



Sustainability Program Quality Framework

Agenda



Why is assessing quality important?



Introducing the Quality Self-Assessment Questionnaire and the Benchmark Matrix



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Exercise



Discussion

Why is assessing quality and effectiveness of sustainability investments important?

- Companies spend millions of dollars on local development projects
- Funds invested do not necessarily lead to creating trust with local communities
- The quality of a sustainability investment determines whether risks and opportunities are maximized or minimized
- Instead of creating social capital and improving corporate-community relations, community investment programs may contribute to decreasing trust and intensifying tensions with affected communities.



Sustainability Program Quality Framework

- Helps companies assess and monitor quality and effectiveness of their social, economic and environmental investments
- Consists of two tools:
 - **Self-Assessment:** a set of questions assessing sustainability initiative in terms of planning, design, implementation, monitoring and stakeholders engagement
 - **Benchmark Matrix:** helps interpret the score on the Self-Assessment and provides descriptions of ineffective to best practices
- The score on the Self-Assessment is then entered in the FV Tool thus impacting the indirect value creation calculation
- Sustainability Program Quality Framework can also serve as a stand-alone tool

Process to develop the Sustainability Program Quality Framework

- Collaboration between IFC, Deloitte and ICMM (International Council on Mining and Metals)
- Validated and refined with 14 ICMM members:
 - African Rainbow Minerals
 - Anglo American
 - Barrick Gold
 - BHP Billiton
 - Freeport-McMoRan Copper & Gold Inc.
 - Goldcorp
 - Lonmin
 - Newmont
 - Rio Tinto
 - Teck
 - Xstrata
 - Vale

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Exercise

Questions

- Do you currently assess the quality and effectiveness of sustainability investments (i.e. projects, programs)?
- How do you assess quality of projects, programs or sustainability investments? Do you use tools or qualitative assessments?
- What are the challenges that you are facing when measuring quality?