MMSD Draft Report Comments 16 April 02
Alcan Inc.

The report is a significant consolidation of information (as well as opinion / perspective in some cases) on most if not all aspects of sustainable development, and is acknowledged as such in the Introduction:

> *Introduction / p. 8*
> *"This report is only a consolidation of what has been done and is known by others – and a beginning for those who now want to move forward."*

Unfortunately, there is a lack of synthesis of the information, observations, recommendations and conclusions from the various chapters of the report into reasonably manageable, concise and realistic set of priorities, core conclusions and possible next steps. In the concluding chapter, Chapter 16 Agenda for Change, there is a tendency to present what may be 'well intentioned' recommendations without the associated rationale for why key stakeholders – particularly the companies / industry – would be inclined to take such action.

There is a tendency to list and / or condense information from the various chapters in the concluding chapter (Chapter 16) and the executive summary (which is too long – at 43 pages), as opposed to developing an interpretation and characterization of the information.

In most cases what is recommended is, in principle, the 'right thing' to do. The challenge remains – how to get beyond principle to practice? The recommendations in the report do not sufficiently address this aspect – what will motivate key stakeholders (again, predominantly the companies and industry) to take action, including making further investments internally in their operations and systems, as well as in many cases, to yet more 'process' and collective engagement / dialogue.

The issue is not that the recommendations are 'wrong', but rather that they appear not to have taken sufficient account of conditions that will strongly influence decisions on any possible next steps by the companies. These include aspects such as: business conditions; internal capacity to support such actions; recognition of business value of the actions; ability to garner support with business colleagues for any particular action; having a limited – focussed – prioritized set of actions to address; etc.

The report also does not respond directly to the MMSD Project Objectives (listed below) in terms of presenting summary comments and findings for each of the objectives.

> *MMSD Project Objectives*
> - *Assess the global mining and minerals sector re.: its transition to SD (current contribution to: economic prosperity; human well being; ecosystem health; accountable decision-making)*
> - *Identify how services provided by minerals system can be delivered in accord with SD in future*
> - *Propose key elements for improving minerals system*
> - *For long-term impact, build analysis and engagement platforms for ongoing cooperation and networking among all stakeholders*

Consistency in use of terminology and in referring to specific elements, most notably a (the) sustainable development framework, could be improved. There appears to be some confusion as to whether there is an established sustainability framework, or whether one should be developed. For example, Chapter 1, p. 1-13 notes that the sector needs a framework, Table 1-1 on p. 1-14 outlines a set of sustainable development principles, and the conclusion in Chapter 1, p. 1-22 notes that sustainable development itself is an emerging framework, but then states that actions in Chapter 16 will need to be consistent with 'the sustainable development framework'. This arises again in Chapter 16, p. 16-3 where it appears there is confusion in the first paragraph between a 'broad set of goals' and a 'framework'.

Another point of consistency is the various references to voluntary initiatives. In some cases these are viewed as having a potentially positive contribution, while in other cases the implication is that the voluntary approach has not performed and cannot be relied upon (e.g.; Box 1-2 p. 1-21). Both in fact may be true when addressing specific initiatives, but when generalized appear inconsistent.

There is repeated reference to 'mining' throughout the report, often to the exclusion of 'minerals'. Clarification is needed as to whether, in each instance, the statement only refers to mining operations, or if it may actually apply more broadly to the various minerals operations, including mining, refining, smelting / primary metal production, fabrication and recycling. An unintended use of the term 'mining' may constrain or limit the extent to which the report is (or parts of the report are) seen to apply to the broader minerals industry.

The issue of having to reconcile 'trade-offs' surfaces in a number of places in the report, particularly in Chapter 16. A better expression (and potentially more constructive position) is provided in Chapter 16 on p. 16-3:

> *"Different people and organizations attach different importance to various objectives: the 'triple bottom line' for industry; poverty alleviation and equity for those in the development sphere; and 'life support systems' and their continued viability for environmentalists. Incentives need to encourage different actors to pursue their own objectives in ways that contribute to overall success."*

Rather than focusing on how best to address trade-offs, placing emphasis on meeting a variety of different stakeholders' objectives while benefiting a range of stakeholders seems intuitively to have greater appeal and chance of success.

With respect to the specific recommendations for actions by companies in Chapter 16 (noted below), the actions highlighted do not appear to have particularly strong 'business cases' in terms of their potential contribution to basic business objectives (costs, access to capital, new markets, risk management (except perhaps in the case of end-of-life plans), etc.). Yet the actions may require investment or result in additional costs to the companies. Without a strong presentation of concrete benefits that can be achieved, it may be a difficult task to convince companies to spend further on a wide range of sustainable development undertakings. Especially when such further external efforts and 'process' can lead to additional requirements, costs and administrative burden internally. In Chapter 6 there is a presentation of aspects of the business case that may assist in addressing this aspect.

The recommendation that a Declaration and sustainable development code be developed may require further consideration, particularly given that there are a variety of such guidelines, codes, conventions, etc., which companies can presently undertake if desired. Clear and strong rationale for developing another code, and including in it elements such as a dispute resolution mechanism which carry potential additional costs for industry, may be needed to gain support from industry. This is particularly the case when the Declaration and code are likely to be voluntary, and thus not all companies may be subject to the costs. So, if the benefits are not clear and well established, it becomes a very 'hard sell' internally to convince business leaders to support such an approach.

Ch. 16 Agenda for Change / p. 16-5 – 16-8
suggestions for action by individual companies, cites:
- Developing and adopting a sustainable development policy
- Reviewing end-of-life plans at existing operations
- Establishing 'Community Sustainable Development Plans' (CSDPs) on a case-by-case basis
[no basic economic, environment, social initiatives, no link between these efforts and the company objectives (no benefits identified, no development of specific rationale)]

p. 16-8 – 16-12
suggestions for action by industry:
- Declaration on sustainable development embodying a commitment to a sustainable development code
- Complaints and dispute resolution mechanism
- Programme for integrated materials management and product stewardship
- Leadership in developing a 'Sustainable Development Support Facility'