

1. Impacts on SDGs

The fact that the socio-economic and environmental viability assessment is focused on the SDGs is to be commended. However, we would recommend to ensure a balance in how the assessment considers both positive *and negative* impacts on the SDGs. Without factoring in potential negative impacts, the assessment may well overlook risks to both the viability of the project and to the surrounding communities, workers and environments.

In this respect, you may find it useful to look at a recent report on [Mining and the SDGs](#) (produced by RMF in collaboration with the Columbia Center on Sustainable Investment), which provides examples of risks to avoid as well as opportunities to maximise contribution to the SDGs. In assessing socio-economic and environmental viability, this could be achieved by considering for example the robustness of planned/ongoing ESG risk management systems, as well as indications of weak viability such as:

Risk of environmental impacts – e.g., proximity of the project to human settlements and water bodies; proximity to environmentally sensitive areas; scale of potential acid mine drainage; lack of adequate environmental stewardship systems; intended/current tailings disposal methods and planned increase in tailings volume over the life of the project.

Risk of socio-economic impacts – e.g., plans for any resettlement or loss of economic assets (such as farmland or tourism assets); likely scale of in-migration to project area; likely visual impact of project in scenic area; recent/ongoing opposition by local communities/groups.

2. Commercial factors separated from socio-economic and environmental factors

We would recommend to separate out the consideration of economic/commercial viability of the project (market prices, costs, etc.) from the assessment of socio-economic and environmental viability, in order to better take into account the likely ESG impacts (positive and negative). Otherwise, the assessment may effectively externalise ESG risks, if projects with low socio-economic and environmental viability (high risk) can still get a strong rating as long as the economic/commercial viability is considered strong. A full assessment of socio-economic and environmental viability would cover economic development, business conduct and lifecycle management issues as well issues related to workers, local communities and the environment. The [RMI Framework](#) may be a useful resource for framing a more comprehensive assessment of this element of the Specifications.