

## New Environmental Management Code For The Minerals Industry

The Minerals Council of Australia is developing a Code for Environmental Management. The Code will apply to any company in the minerals industry which commits to it, wherever the company operates. The Code puts a strong emphasis on continuous review and improvement and on public reporting to encourage excellence in environmental management.

The Code is voluntary and will help signatory companies to implement effective environmental strategies for each phase of mineral development from exploration, through design and construction to mining, minerals processing, decommissioning and rehabilitation.

The Code recognises that it is inappropriate to attempt to establish prescribed practices as it is always necessary to take into account the physical environment, statutory, economic and social parameters relevant to each operation. What it does do is to outline principles and a risk management process which provide companies with a framework for developing effective systems and procedures for each obligation.

### OBLIGATIONS OF SIGNATORY COMPANIES

It is envisaged that companies which commit to the Code will:

- observe the policies and respect the aspirations of State, Territory and sovereign governments relevant to mineral developments;
- endorse the Code's principles for environmental management;
- implement those principles through integrated environmental management in project planning and operation;
- facilitate community participation in decisions on environmental matters;
- require management, employees and contractors to adopt systems and processes to implement the Code;
- be proactive and cautious in managing the environmental effects of operations;
- adopt comprehensive environmental impact assessment procedures to identify and manage a project's environmental effects;
- monitor and review the environmental effects of operations to ensure compliance with legal and corporate objectives, and as the basis for continuous improvement;
- report publicly on environmental performance.

### IMPLICATIONS OF CODE'S LAUNCH

Companies will be invited to become signatories to the Code. The indications are that the Code will receive wide industry acceptance. It is, therefore, important for companies to understand the implications of signing the Code.

### COMPANIES BECOMING SIGNATORIES TO THE CODE

#### Public Reporting

The major impact on companies committing to the Code is the mandatory requirement to prepare a public report on environmental performance within two years of becoming a signatory. While this may seem a lengthy period of time, the report required will be an extensive document. This means areas of poor environmental performance may be publicly identified. Before committing to the Code, companies should reassess their existing systems and practices to see whether or not they meet the requirements of the Code.

### IF COMPANIES DO NOT COMMIT TO THE CODE

Even if companies do not formally commit to the Code, it will still affect their day-to-day operations.

#### Legal Benchmark

The Code will be used in a variety of legal circumstances to define acceptable environmental behaviour by companies.

The Code will obviously be useful to courts when dealing with general concepts such as the duty of care and the defence of due diligence.

More importantly, for operating companies, the Code will add to existing approval systems. For example the Code's commitments to a risk management approach, coupled with community consultation, may well set the benchmark for environmental impact assessment systems operating within local jurisdictions. It is highly probable that both regulators and opponents of projects will look to see whether or not a particular project conforms with the Code's statement of principles to be achieved by signatories.

#### Partial Commitment

Companies can partially commit to the Code by adopting some or all of the principles of the Code as part

of their environmental policy. If companies do not wish to commit to the public reporting requirement they may, nonetheless, partially embrace the Code to help them in their environmental management programs.

### **IMPACT OF THE CODE**

The Code is a significant advance on existing environmental management tools which are largely based on three components:

- environmental audits;
- compliance checking; and
- environmental management systems.

The process involves audits which identify data which are then checked against legal requirements to establish compliance. Recently, there has been a significant focus on the management system in which audits and compliance checking occurs. Current environmental management systems (for example ISO 14001) merely spell out the process that will be followed in dealing with environmental matters.

### **Establish Targets**

Unlike other management tools, the Code establishes targets that must be achieved by signatories. Many mining companies already have sophisticated environmental management systems which address their environmental impacts. What will be different under the code is that companies must ensure that all aspects of their environmental management systems measure up to the Code's requirements. This will be because the Code may well determine whether or not a company's next project is approved.

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