

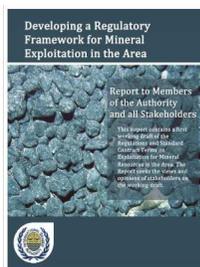
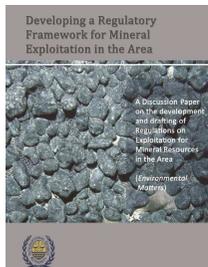
Discussion on “Environmental standards”

Title

The role of and developing “Environmental standards” in the Area

Chris Brown and Samantha Smith

21 March 2017



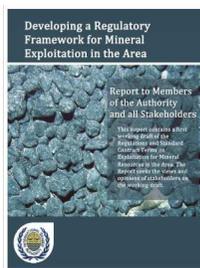
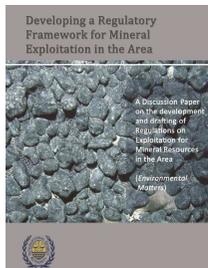
Developing a Regulatory Framework for Deep Sea Mineral Exploitation in the Area

Towards an ISA Environmental Management Strategy for the Area
Berlin, March 2017

Discussion on “Environmental standards”

Background

- **High level issue No. 6: Risk assessment, evaluation and management.** The development of risk assessment and risk management standards and systems (for environmental, occupational health and safety and operational risk)
- **High level issue No 10: Internationally recognized standards and their significance in exploitation activities.** Standard(s) development as part of good mining industry practice is a pre-requisite to the orderly development of the industry and a key consideration for the regulatory framework across a broad-range of subject matter.....



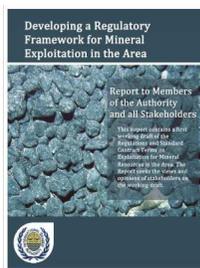
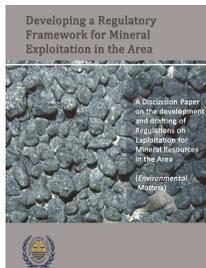
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What is a standard?

stan·dard (stän'dərd)

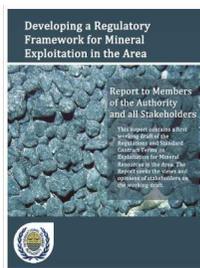
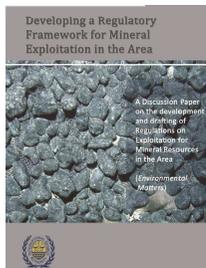
- A standard is a practice that is widely recognised or employed, especially because of its excellence; it is a way of doing work that is widely recognised as good (or even best) practice.
- Can be seen in different guises: regulatory provisions; guidelines; LTC recommendations; industry codes of conduct etc
- Wealth of potentially relevant standards out there: IFC Performance Standards, Equator Principles, ISO family....MIDAS WP8



Discussion on “Environmental standards”

Good standards: benefits

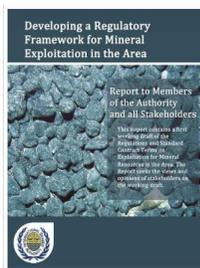
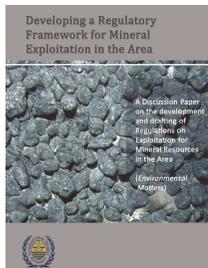
- **Establish a level playing-field: consistency through standardisation**
- **Improved management processes and response (and does not stifle innovation)**
- **Promotes compliance: assessment and verification by 3rd party**
- **Improves efficiency & potentially cost-effectiveness (economies of scale?)**
- **Builds confidence & credibility with stakeholder base**
- **Investor confidence**



Standard aims

What are we trying to achieve?

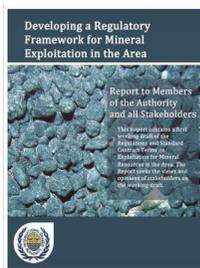
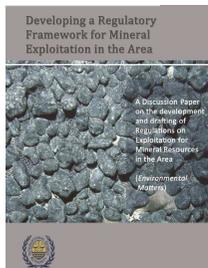
- Good industry practice / Best environmental practice
- The determination of a specific outcome / result (performance-related standards)
- And / or to recommend ways of doing things to help operationalise the regulations? (process-related standards)
- And what should be mandatory or voluntary?



Environmental risk assessment

[High Level Issue 6]

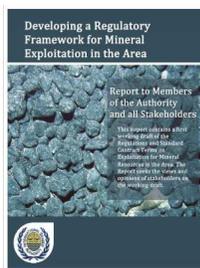
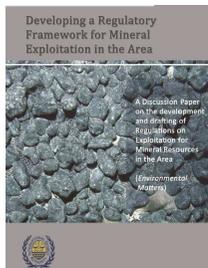
- Hazard identification and risk assessment fundamental to any operating business
- Typically not a regulator’s job to develop this?
- That said, regulation or guideline that sets out the parameters for an adequate risk assessment and management process that is transparent and auditable would seem appropriate
- DR21: provides for the adoption of “internationally recognized risk assessment techniques”



Discussion on “Environmental standards”

Specific example: DR 28

- Example of a process-related standard relating to EMSs
- Draft reg 28 uses ISO principles to set an EMS benchmark rather than providing for its out-right adoption

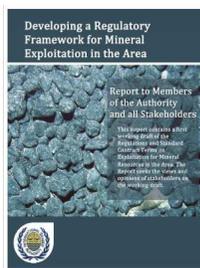
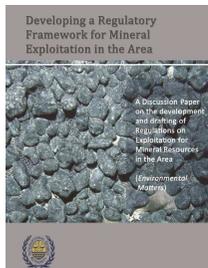


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Developing standards

- **Need to develop set of standards through a transparent and equitable process**
- **Link to objectives**
- **Builds confidence in the result**
- **Key elements:**
 - **Content:** based on good technical information + needs to be practical and feasible (technical & economic constraints)
 - **Credibility:** buy-in by relevant stakeholders



Discussion on “Environmental standards”

Next steps

- A transparent process for development and adoption, to address: -
 - Which standards are in place already and potentially transferable (as modified where necessary)?
 - Which activities need associated standards and which do not?
 - Which standards are relevant?
 - Which standards will be mandatory or voluntary?
 - When will the various standards need to be in place?
- Should industry be encouraged to develop its own representative body which could, among other things, set its own standards (à la ICMM)
- Which standards should the ISA consider adopting?

