

**Mining Certification Evaluation Project (MCEP)**  
**Working Group Meeting 3 (Residential)**

**Thursday 1 May – Friday 2 May**  
**Aitken Hill Conference Venue, Yuroke, Melbourne**

**Participants**

Andrew Minns, Newmont  
Andrew Rouse, WWF  
Fiona Solomon, CSIRO  
Francis Grey, Sustainable Asset Management  
Martin Webb, WMC Resources (*replacing Gordon Drake on WG*)  
Ian Wood, BHP Billiton  
James Ensor, Oxfam Community Aid Abroad (*Thursday only*)  
Kristina Ringwood, Rio Tinto  
Libby Rankin, PricewaterhouseCoopers (*Thursday only*)  
Margaret Donaldson, on behalf of Aboriginal and Torres Strait Islander Social Justice  
Commissioner, Human Rights and Equal Opportunity Commission  
Malcolm Forbes, Environment Australia  
Melanie Stutsel, Minerals Council of Australia  
Michael Rae, WWF  
Nick Currey, Placer Dome (*in place of Arthur Hood*)  
Peter Colley, Construction Forestry Mining and Energy Union  
Tim Offor, Offor Sharp and Associates (*facilitator*)

**Apologies:**

Arthur Hood, Placer Dome  
Gordon Drake, WMC Resources  
Martha Macintyre, University of Melbourne

**Summary of Discussion (over two days)**

**1. Welcome and Aims of Meeting**

~~☞~~ Aim of meeting to build consensus on ‘Principles’ for well-managed mine sites.

**2. Working Group business**

~~☞~~ Working Group members

~~☞~~ Rio Tinto have joined the MCEP and the Working Group (WG) welcomed Kristina Ringwood to the meeting.

~~☞~~ The WG approached a person in local government to participate in the MCEP who declined because of existing commitments. It was agreed that the MCEP would focus its engagement with local government during the site trials.

~~☞~~ Progress since last meeting

~~☞~~ Prepared second draft of Working Principles and Criteria for discussion at meeting 3 and circulated to WG in advance of meeting.

~~☞~~ Circulated Canary 2 to Contact List in early April, launching MCEP website.

~~☞~~ Contact List regularly updated, currently at about 300 people internationally.

- ✍ Abstract submitted for the Minerals Council of Australia Sustainable Development conference in November 2003.
- ✍ Revised schedule of future WG meetings to avoid several pre-existing clashes for WG members.
- ✍ Notes of last meeting circulated and posted to MCEP website.

*Actions:*

2.1 *Continue to develop MCEP website and monitor hits. (Project team)*

### **3. Working Principles and Criteria – draft 2**

- ✍ Presentation by Michael Rae on how the second draft was developed.
  - ✍ Key changes since first draft were in response to feedback at WG Meeting 2 and the use of the International Council on Mining and Metals (ICMM) Sustainable Development (SD) principles as an organising framework for more specific criteria. The ICMM principles were still in draft form at the time of the meeting.
- ✍ Discussion:
  - ✍ The ICMM principles appear to have been developed from a managerial perspective and while not always sufficient, leave room for interpretation. The task for MCEP is then to focus on specific criteria to give effect to the principles. Feedback to ICMM on the draft was agreed to be a high priority.
  - ✍ The MCEP is not attempting to devise a certification model for ICMM or its members. As a result, MCEP criteria will not comprehensively address the principles in some cases, and in other cases may require a higher level of performance than the ICMM principles may suggest.
  - ✍ Various meanings for the term ‘standards’ and processes for developing standards were discussed. The experiences of the Forest Stewardship Council (FSC) was described.
  - ✍ The importance of transparency in any resulting certification model, and the need for several layers of decision-making in any options for governance structures.
  - ✍ Known international standards are referred to in the criteria where possible, in order to refer to related bodies of jurisprudence and interpretation.

*Actions:*

3.1 *Summarise WG feedback on ICMM draft SD principles and submit as soon as possible after meeting 3. (Project team)*

### **4. Building Consensus on Principles**

- ✍ Over the two days, the second draft Working Principles and Criteria were discussed in detail.
- ✍ Comprehensive editorial suggestions were discussed and will be integrated into the third draft.
- ✍ The WG also discussed substantive issues relating to the principles and/or criteria, including:
  - ✍ Human rights:
    - ✍ Child labour in the context of South Africa
    - ✍ Conditions for expat and local workforces

- ✂ Equality of treatment (formal equality) vs equality of outcomes (substantive equality); ahistorical approach inappropriate
- ✂ Management of conflict vs providing training for security personnel
- ✂ Resettlement, particularly involuntary, and need for strong public interest test
- ✂ ‘Reconciliation’ processes to deal with historical issues,
- ✂ Right to self-determination for all people, including Indigenous peoples, and different means for expressing this right
- ✂ Social, economic and institutional development of communities
  - ✂ Prior informed consent is critical issue; complexities in how it is defined, whether it is an ongoing process relating to a series of issues during life of project; as yet lack of international standard
  - ✂ Where there are tensions between respecting culture and international human rights, propose prioritising human rights
  - ✂ Intergenerational and gender equity
  - ✂ Post-closure issues in the context of ‘sustainable development’
- ✂ Stakeholder engagement
  - ✂ Capacity of small to medium enterprises (SMEs) in this area
  - ✂ Stakeholder claims to representation
  - ✂ Acknowledgement of Indigenous people having particular rights and interests beyond ‘stakeholder’ concept
- ✂ Ethics and governance
  - ✂ Linkages between mine site and corporate entity
  - ✂ Importance of transparency in effective functioning of markets and combating structural corruption
  - ✂ Transparency vs commercial confidentiality, for example, Indigenous agreements, service contracts
  - ✂ Relationships between national and international law, and capacity at the mine site level to respond to inconsistency
  - ✂ How to judge varying significance of non-compliance
- ✂ Health and safety
  - ✂ Health and safety of communities, beyond employees and their families
  - ✂ Monitoring of employees beyond the life of the mine
  - ✂ How to conceptualise health and safety performance in a certification model
- ✂ Sustainable development in decision making
  - ✂ Impossibility of ‘proving’ sustainable development at any point in time
  - ✂ Internalisation of social and environmental costs that are externalised to other parts of society
  - ✂ Existing operations that may require perpetual treatment
  - ✂ Control vs influence over business partners and suppliers
- ✂ Risk management
  - ✂ Risk as a discourse that increasingly legitimises issues such as human rights, stakeholder engagement to the business
  - ✂ Issue of institutional vacuum when laws or public processes are inadequate
- ✂ Environmental performance
  - ✂ Cumulative impact
  - ✂ Relationship with other certification systems eg ISO14001

- ✍ Development of new processing and environmental technologies that represent continual improvement
- ✍ Major environmental issues for the industry eg tailings dams/disposal, waste rock, mine subsidence, acid mine drainage, in-situ processing
- ✍ Closure as environmental vs integrated issue
- ✍ Biodiversity and land use planning
- ✍ Biodiversity and mining as still live debate
- ✍ Defining high conservation value areas in context of mining funded EIAs
- ✍ Metals life cycle
- ✍ Mines as users as well as producers of commodities

✍ More general issues relating to the MCEP directions were also raised, including:

- ✍ The potential for a two-step process in a certification model which involves a 'threshold test' at the corporate level, then a site evaluation.
- ✍ Issue of 'fig leaf' certification, that is, certifying a boutique operation in the portfolio while continuing with poor practices at other operations. The FSC seeks assurance of intent that other forest operations will be certified over time (or at least certifiable).
- ✍ Issue of historical practices (or lack of practices), or current practices based on historical decisions, or acquisition of problematic operations, and how a certification model should deal with these.
- ✍ 'Outcome' of a certification model, such as pass/fail or grade. This should depend on the needs of the audiences (eg financial, consumers, insurers, host communities). A related issue is whether different principles and criteria should be weighted.

*Actions:*

- 4.1 *Prepare third draft of Working Principles and Criteria. (Project team)*
- 4.2 *WG members to liaise with project team on issues of particular interest and expertise. (All)*
- 4.3 *Prepare discussion paper on issues of 'historical' practices. (Michael Rae)*

## **5. Invited Speaker - Richard Boele, Australian Corporate Citizenship Institute**

- ✍ Shifts in social auditing since 2001, with regards to:
  - ✍ Ideas about 'the social'
  - ✍ Systems elements
  - ✍ Performance standards
- ✍ Challenges, including:
  - ✍ Measuring perceptions and the role of auditor judgment
  - ✍ Becoming de facto ombudsman
  - ✍ Dynamic nature of the social context

## **6. Next steps**

- ✍ Agreed to hold a further meeting on principles then circulate discussion paper to MCEP Contact List.
- ✍ Next WG meeting Friday 27 June, 2003 in Melbourne, hosted at Rio Tinto offices.