

The Impact Facility's

ESG PERFORMANCE & RISK MANAGEMENT HANDBOOK FOR ARTISANAL & SMALL-SCALE MINING

Volume 4 | Abridged Version



The Impact Facility

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*This document is an **abridged version** of The Impact Facility ESG Handbook (Volume 4). It summarises the key principles, guidelines, and tools outlined in the full handbook, providing a concise reference for practitioners and stakeholders. For comprehensive guidance, detailed methodologies, and additional resources, please refer to the full version.*

INTRODUCTION

The Impact Facility was established to catalyse the flow of resources and support to mining communities worldwide, enabling them to capture the economic, social, and environmental benefits of responsible mineral development. We recognise the transformative potential of entrepreneurship and local enterprise to generate dignified livelihoods, foster economic resilience, and act as a driver of sustainable community development.

Historically, the opportunities associated with mineral resources—particularly in rural, under-served regions—have too often been overlooked or unrealised. In the context of the accelerating clean energy transition, global demand for minerals and metals is projected to grow substantially, with artisanal and small-scale mining (ASM) playing an increasingly significant role. Rising commodity prices and shifting geopolitical dynamics further underscore the need to ensure that this growth delivers tangible and lasting benefits for host communities.

TIF's Vision

A world where every mining community captures the full value of their resources to foster sustainable, locally-driven development.

TIF's Mission

Our mission is to partner with mining communities in developing countries to strengthen their access to the technical knowledge, financial resources, and markets they need to achieve sustainable, locally-driven development.

Guided by this ambition, we engage in long-term partnerships, mobilise investment for small-scale mining enterprises, develop innovative financing models, and strengthen institutional capacity—ensuring that mining leaves a legacy that is both socially enabling and environmentally restorative.

This ESG Framework articulates how these principles are operationalised to advance environmental protection, safe and dignified working conditions, and good governance within the ASM sector. By embedding ESG improvements into mining practices, we aim to strengthen livelihoods, enhance community resilience, and promote responsible mineral supply chains.

Document Structure:

- Framework Structure
- The ESG Framework, Abridged

FRAMEWORK STRUCTURE

Levels of Performance

The ESG criteria are designed to maximise positive impact by allowing organisations to engage at any performance level, meeting or exceeding rudimentary criteria (pre-investment) expected within the international market.

- **Pre-Investment (PI)**

Minimum requirements demonstrating basic compliance and readiness for initial investment or support.

- **Continuous Improvement (CI)**

Measurable, progressive improvements that move organisations towards higher standards of practice.

- **Best Practice (BP)**

Exemplary performance meeting internationally recognised standards and demonstrating leadership in the sector.

Principles

The ESG principles are designed to promote responsible artisanal and small-scale mining by establishing clear expectations across governance, social, and environmental dimensions.

Principle I: Good Governance

Ensuring operations meet legal requirements, manage finances transparently, and uphold ethical business practices.

7 Thematic Categories | • 27 Criteria | • 36.5% of the Framework

Principle II: Safe & Dignified Working Conditions

Guaranteeing workplaces are safe, fair, and respectful, safeguarding workers' rights and occupational health and safety.

4 Thematic Categories | • 22 Criteria | • 29.7% of the Framework

Principle III: Environmental Protection

Minimising negative impacts on ecosystems through responsible resource use and effective environmental management.

4 Thematic Categories | • 25 Criteria | • 33.8% of the Framework

The Full ESG Framework Comprise of: 3 Principles | • 15 Thematic Categories | • 74 Criteria



ABRIDGED VERSION **THE ESG FRAMEWORK**



PRECONDITIONS FOR ENGAGEMENT

Preconditions for engagement set clear minimum expectations for organisations partnering with The Impact Facility. They ensure responsible practices, legal compliance, and a shared commitment to continual improvement. These criteria help safeguard ethical and operational standards, manage risks effectively, and establish a foundation of transparency and accountability critical for achieving meaningful and sustainable impact in our work.

PC 0.1: Legality

The organisation commits to operate in respect of relevant local and national law.

PC 0.2: Continuous Improvement

The organisation commits to measurable, time-bound improvements.

PC 0.3: Monitoring

The organisation allows access to the site (and site and organisational documents) for the regular monitoring and evaluation of conditions.

PC 0.4: OECD Annex II Risks

The organisation has signed a code of conduct to commit to practices which align with those specified in the Annex II risks of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. The assessment of the organisation also confirms it is reasonable to believe the practices noted in Annex II, which would require immediate disengagement with the mine (as specified in the CRAFT code) do not take place.

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- GG-PI-1.1.2 Fiscal Contribution
- GG-PI-1.1.3 Rights & Permissions Secured
- GG-PI-1.1.4 Environmental Compliance

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PRINCIPLE I: GOOD GOVERNANCE

GG-1.1 Legal Compliance

● GG-PI-1.1.1 Legitimacy

The organisation is legally registered with the government

● GG-PI-1.1.2 Fiscal Contribution

All taxes, fees, royalties and other tributes as required by applicable legislation must be paid to the relevant authority

● GG-PI-1.1.3 Rights & Permissions Secured

The organisation or its members must possess, or be granted land rights and permissions for all areas on which it operates from the government or the original landholder (s)

● GG-PI-1.1.4 Environmental Compliance

The organisation must comply with national environmental laws and hold all applicable environmental licences, permits, or management plans according to national legal requirements

GG-1.2 Financial Management

● GG-PI-1.2.1 Proper Banking

The organisation has a dedicated bank account and maintains appropriate banking records for all its accounts

● GG-CI-1.2.2 Anti-Corruption

The organisation prevents, detects and remediates corruption

● GG-CI-1.2.3 Budgeting

The organisation sets aside a budget for the following month

● GG-CI-1.2.4 Assets

The organisation maintains a list of assets

● GG-BP-1.2.5 Accountable Spending

The organisation uses petty cash accountability to cover basic, immediate expenses

GG-1.3 Workers' Rights

● GG-PI-1.3.1 No Child Labour

Workers age must not be less than 18 years old, unless existing national law for the sector of employment specifies this to be higher

● **GG-PI-1.3.2 Fair Conditions of Employment**

All workers' wages must be equal to or exceed the sector national average wages or official minimum wages for similar occupations, whichever is higher, or workers receive shares of production or profit that are representative of their work

● **GG-CI-1.3.3 Fair Terms of Payments**

Employed workers' remuneration must be made regularly and properly documented

● **GG-BP-1.3.4 Workers' Representation**

The organisation must recognise in writing and in practice the right of all workers to organise and to join workers' organisations of their own choice and to collectively negotiate their working conditions

● **GG-BP-1.3.5 Valued Qualifications**

Organisational leadership and staff promotions are determined on the basis of relevant experience and qualification in a transparent and accountable manner

● **GG-BP-1.3.6 Women's Equal Representation**

Appropriate measures are taken to ensure equal representation of women in the organisation

● **GG-BP-1.3.7 Freedom of Association**

The organisation provides workers' representatives with facilities, resources and time during working hours for meetings with workers and to effectively carry out their functions

GG-1.4 Record-Keeping

● **GG-PI-1.4.1 Production Records**

The organisation maintains records of its ore and mineral production

● **GG-CI-1.4.2 Workspace Supervision**

The organisation maintains a registry of all workers and records of visitors accessing the site

● **GG-CI-1.4.3 Material Segregation**

Product not produced by the organisation and product with unique selling point (i.e., mercury-free) must be kept physically separate and labelled as such from procurement to sale

● **GG-BP-1.4.4 Full Record Keeping**

The organisation maintains comprehensive records of its revenue, assets, liabilities and expenses – including taxes, fees, royalties and other tributes paid

GG-1.5 Legal Trade

● **GG-BP-1.5.1 Trader Due Diligence**

The organisation completes due diligence on all traders it sells to

● **GG-BP-1.5.2 Transaction Recording**

All transactions between a producer organisation and trader are documented, including date, volume, price, physical form of the product when transacted, seller identity, trader identity and permit number where available

GG-1.6 Social Responsibility

● **GG-BP-1.6.1 Safeguarding Consent**

The organisation has free, prior and informed consent from project-affected communities and indigenous peoples for its operation

● **GG-BP-1.6.2 Heritage Preservation**

The organisation and its management recognise and protect sites of special cultural or religious significance to local communities if these lie within the organisation's boundary

● **GG-BP-1.6.3 Informed Communities**

The organisation should take measures to inform the local community about health and safety risks related to its activities

GG-1.7 Security

● **GG-PI-1.7.1 Security and Human Rights Compliance**

If applicable, the organisation declares and can prove that the presence of security forces is justified by their needs, and that security providers act with respect of human rights and national law

● **GG-CI-1.7.2 Transparent Payments to Public Security Forces**

If the organisation is legally bound to pay for services provided by public security forces, payments are made in accordance with the law, and documented with receipts

PRINCIPLE II: SAFE & DIGNIFIED WORKING CONDITIONS

OHS-2.1 Uphold Occupational Health and Safety

- **OHS-PI-2.1.1 Fit for Work**

All workers must be fit for work

- **OHS-CI-2.1.2 Accidents' Monitoring**

The organisation maintains a register of all work-related accidents, fatalities and illnesses

- **OHS-CI-2.1.3 Internal Control Systems**

The organisation has a procedure(s) to monitor ingress to high-risk areas, such as mine shafts or pits

- **OHS-CI-2.1.4 Safety Monitoring**

The organisation should have personnel trained to monitor and manage health and safety risks in the workplace, for the whole operational area of the organisation

- **OHS-CI-2.1.5 Rock Stability**

Adequate measures for rock stability are used in all work areas, or areas that could lead to propagation of instability in work areas

- **OHS-CI-2.1.6 Adequate Ventilation**

Adequate ventilation is provided in all work areas

- **OHS-CI-2.1.7 Safety Procedures**

Mining operations have a mine evacuation and rescue plan

- **OHS-CI-2.1.8 Responsible Blasting**

Explosives are handled only by persons holding a legally recognised blasting licence from, or accepted by, the national government

OHS-2.2 Freedom from Discrimination

- **OHS-PI-2.2.1 Protection from Harassment**

Workers must not engage in, support or tolerate behaviour, including gestures, language, and physical contact, that is sexually intimidating, abusive or exploitative

- **OHS-PI-2.2.2 Non-Discrimination**

Discrimination of any kind must not be tolerated

- **OHS-PI-2.2.3 Zero Tolerance Against GBV**

The organisation does not tolerate gender-based violence

● OHS-CI-2.2.4 3rd Party Workers

All third party hired workers, seasonal and migrant workers must receive employment conditions, at least, equal to those provided to other workers within the organisation for the same work performed

● OHS-BP-2.2.5 Grievance Mechanism

The organisation has a grievance mechanism to effectively receive and respond to confidential complaints from workers

OHS-2.3 Personal Protective Equipment (PPE), First Aid & First Response

● OHS-CI-2.3.1 Physical Protection

The organisation enforces the use of personal protective equipment (PPE) by all workers appropriate to their respective work activity

● OHS-CI-2.3.2 Incident Prevention

All workers must have access to information and awareness training on the main health, safety and security risks related to their area and activity of work and on procedures to prevent and respond to health and safety incidents

● OHS-CI-2.3.3 First Aid Provision

A first aid kit and trained person must be available in all areas of work

OHS-2.4 Decent Work

● OHS-PI-2.4.1 Children's Safety

The organisation should ensure that if children are present on site, they should not be within the vicinity of mercury

● OHS-CI-2.4.2 Proper Sanitation

Portable water and hygiene facilities are available to all workers

● OHS-CI-2.4.3 Accident Insurance

In the absence of a national social security system, workers affected by accidents or occupational disease receive adequate financial support

● OHS-CI-2.4.4 Women's Social Security

The organisation provides support to all pregnant and breastfeeding workers, and assigns them appropriate, non-hazardous work

● OHS-BP-2.4.5 Childcare Facilities

The organisation makes best efforts to ensure that women workers have access to childcare facilities

● OHS-BP-2.4.6 Social Protection

The organisation must assist workers to access social protection

PRINCIPLE III: ENVIRONMENTAL PROTECTION

EP-3.1 Responsible Mercury Management

- **EP-PI-3.1.1 Whole Ore Amalgamation Prevention**

(Au only) A mercury-free concentration process precedes amalgamation to prevent whole ore amalgamation

- **EP-PI-3.1.2 Mercury Management Plan**

(Au only) If any of the four worst forms of mercury use are present on site, as identified in the Minamata Convention, the organisation has developed a plan for their elimination

- **EP-CI-3.1.3 Designated Mercury Burning Areas**

(Au only) Mercury amalgam burning must only be carried out in designated premises and not indoors or near urban, residential or recreational areas where people without protection may be affected (particularly pregnant women, children and babies)

- **EP-CI-3.1.4 Use of Retorts**

(Au only) Retorts or alternative mercury recovery techniques must be used for decomposing amalgam

- **EP-BP-3.1.5 Mercury Elimination**

(Au only) All gold is processed with alternative processing methods (i.e. all gold is mercury free)

EP-3.2 Responsible Chemicals Management

- **EP-PI-3.2.1 Zero Tolerance Against Methylmercury**

(Au only) Cyanide leaching of unprocessed amalgamated tailings is not permitted

- **EP-CI-3.2.2 Detoxification**

(Au only) Cyanide solutions and tailings must be detoxified in a lined pond or tank before discharge

- **EP-CI-3.2.3 Non Use of Acid**

(Au only) Acid must not be used for dissolving amalgam

- **EP-CI-3.2.4 Safe Distance**

The organisation must not use hazardous chemicals within 10 metres of ongoing human activity and instruments and tools used for operations with a hazardous substance must not be used in any other domestic activity

- **EP-CI-3.2.5 Safe Management of Chemicals**

(Au only) The use of hazardous substances such as mercury and cyanide must be supervised by trained adults over 18 years of age and never pregnant or breastfeeding women or persons diagnosed with mental deficiencies or diseases of the gastrointestinal, urinary, nervous or respiratory systems

- **EP-CI-3.2.6 Proper Management of Chemicals**

Use, storage and disposal of hazardous chemicals must be planned for, using designated premises, proper equipment and trained personnel

- **EP-BP-3.2.7 Acid Mine Drainage (AMD)**

Where mining could lead to acid mine drainage (AMD), effective methods to isolate acid-forming materials from water are employed as far as is practicable

EP-3.3 Responsible Waste Management

- **EP-CI-3.3.1 Neutralising Pickling Waste**

If acid is used to purify gold, silver or other metals, pickling waste must be neutralised before disposal and procedures should be performed by trained personnel in a designated site

- **EP-CI-3.3.2 Protecting the Water Supply**

Hazardous substances and contaminated tailings must not be discharged into water or where they can reach water bodies

- **EP-CI-3.3.3 Cleanup of Spills**

Spills of hazardous substances are cleaned up as far as practicable

- **EP-CI-3.3.4 Qualified Personnel for Cleanup of Spills**

Workers are trained in procedures for cleaning up spills of hazardous chemicals

- **EP-CI-3.3.5 Proper Disposal of Tailings**

Disposal of tailings, chemical waste and wastewater must be properly planned and carried out by experienced persons

- **EP-BP-3.3.6 Wastewater**

Wastewater production from the organisation's activities is minimised

EP-3.4 Environmental Management

- **EP-PI-3.4.1 Biodiversity Conservation**

Mining must not occur in legally protected areas or critical habitats, and measures must be taken to prevent or mitigate harm to local biodiversity

- **EP-CI-3.4.2 Environmental Impact Assessment (EIA)**

The organisation conducts an environmental impact assessment for its operation and puts in place mitigation measures where appropriate to limit damage

- **EP-CI-3.4.3 Mine Restoration**

Open pits and underground mine apertures must be refilled or blocked immediately after the termination of extractive activities to enable ecological regeneration and ensure hazard prevention

- **EP-CI-3.4.4 Timbering**

Timber used in the organisation's activities must be legally sourced and not connected to illegal deforestation

- **EP-BP-3.4.5 Environmental Development Officers**

The organisation has assigned responsibility to at least two members to be in charge of decision-making and implementing actions on environmental development for the whole operational area

- **EP-BP-3.4.6 Minimising Dust**

Dust release from the organisation's activities is minimised as far as reasonably practicable

- **EP-BP-3.4.7 Revegetation**

Areas which have been cleared for the organisation's activities must be re-vegetated as appropriate for the ecosystem or restored in accordance with land planning priorities of local community authorities



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