

CRAFT

CRAFT 2.0

Code Volume 2A

**Requirements for ASM Mineral Producers
Commodity-independent Requirements**

Draft for 2nd public consultation round

CRAFT v1.0 published on July 31st, 2018

Official version: English¹

Period for stakeholders' comments and enquiries:

March 30th – May 30th, 2020

Contact for comments:

standards@responsiblemines.org

This document was developed by the ARM Standards Team as part of the CAPAZ Project (funded by EPRM and implemented by ARM and RESOLVE) and the CRAFT Standard Committee convened by ARM, with support by the CRAFT Advisory Group convened by RESOLVE.



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The Code maintainer is the Alliance for Responsible Mining (ARM)

Contact: standards@responsiblemines.org

¹ In the case of inconsistency between versions, reference defaults to the official language version: English, version number 2.0, which will be approved at the close of the consultation period.

Objective for 2nd round Consultation

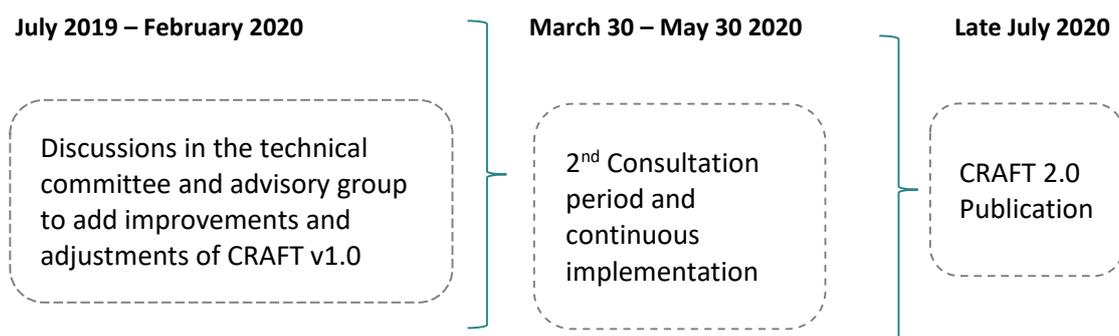
The launch of the CRAFT Code version 1.0 that was published on July 31st, 2018, after a [two-month consultation](#) period. Then, different stakeholders raise the need for the development of CRAFT Version 2.0, whose objectives are to 1) follow standards setting best practice in support of CRAFT’s credibility and legitimacy as a tool, 2) expand the scope of CRAFT to maximize its utility to the artisanal minerals sector and its constituencies, and 3) enable progressive improvement and integrate lessons learned from implementing version 1.

The second round of consultation seeks to collect comments to the adjusted proposal of the CRAFT 1.0 in order to generate greater impacts to the sector and facilitate the connection with the industry.

Stakeholder participation

All interested parties can become a part of building and refining the CRAFT, as it is an open and public process. Everyone from miners to BUYERS and points in between in the gold supply chain, as well as government officials, civil servants, civil society, standard-setting organizations, Artisanal and Small-Scale Mining support networks, and others may partake in the various forms of this consultation process.

We welcome your comments at any time during the consultation process from **March 30 to May 30, 2020**.



How to Comment on the CRAFT Code

Step 1) Review Background and CRAFT v1.0

- The code is available for review on [the project website](#).
- For further background, including [the objectives of the CRAFT code, the general structure and the CRAFT v1.0](#).

Step 2) Comment

There are three possibilities to provide your inputs on the CRAFT:

1. Incorporate your comments and suggested revisions directly into one of the draft documents of the version 2.0 (please use track changes), and send it back to us at standards@responsiblemines.org along with the submission form below.

The new proposed structure is:

Volumes 1 to 3 constitute the CRAFT Code, containing all binding text.

- **Volume 1:** CRAFT Code - Introduction and General Characteristics
- **Volume 2:** CRAFT Code - Requirements for ASM Mineral Producers
 - Volume 2A: Commodity-independent Requirements
 - Volume 2B: Commodity-specific Requirements
- **Volume 3:** CRAFT Code - Guiding Principles for CRAFT Schemes

Volume 4 is a Guidance Book, which contains all guidance and explanatory notes, as well as further background information and suggested tools where available and applicable. All text in Volume 4 is non-binding.

2. A second option is to complete [the relevant online form outlining priority questions for feedback by type of actors or thematic interests](#).
3. Additionally, you are always welcome to offer further comments simply by email.

Comment Submission Form

Please, fill out the following form before commenting on the draft document or sending comments by email:

Name:	
Email address:	
Name of the Organization that you represent:	
Country:	
Please tick here if you would like your comments to be kept anonymous? <input type="checkbox"/>	
Please tick here if you would like to receive information about the development of the CRAFT Code? <input type="checkbox"/>	

Additionally, if you need more information before commenting on this document do not hesitate to contact standards@responsiblemines.org

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INTRODUCTION

Version 2.0 of the CRAFT Code consists of three indivisible code volumes. Volume 1 contains the description of the intent, characteristics, scope, structure and instruments of CRAFT. Volume 2 assumes that users are familiar on how to apply CRAFT in alignment with Volume 1.

This Volume 2A contains all commodity-independent requirements for ASM Mineral Producers (AMPs). For conformance with CRAFT, AMPs must also fulfill the applicable commodity-specific requirements of Volume 2B.

Non-binding background information, further comments, explanatory notes and suggested tools are contained in Volume 4 (Guidance Book).

MODULE 1: ADOPTING A MANAGEMENT SYSTEM

M.1/5.2.3/R.1

5. Category: Company Governance
5.2 Issue: Management Practices
5.2.3 Sub-Issue: Management System

The organizational structure and the geographic location of the AMP and the minerals or metals produced by the AMP are aligned with the organizational-, geographic- and commodity scope of CRAFT.

Criteria: The AMP provides (in the CRAFT Report) all necessary information about its organizational structure, its members, the location of its operations and about the products mined: updated and amended list of the internal entities containing the name, gender, age, work site, and ID number of all miners, and with the respective production capacities of the entities.

M.1/5.2.3/R.2

5. Category: Company Governance
5.2 Issue: Management Practices
5.2.3 Sub-Issue: Management System

The AMP declares that it is committed to responsible production of minerals and metals in alignment with the OECD Due Diligence Guidance and to further progress towards good and best ASM practice. For this purpose, the AMP adopts the CRAFT Code as its Management System for risk mitigation and commits to progressively fulfilled all requirements of the CRAFT Code.

Criteria: The AMP declares (in the CRAFT Report or a separate statement) its commitment to CRAFT.

M.1/5.2.3/R.3

5. Category: Company Governance
5.2 Issue: Management Practices
5.2.3 Sub-Issue: Management System

If the AMP seeks support for implementing the CRAFT Code by joining a CRAFT Scheme, the AMP must follow the affiliation requirements of the CRAFT Scheme.

Criteria: The AMP engaged with a CRAFT Scheme.

M.1/5.2.11/R.1

5. Category: Company Governance
 5.2 Issue: Management Practices
 5.2.11 Sub-Issue: Responsible Person

The AMP must nominate a Responsible Person for the implementation of CRAFT.

Criteria: The responsible person is entitled to make claims on behalf of the AMP (i.e. issue the CRAFT Report).

The Member(s) of the AMP that interact(s) commercially with BUYERS may be responsible for making all CRAFT-related verifiable claims. This responsibility may be delegated to or assumed by an ASM producer support scheme (e.g., a public, private, or civil society ASM program or project).

MODULE 2: LEGITIMACY OF THE AMP

MODULE 2 specifies the requirements and criteria used to assess the legitimacy of the AMP, in terms of legalization and formalization of its operation.

An AMP can apply to join a CRAFT Scheme if it is legitimate, in the understanding of the definition of “Legitimate ASM” given by the OECD DDG.

M.2/5.2.1/R.1

5. Category: Company Governance
 5.2 Issue: Management Practices
 5.2.11 Sub-Issue: Legal Compliance

The AMP must be legitimate.

Fulfilled Requirement	Progress towards Fulfilment of the Requirement	Fail Criteria
The AMP is legitimate and formal/legal and can be admitted into a CRAFT Scheme.	The AMP is legitimate and in the process of becoming formal/legal and may be admitted into a CRAFT Scheme that provides support for formalization/legalization.	Under its current circumstances, the AMP cannot be considered legitimate and cannot be admitted into a CRAFT Scheme.

For determining legitimacy, the CRAFT distinguishes different contexts that may exist in the country where the AMP operates. For each context, the CRAFT establishes the criteria below for determining whether or not the requirement of legitimacy is fulfilled:

2.1 Country Context Case 1:

A legal framework for ASM exists, is actively implemented, and is enforced by the competent authorities.

Fulfilled Requirement	The AMP’s operation is legal. The AMP holds the legally valid public or private documents that authorize its operation.
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Progress towards Fulfillment of the Requirement	<ul style="list-style-type: none"> ○ The AMP can prove with legally valid documents that it is making progress towards the legalization of its operation. ○ The AMP’s operation is based on good faith: No evidence exists that the competent authorities have taken action against the AMP since the AMP entered the formalization process. <p><u>Incipient Progress towards Fulfillment of the Requirement:</u></p> <ul style="list-style-type: none"> ○ The AMP can prove with documents that it made efforts towards the legalization of its operation. ○ The AMP’s operation is based on good faith: No evidence exists that the competent authorities have taken action against the AMP since the AMP initiated the formalization process.
Fail Criteria	<ul style="list-style-type: none"> ○ The AMP cannot provide any evidence of efforts towards the legalization of its operation, e.g. the AMP doesn’t have any documents proving its application or initiation of the formalization procedure. ○ The AMP’s operation is not based on good faith: Its operation continues despite actions taken by the competent authorities against the AMP.

2.2 Country Context Case 2:

A legal framework for ASM exists, but it is neither actively implemented nor enforced.

Fulfilled Requirement	<p>The AMP’s operation is legal. The AMP holds the legally valid public or private documents that authorize its operation(s).</p> <p><u>Alternative Fulfilled Requirement:</u></p> <ul style="list-style-type: none"> ○ The AMP can prove with documents its willingness to legalize its operation under national law. ○ The AMP operates with authorizations under customary law or operates with implicit local consent². No complaints are sustained by potentially affected public or private stakeholders in the community. Conflicts are resolved as soon as they arise.
Progress towards Fulfillment of the Requirement	<ul style="list-style-type: none"> ○ The AMP declares its willingness to legalize its operation under national law. ○ The AMP sustains a dialogue with traditional authorities, and with public, private, and community stakeholders as applicable, in order to reach consent and resolve conflicts. The AMP can demonstrate progress in the respective negotiations.
Fail Criteria	<ul style="list-style-type: none"> ○ The AMP cannot provide any evidence of efforts towards the legalization of its operation.

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	<ul style="list-style-type: none"> ○ The AMP continues to operate despite clearly expressed and sustained opposition of traditional authorities, or of public or private stakeholders in the community.
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2.3 Country Context Case 3:

A specific legal framework for ASM does not exist.

Fulfilled Requirement	<p>The AMP’s operation is legal. The AMP holds the legally valid public or private documents that authorize its operation.</p> <p><u>Alternative Fulfilled Requirement:</u></p> <ul style="list-style-type: none"> ○ The AMP has analysed the applicable laws and can justify the impossibility of legalization under the existing legal framework for all extractive activities. ○ The AMP operates with authorization under customary law or operates with implicit local consent (e.g. active participation of community members in the AMP). No complaints are sustained by potentially affected public or private stakeholders in the community. Conflicts are resolved as soon as they arise.
Progress towards Fulfillment of the Requirement	<ul style="list-style-type: none"> ○ The AMP declares its willingness to legalize its operation. ○ The AMP sustains a dialogue with traditional authorities, and with public, private, and community stakeholders as applicable, in order to reach consensus and resolve conflicts. The AMP can demonstrate progress in the respective negotiations.
Fail Criteria	<ul style="list-style-type: none"> ○ The AMP continues to operate despite clearly expressed and sustained opposition of traditional authorities, or of public or private stakeholders in the community.

2.4 Country Context Case 4:

Case 4 may apply as stand-alone country context or in addition to cases 1 to 3.

State-approved commercialization channels for informally produced ASM commodities are in place.

Fulfilled Requirement	<p>The AMP’s operation is legal and the AMP is authorized to sell to the free market. The AMP holds the legally valid public or private documents that authorize its operation.</p> <p><u>Alternative Fulfilled Requirement:</u></p> <ul style="list-style-type: none"> ○ The AMP sells its production to or through a state-approved commercialization channel, and ○ The AMP operates with authorization under customary law or operates with implicit local consent (e.g. active participation of community members in the
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	AMP). No complaints are sustained by potentially affected public or private stakeholders in the community. Conflicts are resolved as soon as they arise.
Progress towards Fulfillment of the Requirement	<ul style="list-style-type: none"> ○ The AMP has attempted to sell its production to or through a state-approved commercialization channel and can justify the impossibility of such commercial operations. ○ The AMP sustains a dialogue with traditional authorities, and with public, private, and community stakeholders as applicable, in order to reach consent and resolve conflicts. The AMP can demonstrate progress in the respective negotiations.
Fail Criteria	<ul style="list-style-type: none"> ○ The AMP attempts to bypass state-approved commercialization channels. ○ The AMP continues to operate despite clearly expressed and sustained opposition of traditional authorities, or of public or private stakeholders in the community.

MODULE 3: “ANNEX II RISKS” REQUIRING IMMEDIATE DISENGAGEMENT

Preface

MODULE 3 addresses Annex II risks for which the OECD DDG recommends that BUYERS immediately suspend or discontinue engagement with AMPs, if a reasonable risk is identified. Consequently, if such risks are present, a BUYER sourcing in conformance with the DDG would not engage. Accordingly, all requirements of this MODULE are pass/fail requirements.

Every requirement is complied with if:

- all **Pass Criteria** are fulfilled, and
- no **Fail Criteria** applies.

Requirements

Requirements of this MODULE are applicable to organizational scope of the AMP, i.e. to issues that are directly controllable (and therefore mitigable) by the AMP. Issues related to the wider community or to economic activities not or indirectly related with mineral production are beyond the scope of this MODULE. Such issues will be addressed in MODULE 5.

3.1 Human and Workers’ Rights

M.3/1.1.1/R.1

(addresses OECD DDG, Annex II, par. 1.iii)

1. Category: Human and Workers' Rights
1.1 Issue: Serious Human Rights Abuses
1.1.1 Sub-Issue: Child Labour & Education

It is reasonable to believe that the AMP does not tolerate worst forms of child labour in its production process.

Pass Criterion 1	A qualitative (but ideally a semi-quantitative) baseline assessment of child labour has been conducted of the AMP production process and internal supply chain. The outcome of this exercise is documented in the CRAFT Report.
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Pass Criterion 2	The AMP can credibly affirm that in its internal supply chain no persons under the age of 18 (children) perform any of the following work classified as the worst forms of child labour: underground or underwater work, work with dangerous machinery and tools, carrying heavy loads, and work that exposes them to hazardous substances. ³
Fail Criterion 1	Documentation provided by the AMP (the CRAFT Report) makes no reference to efforts carried out by the AMP to assess the extent and the conditions of child labour in its internal supply chain.
Fail Criterion 2	Persons under the age of 18 (children) perform any of the following work classified as a worst forms of child labour in the internal supply chain of the AMP: work underground or underwater, work with dangerous machinery and tools, carrying heavy loads, and work that exposes them to hazardous substances.

M.3/1.1.2/R.1

(addresses OECD DDG, Annex II, par. 1.ii)

1. Category: Human and Workers' Rights
1.1 Issue: Serious Human Rights Abuses
1.1.2 Sub-Issue: Forced Labour

It is reasonable to believe that the AMP is not linked to any forms of forced or compulsory labour.

Pass Criterion 1	The AMP can credibly affirm that any work or service of any person in its internal supply chain is performed under voluntary terms.
Pass Criterion 2	The AMP can credibly affirm that all persons related to its internal supply chain are free to resign from their work or service at any moment, according to generally accepted procedures for due notice, respecting existing obligations, and without the menace of penalty.
Fail Criterion	The AMP cannot confirm the absence of any forms of forced or compulsory labor.

M.3/1.1.5/R1

(addresses OECD DDG, Annex II, par. 1.i)

1. Category: Human and Workers' Rights
1.1 Issue: Serious Human Rights Abuses
1.1.5 Sub-Issue: Disciplinary Practices and Violence

It is reasonable to believe that the AMP is not linked to committing any forms of torture or cruel, inhuman, and degrading treatment.

Pass Criterion	Credible testimonies regarding cases of torture or cruel, inhuman, and degrading treatment at the mine site and its surroundings were sought, and if found to exist, the AMP ensured that proven or suspected perpetrators were excluded from its supply chain.
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³ Based on ILO recommendation R190 (ILO 1999b), the OECD document, “Practical Actions for Companies to Identify and Address the Worst Forms of Child Labour in Mineral Supply Chains” (OECD 2017), provides orientation on the intent of the OECD DDG, indicating: “Not all work by children is child labour, and not all child labour falls under the internationally recognised legal definition of the “worst forms of child labour”. Many of the activities defined as “hazardous work” under international law occur in mining. These activities include **work underground or underwater, work with dangerous machinery and tools, carrying heavy loads, and work that exposes miners to hazardous substances.**” Consequently, requirement M.3/1.1.1/R.1 focuses only on these mineral production-related worst forms of child labour, such as carrying out any of the above-mentioned activities. All other aspects of child labour and worst forms of child labour are covered in MODULE 5 and shall be assigned high priority.

Fail Criterion 1	No independent point for reception of anonymous complaints against serious human rights abuses has been established.
Fail Criterion 2	The CRAFT Report of the AMP does not contain an analysis of the obtained testimonies or state the absence of complaints.
Fail Criterion 3	The AMP cannot confirm that suspected perpetrators have been excluded from its supply chain.

M.3/1.1.6/R.1

(addresses OECD DDG, Annex II, par. 1.iv)

1. Category: Human and Workers' Rights
 1.1 Issue: Serious Human Rights Abuses
 1.1.6 Sub-Issue: Other Gross Human Rights Abuses

It is reasonable to believe that the AMP is not linked to any other gross human rights violations and abuses, such as widespread sexual violence.

Pass Criterion	Credible third-party testimonies indicate the absence of gross human rights violations and abuses such as widespread sexual violence.
Fail Criterion 1	The CRAFT Report makes no reference to efforts carried out by the AMP to obtain third-party testimonies regarding gross human rights violations and abuses such as widespread sexual violence.
Fail Criterion 2	Third-party testimonies indicate gross human rights violations and abuses such as widespread sexual violence related to the AMP.
Fail Criterion 3	The CRAFT Report of the AMP does not contain an analysis of the obtained testimonies.

3.2 Societal Welfare

M.3/2.1.7/R.1

(addresses scope of OECD DDG)

2. Category: Societal Welfare
 2.1 Issue: Community Rights
 2.1.7 Sub-Issue: Conflict-Affected and High-Risk Areas

The AMP makes efforts to obtain clarity on whether or not its operations are located in a Conflict-Affected and High-Risk Area (CAHRA).

Pass Criterion 1	The AMP confirms that its responsible person(s) has carried out an exercise to evaluate (at least annually, unless conflict conditions change) whether any of the circumstances of the OECD definition of CAHRA applies. The outcome of this exercise is documented in the CRAFT Report. If CAHRA-relevant conditions exist, these are also documented.
Pass Criterion 2	The AMP can make reference to official sources or at least two institutions or persons that were consulted to obtain clarity on whether the area where the AMP operates is a CAHRA or not.
Fail Criterion	Documentation provided by the AMP (in the CRAFT Report) makes no reference to efforts carried out by the AMP to obtain clarity on whether its operations are located

	in a CAHRA. In particular, no mention of any internal exercise to analyse the OECD CAHRA definition and no consultation with external informants are documented.
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M.3/2.1.8/R.1

(addresses OECD DDG, Annex II, par. 1.v)

2. Category: Societal Welfare
 2.1 Issue: Community Rights
 2.1.8 Sub-Issue: Security Forces

If the AMP is located in a CAHRA:

It is reasonable to believe that the AMP is not linked to committing war crimes or other serious violations of international humanitarian law, crimes against humanity, or genocide.

Pass Criterion	The AMP can prove that its internal supply chain is not controlled by or benefitting any conflict party suspected of being involved in war crimes or other serious violations of international humanitarian law, crimes against humanity, or genocide.
Fail Criterion 1	The AMP does not provide the results of the assessment in its CRAFT Report.
Fail Criterion 2	Collected evidence does not confirm that it is reasonable to believe that the AMP is not linked to any conflict party suspected of committing war crimes or other serious violations of international humanitarian law, crimes against humanity, or genocide.

M.3/2.1.8/R.2

(addresses OECD DDG, Annex II, par. 3.i)

2. Category: Societal Welfare
 2.1 Issue: Community Rights
 2.1.8 Sub-Issue: Security Forces

If the AMP is located in a CAHRA:

It is reasonable to believe that the AMP’s mine site and transportation routes are not illegally controlled by non-state armed groups.⁴

Pass Criterion	Evidence is provided that the AMP's mine site and internal supply chain is not illegally controlled by any non-state armed group.
Fail Criterion 1	The AMP does not provide the results of an external assessment in its CRAFT Report.
Fail Criterion 2	The external assessment report does not confirm that it is reasonable to believe that the AMP’s mine site and internal supply chain is not illegally controlled by any non-state armed group.

⁴ According to the footnote #5 in OECD 2016b, Annex II, par. 3.i, “Control” means i) overseeing extraction, including by granting access to mine sites and/or coordinating downstream sales to intermediaries, export companies or international traders; ii) making recourse to any forms of forced or compulsory labour to mine, transport, trade or sell minerals; or iii) acting as a director or officer of, or holding beneficial or other ownership interests in, upstream companies or mines.

3.3 Company Governance

M.3/5.1.4/R.1

(addresses OECD DDG, Annex II, par. 3.ii)

5. Category: Company Governance
 5.1 Issue: Business Practices
 5.1.4 Sub-Issue: Extortion

If the AMP is located in a CAHRA:

It is reasonable to believe that the AMP undertakes all reasonable efforts⁵ to avoid production at its mine site and its internal supply chain from being subjected to illegal taxation or extortion of money or minerals by non-state armed groups.

Pass Criterion	The AMP shall establish an internal policy requiring all members to abstain from making any payment considered related to extortion and illegal taxation to non-state armed groups. The AMP shall ensure that proven perpetrators are excluded or suspended from its supply chain.
Fail Criterion	One or more members of the AMP have been found guilty by a court of being involved in financing or directly or indirectly supporting non-state armed groups, and the AMP has not taken any corrective action to exclude the member of the AMP or to prevent recurrence.

MODULE 4: “ANNEX II RISKS” REQUIRING DISENGAGEMENT AFTER UNSUCCESSFUL MITIGATION

Preface

MODULE 4 addresses Annex II risks for which the OECD DDG recommends to suspend or discontinue engagement with AMPs after failed mitigation attempts. Accordingly, all requirements of this MODULE are pass, progress, or fail requirements.

Every requirement is complied with if:

- The **Pass Criteria “mitigated”** are fulfilled, or
- The **Progress Criteria “mitigation progress satisfactory”** demonstrates measurable progress in the past reporting period⁶ and contains a commitment to at least one further mitigation measure for the next reporting period, and
- no **Fail Criteria** applies.

The MODULE is considered “**passed**” (i.e. the AMP can be assigned **Affiliate** status) if no fail criteria applies to any requirement (i.e. if all requirements can be verifiably claimed as passed or in progress).

Requirements

Requirements of this MODULE are applicable to the main and (if applicable) to the extended organizational scope of the AMP, i.e. to issues that are directly controllable (and therefore mitigable) by the AMP.

⁵ Reasonable means to the maximum extent possible without putting the physical integrity of persons at risk.

⁶ In general, the reporting period between CRAFT Reports should be one year. It is upon the CRAFT Scheme to establish shorter or longer periods, as seen appropriate from a risk-based perspective, and, as appropriate, taking into account recommended timelines for risk mitigation in the OECD DDG.

Issues related to the wider community, to economic activities not (or only indirectly) related with mineral production, or related to conflict contexts at national or regional level over which the AMP has no control, are beyond the scope of this MODULE. Such issues are not mitigable by the AMP. Notwithstanding, some of such issues are addressed in MODULE 5.

4.1 Societal Welfare

M.4/2.1.8/R.1

(addresses OECD DDG, Annex II, par. 5)

2. Category: Societal Welfare
 2.1 Issue: Community Rights
 2.1.8 Sub-Issue: Security Forces

It is reasonable to believe that the AMP undertakes best possible efforts to eliminate direct or indirect support to public or private security forces that illegally tax, extort, or control its mine site, internal supply chain, or point(s) of sale.

Pass Criterion (“mitigated”)	The AMP (its members, mine site, and internal supply chain) is not illegally taxed, extorted, or controlled by public or private security forces.
Progress Criteria (pass: “mitigation progress satisfactory”)	The AMP seeks external advice and support to put a risk management plan in place. --- or --- A risk management plan is in place and the AMP demonstrates that it implements and monitors the plan with measurable improvements.
Fail Criterion	A risk management plan has been agreed upon between the AMP and its BUYERS, but the AMP makes no effort to adhere to the plan.

M.4/2.1.8/R.2

(addresses OECD DDG, Annex II, par. 6)

2. Category: Societal Welfare
 2.1 Issue: Community Rights
 2.1.8 Sub-Issue: Security Forces

It is reasonable to believe that the AMP is supportive or seeks the support of public or private security forces if their presence is required to maintain the rule of law, including safeguarding human rights, providing security to mine workers, equipment, and facilities, and protecting the mine site or transportation routes from interference with legitimate extraction and trade.

Pass Criterion (“mitigated”)	Relations between the AMP and public or private security forces are not characterized by tensions, and the AMP declares and can prove (if applicable) that it collaborates with public or private security forces as required by law or seeks their support only as needed for the purpose specified in the requirement.
Progress Criteria (pass: “mitigation progress satisfactory”)	Relations between the AMP and public or private security forces are characterized by tensions, but the AMP seeks advice and support to put a risk management plan in place. --- or ---

	A risk management plan is in place for this risk, and the AMP demonstrates that it implements and monitors the plan with measurable improvements.
Fail Criterion	The AMP refuses obedience to public or private security forces (where these are acting within the framework of the law).

M.4/2.1.8/R.3

(addresses OECD DDG, Annex II, par. 7)

2. Category: Societal Welfare
 2.1 Issue: Community Rights
 2.1.8 Sub-Issue: Security Forces

It is reasonable to believe that the AMP does not knowingly hire individuals or units of security forces that are known to have been responsible for gross human rights abuses.

Pass Criterion (“mitigated”)	The AMP does not hire security services. --- or --- The AMP seeks reasonable certainty to ensure that individuals or units of hired security forces are not linked to gross human rights abuses.
Progress Criteria (pass: “mitigation progress satisfactory”)	The AMP seeks advice and support to put a risk management plan in place. --- or --- A risk management plan is in place for this risk and the AMP demonstrates that it implements and monitors the plan with measurable improvements.
Fail Criterion	The AMP knowingly and purposefully hires security providers that are known for their abusive practices.

M.4/2.1.8/R.4

(addresses OECD DDG, Annex II, par. 8)

2. Category: Societal Welfare
 2.1 Issue: Community Rights
 2.1.8 Sub-Issue: Security Forces

It is reasonable to believe that the AMP supports all efforts or takes all viable steps to ensure that payments to public security forces for the provision of security are as transparent, proportional, and accountable as possible.

Pass Criterion (“mitigated”)	The AMP is not obligated to pay for services provided by public security forces. --- or --- The AMP makes payments to public security forces as required by law and documented by receipts.
Progress Criteria (pass: “mitigation progress satisfactory”)	The AMP makes payments to public security forces as required by law and records the payments made. --- or --- A risk management plan is in place for this risk and the AMP demonstrates that it implements and monitors the plan with measurable improvements.

Fail Criterion	Payments are made, but neither receipts nor internal records are kept.
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M.4/2.1.8/R.5

(addresses OECD DDG, Annex II, par. 9)

2. Category: Societal Welfare
 2.1 Issue: Community Rights
 2.1.8 Sub-Issue: Security Forces

It is reasonable to believe that the AMP supports all efforts or takes all viable steps to minimize adverse impacts associated with the presence of public or private security forces on their mine site(s).

Pass Criterion (“mitigated”)	The AMP supports all efforts or takes all viable steps to minimize adverse impacts associated with the presence of public or private security forces, to which men and women on their mine site(s) may be exposed.
Progress Criteria (pass: “mitigation progress satisfactory”)	The AMP seeks support to minimize adverse impacts associated with the presence of public or private security forces on their mine site(s).
Fail Criterion	None

M.4/2.2.1/R.1

(addresses OECD DDG, Annex II, par. 12)

2. Category: Societal Welfare
 2.2 Issue: Value Added
 2.2.1 Sub-Issue: Payment of Taxes & EITI

It is reasonable to believe that the AMP pays to the government all taxes, fees, and royalties related to mineral extraction, trade, and export.

Pass Criterion (“mitigated”)	The AMP and its members pay taxes, fees, and royalties as required by law.
Progress Criteria (pass: “mitigation progress satisfactory”)	At least some members of the AMP pay taxes (and fees and royalties as applicable). --- and --- A risk management plan is in place for this risk, and the AMP demonstrates that it implements and monitors the plan with measurable improvements.
Fail Criteria	Nobody pays any taxes, fees, or royalties, despite being required to do so by law. --- or --- The AMP cannot provide any information regarding payment of taxes, fees, and royalties by its members.

M.4/2.2.1/R.2

(addresses OECD DDG, Annex II, par. 13)

2. Category: Societal Welfare

2.2 Issue: Value Added

2.2.1 Sub-Issue: Payment of Taxes & EITI

It is reasonable to believe that the AMP is committed to disclose – if requested – payments of taxes, fees, and royalties in accordance with the principles set forth under the Extractive Industry Transparency Initiative (EITI).

Pass Criterion (“mitigated”)	The AMP discloses, or declares to be committed to disclose, payments to the national EITI.
Progress Criteria (pass: “mitigation progress satisfactory”)	The AMP is preparing its EITI declaration but has not yet submitted it. --- or --- A risk management plan is in place for this risk, and the AMP demonstrates that it implements and monitors the plan with measurable improvements.
Fail Criterion	The AMP refuses to disclose payments to the national EITI.

4.2 Company Governance**M.4/5.1.3/R.1**

(addresses OECD DDG, Annex II, par. 11)

5. Category: Company Governance

5.1 Issue: Business Practices

5.1.3 Sub-Issue: Bribery and Facilitation

It is reasonable to believe that the AMP undertakes all reasonable efforts to avoid offering, promising, giving, accepting or demanding any bribes to misrepresent taxes, fees and royalties paid to governments for the purposes of mineral extraction, trade, handling, transport and export.

Pass Criterion (“mitigated”)	The AMP has an internal policy requiring all members to abstain from offering, promising, giving, and particularly expecting or demanding bribes. --- and --- The AMP undertakes all reasonable efforts to achieve that members of the AMP recognize this policy as binding and abide by the policy.
Progress Criteria (pass: “mitigation progress satisfactory”)	The AMP has established a risk management plan for this risk to reduce and ultimately eliminate bribery and takes steps to implement and monitor the plan with measurable improvements. --- or --- A risk management plan is in place for this risk, and the AMP demonstrates that it implements and monitors the plan with measurable improvements.
Fail Criterion	The AMP does not address bribing issues at all.

M.4/5.1.3/R.2

(addresses OECD DDG, Annex II, par. 11)

5. Category: Company Governance

5.1 Issue: Business Practices

5.1.3 Sub-Issue: Bribery and Facilitation

It is reasonable to believe that the AMP undertakes all reasonable efforts to resist bribery to conceal or disguise the origin of minerals.

Pass Criterion ("mitigated")	The AMP has an Internal Control System (ICS) in place that ensures traceability and that minerals or metals commercialized by the AMP and/or its entities originate exclusively from the mine site of the AMP.
Progress Criteria (pass: "mitigation progress satisfactory")	The AMP is adopting, creating or improving an ICS and is piloting its implementation. --- or --- A risk management plan is in place for this risk, and the AMP demonstrates that it implements and monitors the plan with measurable improvements.
Fail Criterion	The AMP makes no efforts to identify the origin of minerals and metals commercialized by its members.

M.4/5.1.5/R.1

(addresses OECD DDG, Annex II, par. 12)

5. Category: Company Governance

5.1 Issue: Business Practices

5.1.5 Sub-Issue: Money Laundering

It is reasonable to believe that the AMP supports all efforts or takes all viable steps to contribute to the effective elimination of money laundering, where a reasonable risk of such practice from or connected to its operations or products is identified.

Pass Criterion ("mitigated")	The production volumes of the AMP are plausibly aligned with the effective production capacity of the AMP. --- and --- The installed production capacity of the AMP is plausibly aligned with the financial capacity of its members.
Progress Criteria (pass: "mitigation progress satisfactory")	The AMP has established a risk management plan to identify and mitigate risks that finance, minerals or metals originating from money laundering is injected into its supply chain. --- and --- The AMP demonstrates that it implements and monitors the plan with measurable improvements.
Fail Criterion	The AMP sells more minerals or metals than it produces and cannot explain where the excess volumes originate. --- or --- The legitimate origin of the investment capital cannot be reasonably explained.

MODULE 5: “NON-ANNEX II” HIGH RISKS REQUIRING IMPROVEMENT

Preface

MODULE 5 addresses high risks not specifically covered by the “*Model Supply Chain Policy for a Responsible Global Supply Chain of Minerals from Conflict-Affected and High-Risk Areas*” of the OECD DDG. Such risks are commonly referred to as “**non-Annex II risks**”.

MODULE 5 aims to guide further progress of AMPs that have passed (by “pass” or “satisfactory progress” criteria) the previous MODULE 4, which means that BUYERS adopting the OECD Model Supply Chain Policy are not required to disengage as long as no new Annex II risks appear. Correspondingly, requirements of this MODULE 5 have **no Pass/Fail Criteria**.

All requirements of MODULE 5 are “**aspirational**” in principle. Notwithstanding, by failing to assess high risks and failing to improve work practices, AMPs miss out on their own development opportunities. AMPs may also lose business opportunities, as BUYERS may disengage if they consider the lack of commitment of the AMP to address *non-Annex II High Risks* a risk to their own business.

Conformity with requirements is expressed as:

- **Controlled:** The risk has been assessed and if present, mitigation measures for improvement have been taken to an extent that is considered good ASM practice. The following statement applies to all requirements, whereby only the conformity criteria is specified:

Controlled	<p>The risk is absent.</p> <p>--- or ---</p> <p>[conformity criteria specified]</p> <p>Having achieved the improvement related to this requirement, the High Risk is controlled.</p>
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- **Progressing**

Progressing	The risk has been assessed and the AMP is implementing mitigation measures for improvement.
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- **Unaddressed:** The risk has not yet been assessed or the AMP has not yet taken steps to implement mitigation measures for improvement. The following statement applies to all requirements:

Unaddressed	The risk needs to be assessed, and if present, mitigation measures need to be taken.
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The CRAFT is intentionally **not prescriptive on sequencing and prioritization** of improvements addressing *non-Annex II High Risks* (requirements of this MODULE 5). Neither is the CRAFT prescriptive on the **number** of improvements pursued simultaneously. According to their own needs and capacity, and to support opportunities provided by CRAFT Schemes, AMPs may decide which risks are priority issues for them and need to be addressed. Additionally, CRAFT Schemes may

evaluate which risks are priority issues for their downstream supply chains and offer support to the AMP to address these risks and the priority risks identified by the AMP.

Risk mitigation plans shall be established for these (jointly) identified priority risks. To distinguish these risk mitigation plans from those in MODULE 4 (related to Annex II risks) they are referred to as **Improvement Plans**.

Periodically, as to be agreed between the AMP and the CRAFT Scheme it is affiliated, the AMP shall commit to activities and steps related to the progressive implementation of the Improvement Plans, until the risk is “Controlled”. Commitments and achievements shall be documented in the CRAFT Report.

The CRAFT is also **not prescriptive with regards to the activities** AMPs need to carry out to improve and mitigate the risks as part of the Improvement Plan. AMPs, ideally backed by the support of CRAFT Schemes, are free to decide which steps to take to achieve the improvement and comply with the requirement.

Requirements

Requirements of this MODULE may be applicable beyond the organizational scope of the AMP. Some risks refer to responsibilities of the AMP with the community. Where issues relate to the wider community or to economic activities indirectly related with the mineral production, this is indicated in the requirement.

5.1 Human and Workers' Rights

M.5/1.1.1/R.1

1. Category: Human and Workers' Rights
1.1 Issue: Serious Human Rights Abuses
1.1.1 Sub-Issue: Child Labour & Education

The AMP takes steps towards eradicating all worst forms of child labour directly or indirectly related to mining, among persons under the age of 18.

Risk: Persons below 18 years of age, within the community, are engaged in work classified by ILO as “worst forms of child labour”, directly or indirectly related to the mining activity.

Controlled	Persons below age of 18 work only at workplaces appropriate for their age, not classified as worst forms of child labour. A mechanism is in place to take immediate action as soon as cases of worst forms of child labour are detected.
Progressing	Improvement: The AMP engages with competent authorities addressing worst forms of child labour, participates in educating the community on the negative consequences of child labour, and contributes to progressively relocating all working persons of age below 18 to workplaces or tasks appropriate to their age.

M.5/1.1.1/R.2

1. Category: Human and Workers' Rights
1.1 Issue: Serious Human Rights Abuses
1.1.1 Sub-Issue: Child Labour & Education

The AMP takes steps towards eradicating all child labour of persons under the age of 15.

Risk: Persons younger than 15 years of age, within the community, are admitted to employment or allowed to work in any occupation.

Controlled	Persons below age of 15 are not working in any occupation. A mechanism is in place to take immediate action as soon as cases of child labour are detected.
Progressing	Improvement: The AMP has established a risk management plan to reduce this risk. The AMP engages with competent state authorities and takes steps to demand schools and occupational training from the government, and it progressively makes attendance to school mandatory for all children and youth in the community, with the goal to ultimately eradicate the worst forms of child labour.

M.5/1.1.3/R.1

1. Category: Human and Workers' Rights
1.1 Issue: Serious Human Rights Abuses
1.1.3 Sub-Issue: Women's Rights

The AMP takes steps to protect women against sexual violence and harassment at the workplace.

Risk: Sexual violence and harassment against women is common and widespread in workplaces.

Controlled	A workplace culture has been established that considers sexual violence and harassment as unacceptable.
Progressing	Improvement: The AMP makes efforts and takes steps to raise awareness that sexual violence and harassment is unacceptable, collaborates with competent authorities, ensures there is a safe and confidential mechanism for women to denounce aggressors and encourages victims to denounce aggressors to the competent authority.

M.5/1.1.3/R.2

1. Category: Human and Workers' Rights
1.1 Issue: Serious Human Rights Abuses
1.1.3 Sub-Issue: Women's Rights

The AMP takes steps to respect the rights of women, in particular towards reducing any gender-based restrictions of access to mineral resources.

Risk: Women’s income opportunities are limited by restricting or prohibiting them from accessing certain mineral resources, from engaging in certain mineral producing activities, or from joining miners’ organizations.

Controlled	Access to mineral resources, to mineral producing activities, and to miners’ organizations is conditioned to rules and criteria that do not distinguish between men and women.
Progressing	Improvement: The AMP makes efforts and takes steps to raise awareness that gender-based restrictions are unacceptable.

M.5/1.1.4/R.1

1. Category: Human and Workers' Rights
1.1 Issue: Serious Human Rights Abuses
1.1.4 Sub-Issue: Discrimination & Diversity

The AMP does not base its decisions on criteria classified as discriminatory in the Universal Declaration of Human Rights.

Risk: Discrimination due to “race, colour, sex, language, religion, political or another opinion, national or social origin, property, birth or another status” may be common.

Controlled	Within its organizational boundaries ⁷ , the AMP’s decisions, decision-making structures and processes (see M.5/2.2.8/R.1) are not based on criteria classified as discrimination in the Universal Declaration of Human Rights. ⁸
Progressing	Improvement: The AMP makes efforts and takes steps to raise awareness that discrimination due to “race, colour, sex, language, religion, political or another opinion, national or social origin, property, birth or another status” is unacceptable.

M.5/1.3.3/R.1

1. Category: Human and Workers' Rights
1.3 Issue: Occupational Health & Safety
1.3.3 Sub-Issue: Workplace Hazards & Machinery

The AMP makes basic mine safety rules mandatory for its members.

Risk: Accidents in the mine are frequent.

Controlled	Basic mine safety rules are followed.
Progressing	Improvement: The AMP, as part of its formalization process (see 5.2.1/M.5/R.1), designs and implements an occupational safety and health program in the mine (aligned with national mining safety regulations) for its members. It prioritizes the different risks found in the AMP and carries out corrective and preventive actions that enable safe working conditions.”

M.5/1.3.4/R.1

1. Category: Human and Workers' Rights
1.3 Issue: Occupational Health & Safety
1.3.4 Sub-Issue: Personal Protective Equipment

Members of the AMP use personal protective equipment (PPE) at work.

Risk: Miners do not use the essential personal protective equipment (PPE) appropriate for the work they perform.

Controlled	Basic Personal protective equipment is used.
Progressing	Improvement: The AMP has a risk management plan or policy in place for increasing the use, maintenance and proper replacement of PPE; as part of this plan, the AMP facilitates the availability of PPE at local shops and markets, promotes its use, and progressively makes its use and maintenance mandatory for all members.

M.5/1.3.5/R.1

1. Category: Human and Workers' Rights
1.3 Issue: Occupational Health & Safety
1.3.5 Sub-Issue: Miner Health

The AMP procures first aid and basic health services for its members.

⁷ E.g. Indigenous miner groups, women miner groups, community mining groups, etc.

⁸ With exception of nationality, in countries where by law only national citizens are allowed to engage in ASM.

Risk: Miners are exposed to a range of emergency and non- emergency health issues that result from working conditions and the social context of work.

Controlled	Basic first aid and health services are in place and accessible to miners.
Progressing	Improvement: The AMP has an action plan in place to cover basic health needs for emergency and primary care. As part of this plan, the AMP has implemented a first aid program to cover the needs of emergencies that may arise, and also facilitates access to primary health care. The AMP presents this program so that its members know how to act in case of emergencies, how to access health care, and also identifies health facilities in the area that are accessible to its women and men members.”

5.2 Societal Welfare

M.5/2.1.1/R.1

2. Category: Societal Welfare
 2.1 Issue: Community Rights
 2.1.1 Sub-Issue: Residential & Indigenous Rights

The AMP takes steps towards being accepted and/or integrating into existing communities.

Risk: The majority of the members of the AMP consists of migrant population. Residents (including indigenous groups) complain that mining is negatively affecting their environment, livelihoods, values and traditional social structures.

Controlled	The AMP is an integrated accepted as part of the community.
Progressing	Improvement: The AMP makes continuous efforts to respect local (e.g. indigenous) values and rules, integrate or align its coordination mechanisms for consensus-based decision making (see M.5/2.2.8/R.1) into existing local governance structures and processes.

5.3 Use of Natural Resources

M.5/3.1.2/R.1

3. Category: Use of Natural Resources
 3.1 Issue: Land Use & Biodiversity
 3.1.2 Sub-Issue: Legally Protected Areas

The AMP operates in close coordination with and in support of Protected Area Authorities.

Risk: Conflicts between ASM and authorities administrating protected areas exist, i.e. mineral extraction is considered an impediment to the conservation goal of the protected area.

Controlled	The AMP's operation is aligned with conservation goals and avoid working in areas of high conservation value, and under the protection of physical cultural resources, and tangible cultural heritage, and avoid involuntary resettlement.
Progressing	Improvement: The AMP has reached an agreement with the administration of the protected area, supporting authorities in their task of achieving the conservation goal.

	<p>--- or ---</p> <p>The AMP is willing to demonstrate that it seeks to cooperate with the administration of the protected area and to support conservation goals by implementing environmental actions that are compatible with the ecosystem in which the project is developed.</p>
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M.5/3.1.10/R.1

3. Category: Use of Natural Resources
3.1 Issue: Land Use & Biodiversity
3.1.10 Sub-Issue: Conflict with Agriculture

The AMP uses mining land in coordination with local inhabitants who require the same resource for agriculture, fishing, use of forest products, eco-tourism, or animal husbandry.

Risk: Resource conflicts regarding land use exist, i.e. ASM is carried out on land that provides a livelihood for other local inhabitants.

Controlled	Conflicts over land use between mining, and other local economic activities have been resolved.
Progressing	Improvement: The AMP implement a grievance process and a participatory process to reach agreement with other land users and other local inhabitants during the life of the mine. It also designed restoration measures that aimed at rehabilitating the soil for post-mining use. Eventually it has a closure plan in place or planned to rehabilitate the soil.

M.5/3.2.1/R.1

3. Category: Use of Natural Resources
3.2 Issue: Water Use
3.2.1 Sub-Issue: Water Management

The AMP uses water resources and water bodies in coordination with other water users.

Risk: Resource conflicts regarding water use exist, i.e. the water bodies and the water required for mineral processing are also demanded by nearby stakeholders for drinking, washing, recreational use, fishing, raising livestock, or irrigating crops.

Controlled	A consensus on water usage between the AMP and other water users has been reached.
Progressing	Improvement: A water management plan for the coexistence of the AMP's mining operations with other water users is developed and implemented. Impacts of ASM operations are assessed and a participatory process to reach consensus is established. If the opportunity is identified, the AMP implement a gradual process of technological conversion or carries out actions to reduce water consumption.

5.4 Emissions and Land Reclamation

M.5/4.2.2/R.1

4. Category: Emissions and Land Reclamation
4.2 Issues: Mine Waste and Wastewater
4.2.2 Sub-Issue: Wastewater & Water Quality

The AMP avoids serious contamination of water bodies with suspended solids and/or chemicals and fuel residues that put the livelihoods of other water users at risk.

Risk: Wastewater from mining operations or processing plants directly discharged into water bodies may contain a high content of suspended solids, high concentrations of chemicals or of fuel oils (as applicable). Elevated contamination of any of the above pollutants puts at risk the health and livelihoods of others who use this water for human consumption, farming, ranching, or fishing.

Controlled	Water pollution and ecosystem risks have been reduced to moderate levels that do not represent an imminent risk for the health and the livelihoods of other water users or a serious ecosystem risk.
Progressing	Improvement: The impact of suspended solids, chemicals and fuel residues (as applicable) on other water users is evaluated, contamination of waste water with pollutants that represent a high risk is monitored, and technical improvements to reduce emissions are designed and implemented.

5.5 Company Governance

M.5/5.2.1/R.1

5. Category: Company Governance
 5.2 Issue: Management Practices
 5.2.1 Sub-Issue: Legal Compliance

The AMP has decision-making structures and mechanisms in place.

Risk: Lack of coordination among members of the AMP (which may be a cluster of different independent entities) poses limitations to achieving improvements.

Controlled	Decision-making structures and mechanisms are in place, operational and functional, and accepted by all actors.
Progressing	Improvement: The AMP makes efforts and takes steps to establish formal and/or informal coordination mechanisms for consensus-based decision-making.

M.5/2.2.10/R.1

5. Category: Company Governance
 5.2 Issue: Management Practices
 5.2.10 Sub-Issue: Production plan

The AMP strives for economic sustainability of its activity and increases knowledge on production planning.

Risk: Without proper production planning by the AMP, its ASM sites are at risk of being abandoned before deposit depletion and its members are at risk of losing their livelihoods.

Controlled	The AMP implements a method to evaluate the production projection that provides information regarding the stability of the activity.
Progressing	Improvement: The AMP has identified an alternative to assess mine production planning, and is working on its implementation. For example, reserve calculations on the area where they work, mining plans, permit times and / or work contracts in an area, investment plans.

M.5/5.2.1/R.2

5. Category: Company Governance
 5.2 Issue: Management Practices
 5.2.1 Sub-Issue: Legal Compliance

The AMP complies with legal requirements beyond rights related to mineral extraction.

Risk: Next steps of formalization, fulfilling requirements other than those related to mineral extraction (i.e. beyond legitimacy requirements specified in MODULE 2), are still pending.

Controlled	The AMP has obtained all authorizations, as required by national law.
Progressing	Improvement: The AMP makes continuous efforts to comply with all legal requirements. Where the AMP identifies obstacles hindering their formalization process, the AMP proactively seeks external support.

M.5/5.2.8/R.2

5. Category: Company Governance
 5.2 Issue: Management Practices
 5.2.8 Sub-Issue: Grievance Mechanism

The AMP has designated a point of contact for complaints and at least a simple procedure to address complaints.

Risk: Conflicts with other stakeholders affected by mining activities of the AMP tend to escalate frequently.

Controlled	A grievance procedure is in place.
Progressing	Improvement: To de-escalate conflicts of all kinds, and as part of its efforts to establish coordination mechanisms for consensus-based decision making (see M.5/2.2.8/R.1), the AMP assigns a point of contact for reception of all complaints (anonymously if appropriate) and establishes a procedure for how to address them.