voluntary standard, this means it is 'inherently flawed' according to Baines.[276] Though operators are unlikely to actively seek to expose themselves to criticism by acting in a way that is wholly inconsistent with such initiatives, it is likely that they will withhold information.[277]

Enforcement: Since the Guidelines are voluntary and there is no 'threat of sanction' there is not much incentive for companies to ensure that they are in compliance.[278]

Use by Industrial Gold Mines

The OECD Guidance is by far the weakest standard amongst those with a wide scope and applicability. It misses some of the major issues related to industrial gold mining, and as such is not enough if used alone by any mining company to adequately safeguard social and environmental issues.

The utility of the OECD Guidance, however, is the accountability mechanism in place which NGOs have successfully used to bring violating companies to justice in their home countries.

In this sense, the Guidance should be used to take poor performers to task, but should not be depended on by a mining company to ensure its practices are properly safeguarding society and the environment.

Responsible Jewellery Council - RJC

Key Issues

The main topic discussed in the literature and the benchmarking survey was the fact that the RJC aims to assure the behaviour of individual operators, but does not yet assure the chain of custody (CoC) of a mineral. At this stage, the RJC will not *require* member companies to assure the chain of custody of their minerals, but does intend to provide an option to operators to do this should they choose.[279] RJC was the highest scoring Standard in the benchmark, scoring 122, ahead of both IFC and GRI. It is encouraging that an industry-led initiative has stepped up to the plate to address these issues.

Stakeholder comments surrounded three key topics: consultation, requirements, and chain-of-custody. As this is a relatively new standard, there are many opinions about how it should be formed and what should be included. A number of comments were made about lack of civil society participation in the formulation of the standards.[280] Requirements to be improved upon included environmental, human rights, labour, and industry-specific topics.[281] Stakeholders felt that if RJC does not include a CoC requirement then there is an assurance gap, whereby a company itself may comply but its suppliers may not. A further comment was that the requirements generally 'do not raise the bar high enough.'[282]

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[276] Baines, 2009, p.239.
[277] Baines, 2009, p. 240.
[278] Baines, 2009, p.241; OECD Watch, 2005, p.5; Observer Survey Response.
[279] RJC 2010b.
[280] CSER Practitioner and Observers Survey Responses.
[281] CSER Practitioner and Observers Survey Responses.
[282] Observers Survey Responses.

Strengths

Uniting Supply Chain Tiers: The RJC provides a platform for discussion, engagement, and exchange along the jewellery supply chain, including between tiers that would not usually have relations.

Sets the Bar: The RJC requirements set strict objectives for a number of common 'worst practices' (e.g., child labour and riverine tailings), which are ignored by other Standards. This raises the bar for other initiatives to follow or advance from.

Good Disclosure: There is a good level of transparency as all of the key documents and work plans are available to the public on the RJC website.[283]

Good Guidance: Unlike other Standards where guidance is lacking, the RJC has produced lots of guidance for companies.[284] According to one stakeholder, the requirements 'look good on paper' but 'I have no idea about how they will be monitored and certified.'[285] It may be too early to judge the effectiveness of the RJC.

Integration: Draws on twenty-one other international standards and guidance documentations, integrating these across its Code of Practices.[286]

Weaknesses

Multi-stakeholder Consultation & Industry Decision-making: The entire process of formulating requirements for RJC so far has been conducted by the industry for the industry. Non-industry stakeholders, like CSOs and practitioners, have been invited to comment in the drafting of the Code of Practices via open public comment periods, and participate in a consensus-building process via the Consultative Panel, but have not been given a decision-making role.[287] This may have limited the stringency of certain requirements (e.g., human rights, emissions, or grievance processes).[288]

Fee-based: There is an annual membership fee (a percentage of annual relevant sales as seen below) in addition to the costs for obtaining certification via paying for auditing. Member companies range in size and the RJC fee structure has been scaled relevant to the size of member businesses.

RJC Membership Fees[289]

Membership Category	Annual Membership fee rates
Diamond, gold and/or platinum metals producer; or Jewellery retailer; or	0.0045% of Annual Relevant Sales*, (minimum fee £100 GBP or $170 USD)
Wholesaler; or Gold and/or platinum metals trader, refiner or hedger; or Diamond trader, cutter and polisher; or Jewellery manufacturer; or Service Industry (eg gem laboratory)	0.003% of Annual Relevant Sales* (minimum fee £100 GBP or $170 USD)

**Based on annual relevant sales (ARS) in the diamond, gold, and platinum supply chain.*

283 CSER Practitioner Survey Response.
284 Observers Survey Response.
285 CSER Practitioner Survey Response.
286 RJC 2009.
287 Observer Survey Response.
288 Observer Survey Response.
289 RJC, 2010e.

Membership is also for whichever category produces the highest revenue for a company.

Corporate Only: The RJC initiative encompasses all tiers of the supply chain, and aims to encompass all scales at each tier. However, small producers (ASM) remain largely absent, except through representative bodies such as the DDII and ARM, who are involved not as members, but as advisors through stakeholder consultation processes. One RJC Member, Eurocantera, produces one-third of its gold output in collaboration with a community ASM producer group and has entered into a supply agreement with another RJC Member, Cartier.[290] Compliance for ASM, however, is more directly addressed through the ARM and DDII standards initiatives than under RJC. At a stakeholder consultation meeting in London in May 2010, RJC mentioned that it would seek to work with ASM standards initiatives, such as ARM-FLO Fairtrade/Fairmined and DDII initiatives, in its chain-of-custody standard, as another potential source of gold and associated precious metals and diamonds.

Member Imbalance: There is presently an imbalance in the numbers of actors from different tiers of the supply chain who are members of RJC. On September 20, 2010 the Association announced that they have reached 250 members.[291] Of these, approximately 125 (or half) are diamond traders, a further 100 are jewellery manufacturers, wholesalers, and retailers, while there are only five 'diamond, gold, and/or platinum group metals producers' (mining companies).[292] These are AngloGold Ashanti, BHP Billiton, De Beers, Eurocantera, and Rio Tinto. However to some extent this reflects the consolidation of the mining sector: the mining companies, with the exception of Eurocantera, are very large corporate entities with multiple business units and mine sites. The middle of the jewellery supply chain is much more diverse in size and structure.

Burden of Proof, yet few Mining Companies: The lack of member mining companies is a concern as clearly the burden of proof for the majority of the COP requirements will lie principally with mines, jewellery manufacturers, and cutting and polishing facilities--the supply chain tiers where most social and environmental risks are present. For the gross majority of RJC's membership, because of the low-risk nature of their businesses, receiving membership credentials may require little more than paying for the certification process.

Aggregate: RJC certifies each company as a whole and does not certify individual mine sites. This raises the risk that negative information can be intentionally hidden from auditors, as aggregated information can hide the bad practices of environmentally and socially destructive sites. For pure transparency and best practices, disaggregated information should be required.[293]

Gaps

Requirements[294]

Social:

- Free, Prior and Informed *Consent* (not currently covered)

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[290] Cartier, 2009.
[291] RJC, 2010g.
[292] RJC, 2010a.
[293] RJC argues that aggregating data "…means that all the sites within the defined membership company must meet the standards; not just a few good sites. A single site failing to the meet the defined member will jeopardise the certification of the whole Member – this is a major incentive to improve standards across the board." Regarding auditing, RJC notes that, "All sites that fall within a certification scope will be assessed for the audit plan. Site visits are an important component of the auditing process."
[294] CAFOD, 2009; CSER Practitioner and Observers Survey Responses.

- Involuntary resettlement (increase coverage)
- Conflict zones (barely covered)

Environmental:

- Mercury management[295]
- Legacy
- Tailings deposits (increase coverage)
- Tailings disposal (increase coverage)
- Add additional segments of industry: (excluding these populations (especially ASM like KP did) is, according to a CSER Practitioner, a risk which would 'jeopardize potential achievements.'[296])
    - Small and medium mining
    - Processing facilities
- Prohibit:
    - Submarine tailings
    - No-go zones

Since this initiative is in such an early stage, there is still plenty of opportunity to increase its reach and depth through further improvements to the Code of Practices.

Loopholes

Consumer Confusion as to What is Actually Assured: The RJC can only ever guarantee an operator's credentials and not those of its actual product unless the chain of custody standard is applied. Owing to anti-trust laws, however, chain-of-custody assurance remains voluntary and yet is more important for this standard than for others because its mission is to assure consumers of the ethical credentials of their jewellery purchases. This means that certification could mislead consumers, who could believe the actual jewellery piece is being certified, rather than the company from whom they are buying. Clear communication on this point is essential if consumers are not to feel misled, should it be revealed that an RJC certified jeweller, let's say, is found to market a jewellery item containing gold from a conflict zone, or produced from a mine that is heavily polluting.

Use by Industrial Gold Mines

The RJC Code of Practices is likely to only be used by the gold mining companies which are its members. This is a pity, as it is actually a rigorous standard which is leading edge (i.e. scored a '4') on three important issues and goes beyond the IFC performance standards on a number of others (e.g. transparency, ASM, security). It does have some significant gaps and would be best used in combination with the IFC PS. On the other hand, though it is likely to be used by a few, ***where a mine site is judged to be RJC compliant, then the site is likely to be a leader in the field in terms of social and environmental safeguarding.***

[295] While RJC does not cover mercury management in its Code of Practices, in a letter to UNEP on 17th July 2009, RJC offered its support to the efforts of the Global Mercury Partnership "particularly in the areas of Mercury Waste and Artisanal and Small-scale Gold Mining" in the form of their Staff and Members' expertise on these issues. It is not clear if any concrete support has actually been given, however. RJC, 2009f.

[296] CSER Practitioner Survey Response.

V. Stakeholders' Opinions on the Standards

This section provides a summary of stakeholders' views on the development, content, and use of the Standards, individually and relative to each other. It is based on the Stakeholder Survey which can be accessed via reference in Annex II. It is included to help the reader interpret the reliability of stakeholders' opinions of certain standards and should be interpreted in the context of which stakeholders participated in the survey (see Chapter II.)

Stakeholder Familiarity with the Standards

Respondents to the general survey were most familiar with the standards in this order:

1. ICMM
2. IFC PS
3. EITI & GRI
4. OECD and EPs
5. RJC (22% had never heard of the RJC COP)
6. ICMC (nearly 50% had never heard of the code)

The varying levels of familiarity will have influenced respondents' ability to judge the standards fairly.

Stakeholder Judgement of the Standards

On the whole, stakeholders were fully supportive of the IFC PS and EPs, which generally were rated as good across the issues. Views on the GRI and ICMM were that they were more satisfactory than not.

In response to the question 'What is the best standard for helping address the negative impact on society and environment?' one survey respondent answered the 'EPs' and wrote, 'it must be an industry commitment and be wide. If I could choose two I would also include ICMM or RJC.'[297] In response to the same question another Respondent answered 'GRI probably covers all aspects in the most comprehensive way...'[298]

Over 75% stated they were satisfied with the content of the IFC PS and ICMM SDF. The difference between the benchmark's take on the ICMM SDF and stakeholders' opinions is most probably down to the ICMM's various toolkits, which were not included in the benchmark but which stakeholders may have been considering when answering the questions.

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[297] CSER Practitioner Survey Response.
[298] CSER Practitioner Survey Response.

Stakeholders' Levels of Satisfaction with the Standards on Various Issues[299]

	EPs	EITI	GRI	ICMC	ICMM	IFC	OECD	RJC
How well do you **know** the Standard?	> 50% had studied them	65% had studied them	> 65% had studied them	<60% unfamiliar	85% had studied them	>70% v. familiar	> 50% had studied them	> 50% had studied them 22% unfamiliar
How would you assess how the Standard has been **developed**?	Good	Good	Mixed	Mixed	Good	Good	Inconclusive	Mixed
How would you assess the way the Standard is being **used** in Industry?	Good	Mixed	More satisfactory	Mixed	Good	Good	Bad	Mixed
How would you assess how the Standard is being **managed**?	Good	Mixed	More satisfactory	Mixed	More satisfactory	Good	Bad	Mixed
Does the Standard cover **social** criteria to your satisfaction?	Good	Mixed	Good	Mixed	Good	Good	Mixed	More satisfactory
Does the Standard cover **labour** criteria to your satisfaction?	Mixed	Not relevant	Good	Mixed	More satisfactory	Good	Good	Good but >20% unsatisfied
Does the Standard cover **environmental** criteria to your satisfaction?	Good	More unsatisfactory	Good	Good but >20% unsatisfactory	Good but >20% unsatisfactory	Good	Mixed	More satisfactory
Does the Standard cover **management systems** to your satisfaction?	Good	More satisfactory	More satisfactory	More satisfactory	Good but >20% unsatisfactory	Good but > 20% unsatisfactory	Bad	Mixed
Overall, how would you assess the Standard's content?	Good	Good	Good	Mixed	Excellent (>80% satisfied)	Excellent (75% satisfied)	More satisfactory	More satisfactory

[299] These questions were asked in the General Survey only

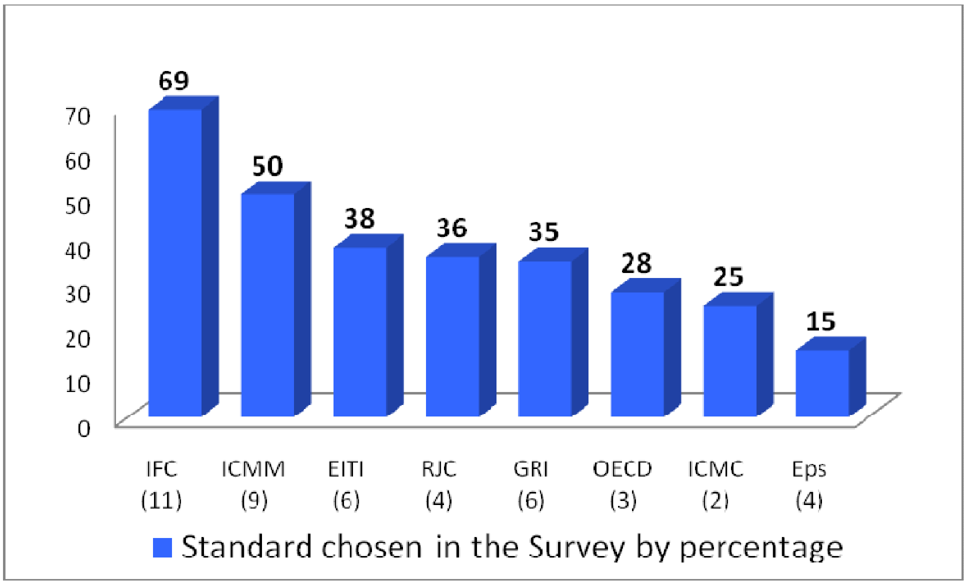
Only the OECD Guidance rated as 'bad' on a category. In fact, they were rated as bad in terms of how the Standard is being used and managed, and the extent to which they do (or, rather, do not) cover management systems. According to an interviewee, OECD could still rank in the top three overall, however, as it has the advantage of being enforceable. The reasoning was that IFC would be the most enforceable, OECD would be weaker but still enforceable as it has a complaints system, and it is yet to be seen how the RJC will be enforced.[300]

Views on the RJC and EITI were mixed, overall, but more good than bad.

Views on the ICMC were very mixed, with stakeholders only seeming to agree that it was rather good at covering management systems. In response to the question for rating the Standards for addressing environmental impact, one respondent commented: 'ICMC addresses a very narrow subject – cyanide management – whereas the others are much broader. The ICMC is the most practical standard in the list, but I've left it off because of this narrow focus.'[301]

Using the Standards

<u>The Standard Respondents Most Commonly Use in the Course of their Work[302]</u>



The chart shows the standard which respondents most commonly use in their work.

The IFC PS are most commonly used as they are used both for accessing financing, but also because they provide comprehensive system of reporting that has documented results with consequence (whereas GRI is comprehensive with no consequences for results). The ICMM SDF is used widely as it is seen as a well put

[300] Observer Interview.
[301] Industry Survey Response.
[302] The percentages are adjusted based on the level of familiarity responses, such that the number of responses received for the standard is in a ration with the number of respondents who had a degree of familiarity with the standard.

together Standard within the industry, and the RJC may get there as it is still relatively young but already being used as the principal standard by four respondents. EITI is commonly used as it is expected of companies within specific countries and then all companies within those countries are compelled to comply. On the other end of the chart, the ICMC and EPs are less commonly used as they have very specific uses (cyanide and private financing), and may have been less applicable to our stakeholder sample.

Ranking the Standards

Based on stakeholders' opinions, the standards ranked as follows for effectively safeguarding social, environmental, labour, and management/governance issues:

1. IFC
2. ICMM SDF
3. OECD
4. EITI
5. EPs

This table shows the results of stakeholder ranking of the standards vis-à-vis which of them optimally address the various categories of issues.

									Ranking on the Issue		
	EPs	EITI	GRI	ICMM	ICMC	IFC	OECD	RJC	1	2	3
Labour	3	0	5	10	1	22	14	8	IFC	OECD	ICMM
Social	11	0	1	13	0	23	12	7	IFC	ICMM	OECD
Environmental	12	0	2	15	3	20	5	3	IFC	ICMM	EPs
Management and Governance	6	14	4	7	0	13	2	4	EITI	IFC	ICMM
Total Score	32	14	12	45	4	78	33	22			
Ranking (1-8)	4	6	7	2	8	1	3	5			
Benchmark Ranking (1-8)	4	8	2*	5	6	2*	7	1			
*There are two '2's and is no '3' because IFC and GRI had the same score in the benchmark.											

In interpreting this table, it is important to consider respondents' familiarity with the standards. The 'Ranking' is based on the total number of votes a standard got for addressing the issue both in theory and in practice, either as 1st, 2nd or 3rd choice. The ranking tells as much about respondents' familiarity with the Standards as it does as to which standards they feel optimally address an issue. This is made especially clear when the ranking is compared to the ranking achieved through the benchmark.

VI. Conclusions

This report has benchmarked, analysed, and assessed a variety of Standards commonly used either by gold mining companies to safeguard society and the environment against negative impacts associated with their operations, or by observer organisations who advocate for improved practices by these companies in protecting society and the environment. Eight Standards were considered and compared, some of which have very narrow scopes (e.g. EITI, ICMC) and others of which are very broad, including for use by other sectors outside the mining industry (e.g. OECD, GRI).

The purpose of the benchmark was to consider which of the standards most effectively safeguard social and environmental issues in the industrial gold mining sector. The conclusion therefore considers the key issues the standards need to address across the board in order to ensure they meet their shared goal of promoting sustainability by safeguarding social and/or environmental issues and/or ensuring good governance.

General Issues for the Standards to Address

This section describes the overarching issues and gaps across all Standards benchmarked in this study and how these shortcomings could be addressed to improve the Standards' effectiveness.

Language: Beyond the importance of communicating a Standard's content clearly, the most critical reason that language is so important is to ensure that loopholes do not exist. It could be said that standards naturally have varying levels of interpretation based on which vantage point one views the standards from. This is especially true when verbiage is not carefully chosen, and when companies are able to choose their own reporting issues.[303] Vague language allows for flexibility and the discretionary application of principles and requirements.

Greenwashing*:* For the Standards that are voluntary (all but EITI and OECD), companies could join the initiatives with the intention to mislead onlookers by not reporting on their whole operations, or through aggregated reporting. Companies may wish to give the impression through voluntary standards that they are adopting proper environmental practices, while their actual adoption of practices required by the standards may be less than or not as complete as they report. This needs to be a concern of the Standards in their assurance audits.

Disclosure and Reporting*:* Across the initiatives, the quality of reporting is paramount in determining that the right information is presented in a manner that ensures accountability. Loopholes like selective reporting and aggregated reporting allow for violations and bad practice to be hidden and ignored, making improvement less likely. For this reason, judging an industrial mining company on the quality of its reporting (including appropriateness of language; materiality of subjects covered; representation of good and bad points; etc., in

[303] Baines, 2009, p.230-1.

line with best practice principles of reporting) is as important as judging the company on its sustainability performance because, actually, you cannot be sure to be doing the latter well if the reporting is not done well.

***Evaluation of Effectiveness**:* Very few of the Standards have been properly evaluated in terms of their actual effectiveness, i.e. do they achieve the intended beneficial outcomes when used by mining companies and others? This is a serious gap in itself, but one that the present review processes being undertaken by the OECD, IFC, and EITI will hopefully help fill.

Centralising Access to Reporting on Sustainability Performance: It would be useful for each initiative to have a databank containing the reports and assessments of all efforts to use the Standards. These databanks could allow for assessing the sustainability performance of various categories of companies, including that of mining or gold mining. This would help identify examples of best practice for cross-company learning.

Voluntary Versus Compulsory Compliance: In many cases, use of the Standards is voluntary and violations do not carry consequences (especially if there is not an onus to report honestly). Social and environmental issues are more likely to be safeguarded if there are consequences for the mine in not improving their risk management when they become aware of key issues. Evidence of effort is paramount.

Beyond Risk Management: Many of the Standards are primarily concerned with risk management and reward companies for good practice in this regard; of course this is important. However, companies should also be rewarded for efforts to go beyond risk management and optimise their positive contributions to development.

The Importance of Good Guidance! A helpful exercise for anyone involved with Standards would be to have documentation that describes in as much detail as possible the process by which Standards should be assessed and reports should be written. If a selection past reports could be compiled to serve as examples, this would also prove helpful.

Competition Between the Standards: Mining companies have a number of industry-specific standards to draw on, and may do so for different reasons. For example, like RJC, the ICMM is a member organisation which requires companies to confirm with a 'code of practices', namely its Sustainable Development Framework. The IFC Performance Standards or Equator Principles may be applicable where mining companies are seeking corporate finance. Mining companies may see it as tedious or unnecessary to attempt to comply with all these standards and so may seek to avoid participation in any one scheme in order to make their social and environmental safeguarding processes more manageable. Thus, there are very few mining companies currently registered as RJC members. Though RJC is an industry initiative, it is driven by the *jewellery sector* and gold mines are not only oriented at the jewellery markets.[304] Increased integration across these Standards would be beneficial. In addition to RJC, IRMA comes into the picture, as this is what this Initiative is attempting to do.[305] It is therefore regretful that IRMA could not be included in this Benchmark Analysis.[306]

[304] RJC report comment includes that 'jewellery is around 40% of global gold demand (eg in 2009), and four industrial mining companies were among the 14 founders [of[the Council.'
[305] RJC report comment includes that the COP explicitly 'reference[s] …the following: - ICMC (COP 3.2.3), IFC Performance Standard 5 – resettlement. (COP2.11.3), Global Reporting Initiative (COP 4.6), EITI (COP 1.6), Voluntary Principles on Security and Human Rights (COP 2.12), Kimberley Process

Critical Issues which are Inadequately Addressed by the Standards

The following issues either scored no 3's or 4's in the benchmark, or scored a total of 7 or less.

Management and Monitoring Systems

Open Markets: This issue can also be understood in terms of fair competition. Competition is only fair when markets are truly open. This should be encouraged to help combat corruption and unfair trading practices.

Environmental

Protected Areas: Though five of the Standards scored a '2' for this issue, there were no 3's or 4's, meaning there is certainly room for improvement. It is the case that many of the world's significant remaining reserves of gold and other minerals are in fragile ecosystems, including protected areas. Gold mining companies are gaining permission from certain country governments (e.g. Indonesia, DRC) to explore and mine therein, including in ones with significant conservation status. Tools like biodiversity offsetting give the impression that the impacts can be managed, but there are still serious local consequences. Though there is a valid (albeit culturally controversial) case that world leaders in responsible mining would better manage risks in exploiting these resources than smaller, less 'professional' outfits who do not have the same expertise or motivations (e.g., first-world pressure from NGOs and stock market exposure), there are still impacts. Whatever the argument, the point is that this is a critical issue for ensuring the long-term sustainability of our planet and of specific ecosystems and species, and should therefore be given proper treatment in the Standards.

Land Adjacent to Protected Areas and their Environs: Land adjacent to protected areas provides important buffer zones for the protection and preservation of biodiversity and habitat. None of the Standards give this issue much mention, save the GRI which only makes requirements for reporting of impacts, but by its nature does not give guidance on how to reduce them.

Social (Community/Society)

Non-discrimination: Only three of the Standards discussed non-discrimination, and only RJC did this well, achieving a '4'. There are many types of discrimination, and the RJC Code of Practices list many. Discrimination can take place in the workplace, and also in a company's relations with its other stakeholders, and in particular engagement with specific local community groups. Discrimination leads to the marginalisation of specific groups, and increases vulnerability, making it harder to know if a group is being negatively impacted, but also more likely that they will be.

Gender: This very important developmental and human rights issue was not found in the Standards at all as deeply as it should be, either in relation to labour or community relations. ICMC and EITI do not mention gender-specific impacts at all; GRI references gender only in relation to discrimination based on sex.[307] The RJC

Certification Scheme (COP 1.3), Financial Action Task Force (FATF) Recommendations for anti-money laundering (COP 1.2.2), All ILO Core Conventions (COP 2.2, 2.3, 2.4, 2.5),UNEP Awareness and Preparedness for Emergencies at the Local Level (APELL) (COP 2.6.8).

[306] IRMA, 2010.

[307] GRI, 2010j.

mentions discrimination based on gender, maintaining wash and rest facilities proportional to the number and gender of staff, and recognizing gender in the SIA.[308] See gender-relevant tools on the COMMDEV website.

Security: Only the IFC deals well with the issue of security. This is a sensitive issue in relation to industrial gold mining. Consider the Voluntary Principles on Security and Human Rights.[309]

Artisanal and Small-scale Mining: The last decade has seen a great push by the gold industry to expand production in response to the ever-increasing price of the commodity. This means increased exploration activities and lots of mine development. ASM often provide an indication of where the gold might be, and it is increasingly common for industrial mining companies to acquire concessions on land where ASM have traditionally mined. Constructive engagement and fair treatment of ASM is hindered by their frequent lack of capacity to engage and illegitimacy based on an 'illegal' or 'a-legal' status owing to poor governance of the sector generally in many countries. At the same time, ASM can be attracted to mine adjacent to industrial concessions and 'invasions' can occur, intensively and violently in some countries (e.g. Ghana, Papua New Guinea). ASM are an important part of the gold mining spectrum, but they are also vulnerable. In spite of the increasing intensity of contact between industrial and artisanal producers, only the RJC COP deals well with ASM in its Standard, though the ICMM's Toolkit, *Working Together*, is an excellent guidance document for developing decent internal CSER policies on this issue.

Conflict Zones: Half of the Standards vaguely refer to conflict zones but provisions for managing operations in this context are extremely lacking. This is a critical issue and one coming under intense NGO scrutiny at the moment, especially in Central Africa.

Social (Labour)

Local Procurement: It is common for large mines to source their food, construction materials and labourers for building and running a mine from larger suppliers including from abroad. Proactively seeking ways of procuring goods and labour locally – both from community and national-level suppliers – is a crucial strategy for increasing the development impact of a mine. Standards should seek to encourage this as much as possible.

Other Issues

Other issues which came out of the analysis and consultation as being important to stakeholders but which are not in the standards and/or are inadequately treated in them are as follows:

Human Rights: Room for improvement across the board. The standards all addressed (with the exception of EITI) Occupational Health and Safety and Empowerment. Each of the standards could make improvements from examples within the Articles in the Universal Declaration of Human Rights.[310]

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[308] RJC, 2009f.
[309] RJC mentions the Voluntary Principles in COP 2.12, but its requirements for Security forces are not as specific or detailed as IFC's.
[310] The United Nations, 2010.

Free, Prior and Informed Consent: Only one of the Standards address this (GRI). The rest have not found a replicable way to address *consent* so currently address this topic through free, prior and informed *consultation.* While consultation is important, for NGOs and local communities this simply is not good enough.

Contractors: Few of the Standards require that their requirements be extended to sub-contractors. Since sub-contracting is a major part of gold mining, the impacts of these individuals and organisations is potentially extensive. It is also in the interests of expanding local capacity to understand sustainability and ensure good practice that sub-contractors should be obliged to manage their social and environmental risks. The critical issue relates to health and safety in particular.

Environmental Legacy: Standards currently are not applying requirements retroactively to mining activities, this could be a point of learning across the spectrum.

Construction: Whilst standards do consider mine closure and its implications, little mention is made of the positive and negative impacts that explicitly come from construction throughout the lifecycle of a mining facility, including how certain construction design decisions can have implications for social and environmental wellbeing at the point of closure.

Bribery/ Corruption: Explicit requirements for managing bribery and corruption are lacking. Refer to the EITI.

Optimal use of the Standards by Gold Mining Companies

To conclude, the optimal use of the Standards by gold mining companies to safeguard society and the environment would be as follows:

- If a company is to rely on up to two standards to use together, these standards should be the IFC PS (or EPs) and the RJC Code of Practices.[311]
- On reporting issues, the GRI is the best standard, but there are a number of loopholes that need to be addressed to ensure reporting is really as good as it could be. It is possible and desirable for companies to go beyond GRI.
- Whilst the EITI is directed at country governments who will adapt the international requirements to their own situation to make requirements of companies operating in-country, companies can do much to help ensure good governance and promote best practice in state-corporate relations through becoming a ‘supporting company’ of the EITI and incorporating its principles and criteria into internal policies and procedures, regardless of what is required by host country governments.
- The ICMM SDF is most useful in combination with the various toolkits and guidance documents which the ICMM has produced. A company which is seeking to be best practice should draw on these in its internal policies and procedures, though it should be noted that many of these seek to promote *good* rather than *best* practice. In other words, there is still room for companies to go beyond these.

[311] This also would result in application of the ICMC as both defer to the ICMC for the management of cyanide.

- Given the availability of superior standards for safeguarding society and the environment in the gold mining industry, the OECD Guidance is best used as a tool for holding companies to account for serious violations on relevant (covered) issues.
- While the ICMC was not well known by the stakeholders consulted, it is used in mines producing over 50% of the world's gold, according to the ICMI.[312] It is a useful code and companies who are certified against it are demonstrating good practice in managing this toxic substance. Application of its requirements to other hazardous materials where relevant, as part of internal policies and management systems, would be beneficial.
- It is common for gold mining companies to use these Standards during the Social and Environmental Impact Assessment phase of Mine Development. Unfortunately, in their review of research, policy and practice challenges for the minerals industry in Australia, Solomon et al. found that few mining companies use voluntary Standards to do "ongoing evaluation of actual impacts and their management during the project's operating life or closure."[313] They also note a negative attitude from industry towards social research of mining and its impacts owing to "a general suspicion from industry of the impact of researchers on sites, a lack of integration of the social dimensions with company decision-making, and the tendency to see social research as an up-front hurdle to development approval or only in terms of a 'social licence to operate'."[314] Mining companies should be encouraged to deepen their integration of CSER considerations into their mainstream operations rather than viewing it as an 'add-on' to meet some external requirements. On the one hand, there is not enough evaluation of mining's material social and environmental impacts over the life cycle of a mine; on the other, these Standards can offer valuable Frameworks for usefully assessing a mine's impacts from conception to closure. One way to achieve deeper integration of CSER would be to allow such impact evaluations on an ongoing basis, not only for ensuring that their own risk management practices are adequate (and also thereby reassuring investors) but as a contribution to the continued testing of the utility of the Standards.

[312] ICMI, letter to Solidaridad, 29th May 2011.
[313] Solomon et al., 2008, p. 145.
[314] Solomon et al., 2008, p. 145.

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Annex I. List of people consulted

Stakeholder	Company	Position	Category
Alyson Warhurst	Maplecroft	CEO	CSER Practitioner
Andrew Parsons	AngloGold Ashanti	Environmental Policy Advisor	Industry
Anne-Marie Fleury	ICMM	Associate Program Director	Initiatives
Arvind Ganesan	Human Rights Watch	Director	Observer
Christopher Sheldon	World Bank	Lead Mining Specialist	Development Agency
Eric Braunwart	Columbia Gem House	President	Jeweller
Felix Hruschka	tbb.hru Consulting	Consultant	CSER Practitioner
Gus MacFarlane	Maplecroft	Associate Director	CSER Practitioner
Ian Thomson	On Common Ground	Principal	CSER Practitioner
Jennifer Hinton	Kitaka Mine	Chairwoman of the Board, Technical advisor, Co-Owner/Operator	Industry
John Southalan	Centre for Energy, Petroleum and Mineral Law and Policy, University of Dundee	Rio Tinto Research/Teaching Fellow	Observer
Jonathan Hobbs	WWF - East Africa	Senior Advisor on Trade and Investment	Observer
Jonny Sasirwe	Kitaka Mine	Mine Manager, Co-Owner/Operator	Industry
Julia Nelson	Business for Social Responsibility	Manager, Energy & Extractives	CSER Practitioner
Kate Blacklock	Harambee Social Development Ltd.	Director	CSER Practitioner
Kathryn Tomlinson	Independent consultant	Independent consultant	CSER Practitioner
Kirsten Hund	WWF - CARPO	Regional advisor extractive industries	Observer
Marc Choyt	Fair Jewelry Action	Director	Jeweller
Micha Hollestelle	ZAGA	Director	CSER Practitioner
Michael Hopkins	MHC International Ltd	CEO	CSER Practitioner
Ruth Golombok	Atkins	Director	CSER Practitioner
Saleem Ali	Rubenstein School of Natural Resources; University of Vermont	Professor of Environmental Studies	Observer
Toby Pomeroy	TOBY POMEROY	Director	Jeweller
Tom Cushman	Richfield Investor Services	Managing Director	Observer
Torrance Hoover	Hoover and Strong	President	Jeweller
Anonymous			CSER Practitioner
Anonymous			CSER Practitioner
Anonymous			CSER Practitioner
Anonymous			Development Agency
Anonymous			Development Agency
Anonymous			Development Agency
Anonymous			Industry
Anonymous			Initiatives
Anonymous			Jeweller
Anonymous			Jeweller
Anonymous			Observer
Anonymous			Observer
Anonymous			Observer
Anonymous			Observer

Annex II. Solidaridad Benchmark Survey Questions

Survey Questions are available upon request: Solidaridad Gold Supply Chain via Jennifer Horning at

http://www.solidaridadnetwork.org/jennifer-horning

Annex III: ICMM Performance table

From http://www.icmm.com/our-work/sustainable-development-framework, retrieved 3rd October 2010

Company and Council member	1. Year report covers	2. Policy alignment with Principles	3. Assurance of policy alignment with Principles	4. G3 application level	5. Use of MMSS	6. Assurance of G3 application level
		subject matter 1			subject matter 5	
Anglo American www.angloamerican.co.uk Cynthia Carroll, CEO	2008	✓		A+	✓	✓
AngloGold Ashanti www.anglogoldashanti.com Mark Cutifani, CEO	2008	✓		A+	✓	✓
African Rainbow Minerals** www.arm.co.za Patrice Motsepe, Chairman	2008/09			C		
Barrick www.barrick.com Aaron Regent, President and CEO	2008	✓	✓	A+	✓	✓
BHP Billiton www.bhpbilliton.com Marius Kloppers, CEO	2008/09	✓	✓	A+	✓	✓
Freeport-McMoRan* www.fcx.com Richard Adkerson, President and CEO	2008	✓			✓	
Goldcorp** www.goldcorp.com Charles Jeannes, President and CEO	2008			B	✓	
Gold Fields www.goldfields.co.za Nick Holland, CEO	2008/09	✓	✓	B+		✓
Lihir Gold www.lglgold.com Phil Baker, CEO	2008	✓	✓	B+	✓	✓
Lonmin www.lonmin.com Ian Farmer, CEO	2008/09	✓	✓	B+	✓	✓
Mitsubishi Materials www.mmc.co.jp Akihiko Ide, President	2008	✓		A	✓	
Minerals and Metals Group** www.mmgroupltd.com Andrew Michelmore, CEO						
Newmont www.newmont.com Richard O'Brien, President and CEO	2008	✓	✓	A+	✓	✓
Nippon Mining & Metals www.nikko-metal.co.jp Masanori Okada, President and CEO	2008	✓	✓	A+	✓	✓
Rio Tinto www.riotinto.com Tom Albanese, CEO	2008	✓		A+	✓	✓
Sumitomo Metal Mining www.smm.co.jp Nobumasa Kemori, President	2008	✓	✓	B+	✓	✓
Teck www.teck.com Donald Lindsay, President and CEO	2008			A	✓	
Vale www.vale.com Roger Agnelli, President and CEO	2008	✓		B+	✓	✓
Xstrata www.xstrata.com Mick Davis, CEO	2008	✓	✓	A+	✓	✓