AAMEG Good Practice Guide

The AAMEG Good Practice Guide was developed in order to help extractives companies continuously improve their practices in the areas of corporate governance, ethical business conduct, anti-bribery and corruption, human rights , social investment and environmental responsibility, and to comprehensively integrate these aspects in to all their programs. It is a voluntary guide designed to help inform companies in their decision-making while engaged in projects around the world.

The following offers guidance to companies on good practices that demonstrate a commitment to the principles that are outlined in the AAMEG Guiding Documentation.

Commitment to AAMEG documentation

AAMEG requires its members to make a commitment to adopt corporate values that ensure the highest standards of operations in Africa, particularly concerning good governance, the environment and human rights.   AAMEG has selected a suite of internationally accepted Guiding Documentation, containing principles which, prospective member companies are required to abide by and commit to embed into the cultures of their companies. This Guiding Documentation covers key issues of governance, foreign corrupt practices, human rights and social and environmental issues and may be added to or updated as expectations evolve. The AAMEG Guiding Documentation includes:

- **Guiding principles for Business and Human Rights (2011)**
- **UN Convention against Corruption (2004)**
- **Africa Mining Vision (2009)**
- **Action Plan for Implementing the AMV (2011)**
- **Social Responsibility in the Mining and Metals Sector in Developing Countries (2011)**
- **Summary of Australian Anti-Bribery and Corruption Compliance Obligations (2011)**
- **OECD Guidelines for Multinational Enterprises (Updated 2011)**
- **OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones (2006)**
- **Voluntary Principles on Security and Human Rights (2000)**
- **Equator Principles (2013)**
- **Extractive Industries Transparency Initiative (2002)**

Corporate Governance and Ethical Business Conduct

Practices that support the development of a culture of sound governance are:

- Make and implement company statements and ethical business principles and practices that management is committed to enforcing and that are consistent with national law.
- Ensure that the ethics committee of the board is charged with oversight of the implementation of the AAMEG principles.

- Comply with or exceed the requirements of host country laws and regulations and refrain from exploiting weaknesses in the capacity of host governments to monitor compliance with domestic law.
- Refrain from seeking or accepting exemptions, not contemplated in the statutory or regulatory framework, that are related to human rights, the environment, health, safety, labour, taxation, financial incentives or other issues.

Practices that support the development of risk management culture that is based on valid data and sound science include:

- Consult with interested and affected parties for the identification, assessment and management of all social, health and safety, environmental and economic impacts associated with company activities.
- Develop and maintain monitoring data from baseline studies through to post event impact studies.
- Regular review and updating of risk management systems.
- Inform potentially affected parties of significant risks from company operations and of the measures that will be taken to manage them effectively.
- Develop, maintain and test effective emergency response procedures in collaboration with potentially affected parties. These procedures should be consistent with Principle 7 concerning security operations

Practices that Integrate sustainable development considerations into corporate decision making processes and company policies include:

- Plan, design, operate and close operations in a manner than enhances sustainable development.
- Promote and practice sustainable development practices with customers and suppliers of goods and services.
- Contribute to social, economic, and capacity development of mine affected communities.
- Ensure culturally appropriate training for staff and management on sustainable development.
- Work with governments, industry and other stakeholders to achieve or improve appropriate and effective public policy, laws, regulations and practices that facilitate the mining sector's contribution to sustainable development.

Guiding Documentation:

- *Social Responsibility in the Mining and Metals Sector in Developing Countries 2011*
- *AAMEG / Clayton Utz Summary of Anti-Bribery and Corruption Compliance Obligations 2011*
- *OECD Guidelines for Multinational Enterprises 2011*
- *OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones 2006*
- *Voluntary Principles on Security and Human Rights 2000*
- *Equator Principles 2003*
- *Extractive Industries Transparency Initiative 2002*

Policy Checklist

Checklist √	AAMEG Priority	Policy, Procedures and Actions	Guiding Comments
CORPORATE GOVERNANCE & ETHICAL BUSINESS CONDUCT			
	1.1	**Code of Conduct**	The code of conduct is an essential policy for all AAMEG members. It must be collaboratively developed and implemented through the organisation by appropriate training and awareness-raising and incorporated into employment contracts, sub-contracts and induction programs.
	1.2	**Stakeholder Communications and Engagement Strategy**	The stakeholder communications and engagement strategy sets the foundation for the member's communications and engagement with all stakeholders, including the workforce, subcontractors, the Government and mine-affected communities. This is a key strategy in establishing sound relationships and sharing information critical to the efficient and effective management operations. Effective communications creates and protects value.
	1.3	**Health and Safety Policy**	All member companies with in-country operations should have a Health and Safety Policy in place, particularly for employees and subcontractors in support of mine construction and/or mining operations. Members Boards are responsible to establish the company's policy, ensuring that Health and Safety procedures and systems implemented through the organisation appropriately. It is expected that all Board members, staff, subcontractors and other stakeholders understand and follow health and safety procedures and standards.
	1.4	**Emergency Preparedness/Response Policy**	An Emergency Preparedness/Response Policy should be in place for all member companies with in-country operations. Member companies in full mining production should have Emergency Preparedness/Response procedures implemented through the organisation, ensuring that Boards members, staff, subcontractors and other stakeholders aware of such procedures. These procedures should also be developed in consultation with mine affected communities, particularly in mitigating risk to local communities and local employees.
	1.5	**Security Operations Policy**	A Security Operations Policy should be in place for all member companies with in-country operations. Member companies in mining production should have relevant procedures implemented through the organisation, ensuring that Boards members, staff, subcontractors and other stakeholders aware of Security Operations procedures, which should also be developed in consultation with mine affected communities and government stakeholders.

Anti-Bribery and Corruption

Practices that support the development of a culture inimical to bribery and corruption are:

- Development of a Code of Business Conduct ;
- Develop and implement a Compliance Guide, including relevant illustrative hypothetical or real world examples;
- Record Keeping Policy (to cover facilitation payments, cash or unusual payments, per diems, and any payments to government officials or related entities);
- Appropriately trained and dedicated Compliance Officer and Ethics Committee to educate the workforce, test and monitor the compliance regime;
- Standard certification documentation whereby third parties agree to act in accordance with anti-corruption principles in their dealings with the company; and
- Appropriate anti bribery and corruption clauses included in contracts with third parties, agents and joint venture partners, including evidence that such clauses have been utilised; and ;
- Disclose all payments and revenues to host government in a publically accessible and comprehensive manner and providing for routine auditing of such payments.

Guiding Documentation:

- AAMEG / Clayton Utz Summary of Anti-Bribery and Corruption Compliance Obligations 2011
- OECD Guidelines for Multinational Enterprises 2011
- OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones 2006
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ANTI-BRIBERY AND CORRUPTION			
	2.1	Corporate Policy on Anti-Bribery and Corruption	All member companies should have an established Board-approved policy for anti-bribery and corruption that is communicated through the organisation by appropriate training/awareness-raising and the use of a compliance guide that provides examples of how to deal with challenging Africa situations. The policy should include outlawing facilitation payments and the establishment of internal fiduciary controls requiring regular monitoring and reporting of payments to host governments. It should also be incorporated into employment contracts and induction programs.
	2.2	Policy/procedure for full disclosure of payments and revenues to host governments	As above (2.1): These procedures should be discussed and approved by the Board and if not incorporated into the member's anti-bribery and corruption policy, a separate policy for full disclosure of payments to host governments should be implemented through the organisation and signed by all staff and sub-contractors.
	2.3	Whistle-Blower Policy	If the member's company is in mining production it should have a Board-approved whistle-blower policy established (as a preventative measure) and implemented through the organisation by appropriate training, awareness-raising and public support to whistle-blowers.

Human Rights

Practices that ensure fair remuneration and work conditions for all employees and avoid forced, compulsory or child labour include:

- Make available information on employee rights under national labour and employment law, including rights related to wages and other benefits and managements approach to the workforce
- Where such rights exist under national law, recognise and respect collective bargaining agreements and the right of employees to associate in order to negotiate working conditions. Where no such rights exist, ensure that working conditions and terms of employment are reasonable (as defined in the ILO Declaration) and comply with national law as a minimum.
- Refrain from using children in a manner that is economically exploitative or hazardous or will interfere with the child's education.
- Refrain from using forced labour.
- Provide a grievance mechanism for workers where they may raise reasonable workplace concerns.

Human rights strategies that reduce discrimination and promote gender and ethnic equality in the workforce include:

- Meet national laws on non-discrimination in employment if such laws exist. Where they do not exist, make employment decisions on the basis of equal opportunity and fair treatment. Employment decisions include: recruitment, hiring, working conditions, terms of employment, wages and benefits, training, promotion, termination, retirement and discipline.
- Provide culturally appropriate training at all levels on equal opportunity principles and practices
- Establish workplaces that are family-friendly.
- Ensure the participation of women in company and community training programs.
- Ensure women's considerations, articulated in a culturally appropriate way, contribute to community consultation on social, environmental and other issues arising from the mines operations that impact the community.
- Gather data and report on participation by gender in mining operations and mine associated community development initiatives.

Security operations that are implemented to promote and prioritise human rights considerations will:

- Undertake and maintain assessments of the risk to human rights in the company's operating locations arising from external factors that may contribute to both civil and state violence including:
  - Local and national election cycles and the impact of government change on stability;
  - Legacies of violence and trauma ;
  - Low income levels resulting in a low opportunity cost of disorder;
  - Youth unemployment;
  - Natural resource wealth distribution policies and practices;
  - Severe corruption in business and government;
  - Rapid urbanization;
  - Price shocks;
  - Climate change and natural disasters;
  - Ethnic and religious competition and discrimination;
  - Human rights abuses by local power elites and by state security and justice agencies; and

- o Cross border influences including criminal networks, support for domestic rebels and conflict spill over.

- Undertake a human rights mapping exercise to identify the intersection of mining security operations with human rights risks, notably:
    - o Safety issues, including hazards, potential injuries and fatigue;
    - o Site access compliance, including visitor, staff and contractor inductions;
    - o Emergency, first aid, medical and rescue response;
    - o Protestor activity and industrial unrest;
    - o Unauthorised access – including artisanal mining;
    - o Theft;
    - o Vandalism;
    - o Personnel security;
    - o Logistics and supply chain; and
    - o Use of company equipment.

- In discussion with local and national authorities and communities, develop a safety and security plan and an operating framework that ensure respect for human rights and fundamental freedoms.
- Identify the intersection between the company's and host government's security tasks.
- Understand the state security apparatus – roles, mandates, culture and human rights record.
- Where companies need to supplement security provided by host governments, refrain from acting as a proxy for the state in security matters that are not related to mine security.
- Establish policies on the use of force and refrain from the offensive use of security apparatus. At all times, the defensive use of force must be proportional to the threat.
- Establish procurement, mobilisation and monitoring processes for contracted security providers that ensures their compliance with human rights principles.
- Refrain from using any subcontractor with a poor human rights record and ensure regular training of contractors in human rights obligations.
- Develop procedures that mitigate against involvement with government security agencies that have a reputation for HR abuses.
- Provide for human rights considerations in deploying additional security and emergency response resources to scale up in the event of an emergency.
- Provide clear rules on the use of company vehicles, communication equipment and other company assets by any government agency when cooperating to deal with emergency situations. These rules must recognise the mutual benefits in cooperating and the human rights risks.
- Provide mechanisms to report on the use of company equipment and facilities as well as any local human rights abuses to relevant authorities.
- Provide mechanisms for resolving local grievances involving mining operations and human rights risks.
- Provide policies and procedures on the management of illegal mining in operating areas that are in line with human rights obligations.
- Integrate anti-corruption strategies with security and human rights strategies.
- Provide training to all personnel and contractors on human rights risks in the company's operations, standards and company human rights policies and procedures.

- Support cooperative arrangements and host government agencies' initiatives for collaboration on intelligence gathering and emergency for personnel security and the advancement of human rights

Guiding Documentation:

- *OECD Guidelines for Multinational Enterprises 2011*
- *OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones 2006*
- *Voluntary Principles on Security and Human Rights 2000*
- *Equator Principles 2003*

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HUMAN RIGHTS			
	3.1	Policy on Human Rights	All member companies building their mining infrastructure or in production mode should have a Board approved policy on human rights, ensuring that it is effectively communicated and implemented through the organisation by awareness-raising and training for all staff, stakeholders and mine affected communities. This policy is aligned to strategic communications and engagement, fair remuneration and work conditions, equal employment opportunity and grievance mechanisms (internal and external). It should also reflect a commitment to safely protecting the interests and culture of mine affected communities and other local people.
	3.2	Fair Remuneration and Work Conditions Policy	All member companies in production mode should have a policy that reflects fair remuneration and working conditions for employees and subcontractors which recognises national and local labour laws and regulations. This corporate value may be reflected in members' policy on human rights (without being a standalone policy) but should incorporate procedures/systems to implement the policy, ensuring that it is communicated through the workforce.
	3.3	Equal Employment Opportunity Policy	All member companies building their mining infrastructure or in production mode should have an Equal Employment Opportunity Policy established and implemented. The policy should recognise EEO laws both in the host country and the country of company registration. It should promote gender equity in the workplace and reflect a commitment anti-discrimination and fair treatment to all people irrespective of, gender, disability and ethnicity and sexual preference. Culturally appropriate training should also be provided to the workforce and sub-contractors.
	3.4	Grievance Policy	All member companies in production should have a grievance policy and procedure in place. It must be communicated and explained to 1) employees and subcontractors through the provision of training and awareness-raising; and, 2) to people representing mine-affected communities (ensuring mechanisms are easy to use and promote resolution at different levels of the organisation).

Social Investment

Corporate social responsibility (CSR) strategies that prioritise community needs and development outcomes will:

- Contribute to community development from project development through closure in collaboration with host communities and their representatives.
- Seek opportunities to address poverty through enhancing social and economic development.
- Encourage partnerships with governments and non-government organisations to ensure that social investment programs such as community health, education and local business development are well designed and effectively delivered.
- Provide leadership in supporting the development of primary health care and HIV/AIDs services and other health issues relevant to the mines operations and impacts.
- Contribute to the capacity development of local organisations.
- Report on activities and outcomes of CSR strategies and plans

Practices that avoid or minimise social and economic dislocation include:

- Carry out land use audits that critically examine less economic areas for possible transfer to ASM operators.
- Plan for the needs of affected people from mine opening to closure.
- Consult with ASM and Indigenous people prior to exploration or mining activities, following the principles of free, prior and informed consent.
- Provide an operating environment where indigenous people and ASM are able to benefit from mining activities or compensated for loss of livelihoods.
- Develop skills training and development programmes covering health and safety for ASM.

Practices that support improvement to the economic base of mining affected communities include:

- Maximising employment opportunities for local residents.
- Investing in structured, appropriate and timely training programs to upgrade local skills relevant to the mines operations and to the local economy.
- Support local enterprises by undertaking a supplier audit to identify opportunities to source goods and services locally.
- Support small and medium enterprises (SME) and micro enterprise development.
- Conduct an audit of livelihoods from fishing, forestry and foraging that may be disrupted by mining operations and identify opportunities to alleviate the adverse economic impacts of this disruption.

Guiding Documentation:

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- *Equator Principles 2003*

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SOCIAL INVESTMENT			
	4.1	Sustainable Community Development Policy	All member companies in production that are engaging with Government and mine affected communities must have a Board-approved Sustainable Community Development Policy established. The policy should underpin community engagement, community development programs and promoted/practiced with customers/suppliers. It should be linked to the Communications and Engagement Strategy, developed in collaboration with key stakeholders and mine affected communities, ensuring it supports such communities in social, economic and capacity development with a strategic focus to sustainability. Awareness-raising and training for the policy should be provided to staff, subcontractors, key stakeholders and mine-affected communities. The stakeholder communications and engagement strategy (1.2 above) and the establishment of relevant stakeholder groups would enable genuine partnerships to monitor community development programs (4.2 below) and land use and its impacts (4.3 below).
	4.2	Establishing Sustainable Community Development Plans.	All member companies in production that implement community development/social investment programs should ensure that programs focus on: • Poverty reduction. • Health and HIV reduction. • Local business development. • Local NGO development. • Employment for local people. • Socio, economic and institutional Sustainability. • Small and medium enterprises and micro enterprise development. Specific Plans should be strategically scoped, designed and approved by the Board, ensuring a focus to sustainability over the life-cycle of the mine.

Environmental Responsibility

Practices that protect and conserve biodiversity and integrate development priorities and conservation needs include:

- With community participation, assess local biodiversity and the likelihood of mining operations having negative impacts on biodiversity.
- Take into account the differing values attached to biodiversity by specific stakeholders particularly in relationship to pasture, water ways and forests.
- Identify and implement a hierarchy of measures to protect biodiversity and affected stakeholders.
- Develop partnerships with government and civil society to plan and monitor land use impacts in areas of operation.
- Identify, assess and implement measures with the potential to contribute to biodiversity conservation.
- Respect legally designated protected areas.
- Provide training on biodiversity conservation to relevant company staff

Practices that avoid or minimise adverse impacts on the environment include:

- Minimise pollution of air, surface and ground water, and soils.
- Minimise the generation of hazardous and non-hazardous waste materials and encourage recycling and environmentally sound disposal.
- Prepare comprehensive plans, procedures and implement training for effective response to environmental emergencies.
- Provide comprehensive training on environmental health and safety.

Guiding Documentation:

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ENVIRONMENTAL RESPONSIBILITY			
	4.3	Monitoring Land Use and Impacts	This is linked to the stakeholder communications and engagement strategy (1.2 above) to establish genuine partnerships and stakeholder working/consultation with affected communities to monitor land use impacts in areas of operation.