About This Report

The purpose of this assessment is to provide a review of—and an update on—the commitments made by Goldcorp Inc. (Goldcorp), and its fully owned subsidiary, Montana Exploradora de Guatemala, S.A. (Montana), in response to the On Common Ground (OCG) 2010 Human Rights Assessment (HRA) of Marlin Mine, now that the mine is in the process of closure.

ACKNOWLEDGMENTS

This report was written by BSR. Please direct comments or questions to connect@bsr.org

DISCLAIMER

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Glossary

Asociación de Monitoreo Ambiental Comunitaria (Association of Community Environmental Monitoring [AMAC])

Centro de Atención Permanente (Permanent Attention [Health] Center [CAP])

Comisión Interamericana de Derechos Humanos (Inter-American Commission on Human Rights [CIDH])

Comisión Presidencial Coordinadora de la Política del Ejecutivo en materia de Derechos Humanos (Presidential Commission Coordinating the Executive Policy on Human Rights [COPREDEH])

Conesjos Comunitarios de Desarrollo (Community Development Councils [COCODE])

Consultoria y Tecnología Ambiental, S.A. (CTA)

Coordinadora para la Reducción de Desastres (CONRED)

Departamento de Desarrollo Sostenible (Sustainable Development Department [DDS])

Environmental Impact Assessment (EIA)

Free, Prior, and Informed Consent (FPIC)

Fundación para la Superación de la Ingeniería (Foundation for the Improvement of Engineering [FUNSIN])

Fundación Sierra Madre (Sierra Madre Foundation [FSM])

Goldcorp Inc. (Goldcorp)

Human Rights Assessment (HRA)

Instituto de Fomento Municipal Guatemala (Municipal Development Institute [INFOM])

Instituto Nacional de Bosques (National Institute of Forests [INAB])

International Council on Mining and Metals (ICMM)

Marlin Mine Annual Monitoring Reports (AMRs)

Ministerio de Ambiente y Recursos Naturales (Ministry of Environment and Natural Resources [MARN])

Ministerio de Comunicaciones Infraestructura y Vivienda (Ministry of Communications, Infrastructure and Housing [CIV])

Ministerio de Energía y Minas (Ministry of Energy and Mines [MEM])
Ministerio de Salud Pública y Asistencia Social (Ministry of Public Health and Social Assistance [MSPAS])

Montana Exploradora de Guatemala, S.A. (Montana)

Oficina Municipal de Agua y Sanamiento Municipal (Office of Water and Sanitation [OMAS])

On Common Ground (OCG)

Procurador de los Derechos Humanos (Attorney for Human Rights [PDH])

Proyectos Ejecutados por la Comunidad (Projects Executed by the Community [PEC])

Sustainability Excellence Management System (SEMS)
Executive Summary

The purpose of this assessment is to provide a review of—and an update on—progress against the commitments made by Goldcorp Inc. (Goldcorp), and its fully owned subsidiary, Montana Exploradora de Guatemala, S.A. (Montana), in response to the On Common Ground (OCG) 2010 Human Rights Assessment (HRA) of Marlin Mine, now that the mine is in the process of closure.

The objective of this report is to provide Goldcorp and its stakeholders with a review of the current status of the initiatives that Goldcorp undertook in response to OCG’s original 2010 recommendations that pertain to mine closure. This report summarizes BSR’s assessment of Goldcorp’s progress in adhering to the commitments it made relating to stakeholder consultation, the environment, land acquisition, labor, economic and social investment, security, and access to remedy that are pertinent to mine closure and post-closure.

BSR does not consider this report to be comprehensive, given that our conclusions are exclusively based on internal documentation and interviews with company employees. Specifically, we did not engage external stakeholders as part of this research. Therefore, notably absent from this report are the voices of stakeholders who have historically alleged that their rights have been impacted by Montana and the Marlin Mine.

The report is not intended to provide a summary of all Goldcorp’s activities relevant to human rights at Marlin Mine. Likewise, this report does not introduce, analyze, or address human rights issues or impacts other than those included in the 2010 HRA. Given that the 2010 HRA is now over seven years old and was focused on an operational mine, not one that was in the process of closure, some of the original recommendations are outside the scope of mine closure.

Given the research limitations of this report, BSR strongly recommends that at any time Goldcorp refers to the findings of this report, it includes a written acknowledgement that no external stakeholders were consulted and that the human rights impacts of company actions (or inactions) were not reviewed. Additionally, BSR strongly recommends that Goldcorp maintain a human rights–based approach through closure and post-closure.

Report Findings
This report is generally organized around seven priority issue areas from the 2010 HRA, with the addition of a section on Mine Closure specifically. In each of the main chapters of the report, we include an overview of the issues addressed, the HRA recommendations, and the status of the corresponding commitments and BSR recommendations.
In this report, we look at 42 recommendations that are relevant to mine closure. In determining the relevance of the original recommendations to the mine closure process, we limited our review to recommendations that explicitly refer to mine closure and issues and challenges that are ongoing at the site. BSR and Goldcorp jointly determined a focused list of recommendations without input from local community members; additional, ongoing issues that might prove relevant to closure may have been excluded from this review.

Nearly 60 percent of the commitments we reviewed are considered fulfilled by BSR, and more than 30 percent of the remaining commitments have been partially fulfilled. Two of the commitments we consider unfulfilled. We have also covered two areas in which Goldcorp and Montana made no original commitment in 2010. However, Goldcorp and Montana have taken actions in these areas, and the two are highly relevant to mine closure, so they have been included within the scope of this report.

### Mine Closure

Marlin Mine was the first commercial mine to open in Guatemala. It will also be the first mine in the country to ever go through a formal closure process. This process is complicated by the fact that currently, Guatemala’s Mining Law does not regulate mine closure. In 2015, Goldcorp established a corporate-level Reclamation and Closure Unit led by a vice president of reclamation and closure. This team is responsible for managing all closed sites and for supporting mines in their closure-planning process.

Production at Marlin Mine ended May 31, 2017. Marlin Mine closure plans were changed and updated as the company’s understanding of the environment and operation evolved during the mine’s lifecycle. Goldcorp has set aside funds for Marlin’s closure and has also provided additional financial assurance for closure in the form of a bond. All of its financial commitments have been disclosed to the public, fulfilling transparency commitments.

BSR considers the commitments around the mine closure planning process fulfilled.

### Consultation

Montana Exploradora de Guatemala, Goldcorp’s subsidiary, has been actively promoting the government’s adoption and implementation of rules and regulations around ILO 169 through its participation in the Camara de Industria (Guatemalan Chamber of Commerce).

Goldcorp has an overarching Corporate Social Responsibility policy that commits to “develop meaningful and effective strategies for engaging with all stakeholders” and to “consult with local communities to identify effective and culturally appropriate development goals.”

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1 Goldcorp Corporate Social Responsibility Policy.
Montana’s Departamento de Desarrollo Sostenible (Sustainable Development Department [DDS]) team carries out information-sharing meetings, with question-and-answer sessions, for community members and community leaders. The communities around Marlin Mine have been informed about the mine’s closure, starting in 2013.

Three of the commitments on consultation have been fulfilled, while four have been partially fulfilled. Of the partially fulfilled commitments, Goldcorp and Montana have the opportunity to fulfill two of them in closure and post-closure. Meeting the first commitment would involve posting recent and up-to-date information on mine closure on the company website. Meeting the second would entail systematically using stakeholder feedback to revise or review policies and procedures during the remaining closure process.

Environment
With any mining project, concerns over environmental degradation tend to be a top priority for stakeholders. Marlin has been no exception. It has faced intense stakeholder scrutiny over its environmental performance, largely due to the mine’s proximity to local communities primarily engaged in subsistence agriculture and therefore dependent on land and water for their livelihoods.

Environmental monitoring takes place regularly at and around the Marlin Mine site. Monitoring is conducted by Montana, the government, and a community-based environmental monitoring group. Montana plans to monitor the Marlin Mine site through post-closure, until 2026.

According to Montana, the technical closure plan maximizes the reclamation and re-vegetation of the land to minimize the long-term impacts of mining operations on the landscape, people, and environment. Montana has also reforested more than 600 hectares of land\(^2\) and increased biodiversity, recently reporting over 98 species of birds in the Marlin Mine area.

Montana has supported the surrounding communities in accessing water via water and sanitation projects.

BSR considers four of the six commitments fulfilled. During closure, Montana can work toward closing these gaps in unfulfilled commitments by posting the Annual Monitoring Reports from 2010 to present. In the future, it can post relevant monitoring information and the contingency plan for the Txeshiwe Spring on its website.

Labor
At the height of operations, approximately 78 percent of Marlin’s workforce was local (from San Marcos or Huehuetenango provinces), with an additional 19 percent from other states in Guatemala; only 2.5 percent came

from outside Guatemala. Based on BSR’s knowledge, the percentage of local and national hires exceeds industry norms.

There is no union presence at Marlin Mine. However, Montana does appear to have made significant efforts to ensure pay equity. Publicly available information also indicates that Montana pays above the national minimum wage.

As mining operations ended in 2017, the labor needs of Marlin Mine and Montana are rapidly decreasing, necessitating staff reductions. With mine closure originally planned for December 2016, specific activities to prepare the workforce for closure began over two years ago.

All employees being laid off have received, or will receive, a compensation package that adheres to Guatemalan legal requirements.

While employed, employees have access to health care at Marlin’s free onsite clinic (staffed with a doctor 24 hours a day), through private health insurance, and at the Centro de Atención Permanente (Permanent Medical Center [CAP]) in San Miguel Ixtahuacán. Access for mine employees to the onsite clinic and private health insurance will cease upon termination of their employment with Montana.

Of the four recommendations under consideration, Goldcorp made no explicit commitment regarding two of them (but has nonetheless undertaken relevant initiatives), fulfilled one, and partially fulfilled the fourth. Although Goldcorp made no commitment to training or retaining workers, it did institute a training program that gave workers the opportunity to participate in retraining-skills programs to prepare for mine closure. Additionally, Goldcorp made no commitment to participate in unscheduled audits in response to OCG’s original recommendation. Rather, Goldcorp argued that, based on previous experience, it would be more effective to continue with scheduled safety audits. BSR considers this an appropriate response.

**Land Acquisition**

In interviews, Montana employees emphasized that the land the company acquired for the Marlin Mine project was entirely obtained through a voluntary purchase and sale process.

In closure, some of the Marlin Mine land—the parcels on the outskirts of the mine property—will be donated to the surrounding communities, while the remaining land will remain part of the mine site under the guardianship of the Fundación Sierra Madre (Sierra Madre Foundation [FSM]). The FSM is a foundation that is funded by Montana but works independently in the surrounding communities. The core of the land that remains in Montana’s possession is environmentally sensitive, requires ongoing monitoring (such as the tailings dam, the processing plant, and the open pit), or will be used for income-generating projects (productive projects) to fund FSM activities in the surrounding communities.

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3 Company document: 2015-07 Demografica.
BSR considers this commitment fulfilled, as the DDS informed communities about post-closure land uses well in advance of closure.

**Economic and Social Investment**

Montana’s economic and social investment around the Marlin Mine has been conducted through the DDS and the FSM. DDS will be fully phasing out its activities during mine closure, whereas the FSM will be taking on new responsibilities at the mine site. One of the recommendations of the 2010 HRA was calling for a better delineation of roles and responsibilities between the DDS and the FSM to ensure that the FSM was not seen as another department of Montana. BSR’s analysis found that Montana has made progress toward defining separate and distinct roles for the two organizations, even if the funding structures keep them linked.

This section reviews some of the significant community investment efforts Montana has made over the years, but also points to some of the challenges it has faced in terms of measuring the impact of those investments in a formal, systematic way. Another major challenge discussed in this section is the company’s struggle to ensure the sustainability of the significant investment it made in health infrastructure in the community, in partnership with the government.

Of the 10 commitments in this section, three are considered fulfilled, five partially fulfilled, and two unfulfilled. Montana has the opportunity to fulfill its commitment for both of the unfulfilled commitments in closure and post-closure by strengthening the FSM (particularly by building the capacity of its Board) and by establishing and documenting an approach to monitoring and evaluating project impacts.

**Security**

Despite high crime and homicide rates, political instability, and social unrest in Guatemala, the security situation around the Marlin Mine has been relatively uneventful over the last few years.

Montana’s compliance with the Voluntary Principles on Security and Human Rights (Voluntary Principles) has been evaluated by an external consultancy, at least annually, since 2008. In some years, more than one assessment was conducted. The latest assessment, from 2015, reports that “overall the site demonstrated a strong performance for a baseline assessment, which the site should be commended for.” It also states that, “Marlin has made visible efforts to promote the Voluntary Principles internally.”

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5 Ibid.
In interviews, Montana employees stated that security at the mine will be unchanged until August 2017, at which time the number of security guards will be reduced in accordance with the decrease in activity. Montana plans to maintain at least a minimal security presence at the mine site until 2026 to ensure the site’s ongoing safety during the environmental monitoring phase. According to interviews, exact plans for reducing security are not yet formalized and will depend on the closure timeline and local circumstances.

Only one of the nine commitments in this section remains partially fulfilled, as the multistakeholder security workshops that the company initiated have been discontinued.

**Access to Remedy**
Goldcorp has had a corporate grievance framework in place since 2010. The arrangement in place at the Marlin Mine consists of two systems: one targeted toward workers and contractors (Ethics From the Ground Up) and one for community members (Community Response Mechanisms).

Montana confirmed that the worker grievance system will remain in place as long as Goldcorp (through Montana) has a presence in Guatemala, and the community grievance system will operate until at least 2019. As of the writing of this report, it is unclear whether the community grievance system will remain in place during the post-closure period from 2020 to 2026.

Of the three commitments addressed in this chapter, two are considered fulfilled and one, partially fulfilled. During closure, Goldcorp will need to address all outstanding grievances to fulfill its commitments to access to remedy.

**Conclusions**
While Goldcorp and Montana have, in general, made great strides in implementing the recommendations proposed by OCG, gaps remain. Some cannot be fulfilled, given that the mine’s closure is underway and opportunities for action are now limited. Still, opportunities remain for Goldcorp and Montana to fulfill some of their commitments in closure and post-closure. Likewise, Goldcorp could demonstrate its continued commitment to human rights for the mineworkers and for communities surrounding the Marlin Mine. Finally, there are considerable opportunities for Goldcorp to use its experiences and lessons from Marlin Mine to inform the company’s wider approach to human rights, enhancing community engagement across its operations.

In this report, BSR outlines some of these opportunities in the recommendations sections of each chapter.
Introduction

Purpose
The purpose of this assessment is to provide a review of—and an update on—progress against the commitments\(^6\) made by Goldcorp Inc. (Goldcorp), and its fully owned subsidiary, Montana Exploradora de Guatemala, S.A. (Montana), in response to the On Common Ground (OCG) 2010 Human Rights Assessment (HRA) of Marlin Mine,\(^7\) now that the mine is in the process of closure.

Goldcorp is committed to transparency in corporate reporting. Goldcorp has outlined its human rights commitments in an updated 2015 policy,\(^8\) and it has also publicly committed to the United Nations Global Compact and the Voluntary Principles on Security and Human Rights (the Voluntary Principles). As part of these public commitments and obligations, Goldcorp is publishing this update on its progress regarding the recommendations in the 2010 HRA, in the specific context of the Marlin Mine’s closure.

The objective of this report is to provide Goldcorp and its stakeholders with a review of the current status of the fulfillment of the original 2010 recommendations. At the request of Goldcorp, BSR has conducted an internal evaluation as to whether Goldcorp has fulfilled its specific commitments that are relevant to closure and post-closure of Marlin Mine. BSR has also provided additional recommendations on actions Goldcorp can take to enhance its management approach and respect for human rights at the mine during closure and post-closure. This report summarizes our assessment of Goldcorp’s adherence to the commitments it made relating to stakeholder consultation, the environment, land acquisition, labor, economic and social investment, security, and access to remedy that are pertinent to mine closure and post-closure. The current status of the commitments made by Goldcorp that do not pertain to closure are beyond the scope of this study. (See Appendix III for additional details.)

Given the scope and limitations of BSR’s analysis—primarily that BSR did not speak to external stakeholders—this report is neither a Human Rights Assessment nor a full assessment of the efficacy of Goldcorp’s human rights programs. Moreover, this report does not provide an assessment of any new human rights impacts from the company’s actions (or inactions), or of changing local or national circumstances in Guatemala since 2010. Instead, this report can be used by stakeholders as a basis to measure and hold Goldcorp accountable for its management of human rights issues at the Marlin Mine and to encourage the company to continue to enhance human rights for its workers, former workers, and community members. The report can also be used by Goldcorp to evaluate its internal progress at Marlin Mine and to inform human rights efforts at other operations throughout their life cycles.

BSR encourages Goldcorp to use this report as part of its ongoing efforts toward transparent reporting and its commitment to continuous improvement regarding human rights at the Marlin Mine during closure and post-closure.

\(^7\) On Common Ground, 2010.
\(^8\) Goldcorp Human Rights Policy v2.
Overview
In October 2008, Goldcorp commissioned OCG to conduct an HRA of Marlin Mine, which involved 18 months of interviews and focus groups, culminating in the publication of the HRA in 2010. The assessment highlighted seven priority issue areas related to consultation, environment, land acquisition, labor, economic and social investment, security, and access to remedy.

The primary objective of the assessment was to provide an independent analysis of current and potential future human rights impacts resulting from the operation of the Marlin Mine, so that the company could design an approach to manage and enhance its respect for human rights. The full report was subsequently made public and is posted on the Goldcorp website.9

Goldcorp carefully and thoroughly considered each recommendation contained in the HRA report. In June 2010, Goldcorp publicly communicated its initial response to the HRA and set forth an action plan to implement policies, programs, and initiatives to address issues raised in the report. In October 2010, the company published its initial update. In April 2011, the company released a second update on progress in implementing the HRA recommendations. Goldcorp’s responses and updates included company commitments for implementation. (These commitments are available on the Goldcorp website.10)

The 2010 HRA, while focused on the Marlin Mine, influenced changes throughout Goldcorp as to how human rights were addressed by the company. Goldcorp initiated a human rights due diligence program consistent with the “Protect, Respect, Remedy” framework adopted by the United Nations Human Rights Council. Goldcorp adopted a human rights policy11 in 2011 and updated it in 2015. The company has also introduced a number of ongoing practices to protect human rights. These entail company-wide human rights training and reviews of investments against numerous criteria, including human rights risks, the screening of contractors at the company’s highest-risk mining sites based on human rights adherence, and the training of security personnel regarding the use of force.

As of June 2017, when this report was finalized, Marlin Mine is in the process of closure, with massive changes underway, including layoffs and the cessation of mining operations.

Given stakeholder requests, Goldcorp has sought BSR’s review of the company’s commitments and actions taken in response to the HRA, as many of these recommendations and actions have continued relevance to the communities and the mine in this phase of the project.

Scope
In 2015, Goldcorp requested that BSR conduct a third-party review of its internal progress in implementing the HRA recommendations. BSR’s objective was to review the company actions taken to fulfill the recommendations, as well as to identify any gaps.

The 2017 assessment that is the subject of this report builds on BSR’s initial 2015 analysis and research, but it is restricted to an assessment of the activities and initiatives relevant to mine closure. It is not intended to provide a

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9 Goldcorp corporate website, Human Rights - Marlin.
10 Ibid.
11 Goldcorp Human Rights Policy v2.
comprehensive summary of all Goldcorp’s activities relevant to human rights at Marlin Mine. Our conclusions are based on a review of Goldcorp’s internal updates and reviews, as well as interviews with employees of Goldcorp, Montana, and Marlin Mine. External stakeholders were not interviewed or consulted for this report. Our findings were also reviewed by Goldcorp before publication.

Given that the 2010 HRA is now more than seven years old and was focused on an operational mine, not one that was in the process of closure, many of the original recommendations are beyond the scope of mine closure. In determining the relevance to mine closure, we considered the recommendations that explicitly refer to mine closure. Additionally, we have reviewed recommendations that refer to issues and challenges that are ongoing at the site. BSR and Goldcorp jointly determined a focused list of recommendations without input from local community members; additional, ongoing issues that might prove relevant to closure may have been excluded from this review.

For additional research limitations, see below.

**Methodology**
The methodology for this project was as follows:

» Desk-based review of Goldcorp, Montana, and Marlin Mine documentation and a media scan of recent coverage of Montana and Marlin Mine

» Review of Goldcorp commitments against 2010 HRA recommendations for alignment

» Review of 2010 HRA recommendations relevant to mine closure

» Interviews with 19 Goldcorp and Montana employees, May 12–19, 2017 (see Appendix I)

» Visits to mine and income-generating projects that will be in place at the mining site after mine closure (referred to as productive projects)

» Tour of the Centro de Atención Permanente (Permanent Care Center [CAP]) in San Miguel Ixtahuacán, led by the CAP director (May 16, 2017)

Additionally, we drew on the 2015 BSR assessment, the methodology of which was as follows:

» Desk-based review of Goldcorp, Montana, and Marlin Mine documentation from 2015 and before

» Interviews with 29 Goldcorp and Montana employees, August 17–21, 2015 (see Appendix II)

» A half-day tour of several of Marlin Mine’s neighboring communities (August 20, 2015) including the following:
  - Visit to El Salem
  - Visit to Montana’s local community information office in Sipacapa
- Visit to school in Los Horcones
- Visit to El Salitre for La Hamaca Project
- Visit to Montana’s local community office (“Casa Marlin”) in San Miguel Ixtahuacán
- Visit to CAP in San Miguel Ixtahuacán and received a tour from the staff
- Visit to the San José Nueva Esperanza water project
- Visit to San José Ixcaniche water project

**Research Limitations**

BSR does not consider this report to be comprehensive, given our focus on internal documentation and interviews with Goldcorp employees. Absent from this report are the voices of external stakeholders who have historically alleged that their rights have been violated and who may have been excluded from past assessments.

The report is focused on reviewing the actions taken by Goldcorp in fulfilling the commitments it made in response to the HRA. The report does not focus on assessing the effects that Goldcorp’s subsequent actions (or inactions) have had on community stakeholders. Nor does it focus on identifying human rights impacts of company actions (or inactions) or changing local or national circumstances.

BSR acknowledges that the original OCG HRA may not have captured all possible human rights impacts at Marlin Mine; however, this report in no way makes up for or addresses any flaws in the original HRA methodology or reasoning and does not attempt to introduce or address human rights issues or impacts other than those included in the 2010 HRA. As a basic starting point, this BSR report accepts the findings of the HRA and its recommendations because, although it received some criticisms, it is the most comprehensive third-party review of the site’s human rights practices to date.

BSR conducted interviews with mine employees and reviewed company documents. However, we have not verified, through discussions with impacted external stakeholders, that the practices and policy commitments to which Goldcorp has stated it adheres are in fact pursued by the company.

Given the research limitations, BSR strongly recommends that when Goldcorp refers to the findings of this report, the company include a recognition that no external stakeholders were consulted and that the human rights impacts of company actions (or inactions) were not reviewed.

**Independence**

BSR’s research trip to the Marlin Mine and the interviews conducted were organized and arranged by Goldcorp. The research was funded by Goldcorp; however, the reported findings are BSR’s, independent of company interference. The findings and conclusions were reviewed by Goldcorp prior to publishing, which afforded the company the opportunity to clarify practices, provide missing documentation, and draft a response to BSR’s recommendations. While the review process allowed for fact-checking, Goldcorp was not permitted to edit BSR’s opinions or analysis.
BSR had no involvement in the 2010 OCG assessment that has served as a starting point for this evaluation. BSR was, however, first brought into the Marlin Mine project in 2005 by Glamis Gold Ltd., which wanted BSR to help facilitate the formation of Montana Exploradora’s water monitoring committee, Asociación de Monitoreo Ambiental Comunitario (Association of Community Environmental Monitoring [AMAC]). Goldcorp acquired Glamis Gold, including the Montana subsidiary, the following year. In 2010, BSR provided limited recommendations to Montana parent Goldcorp in anticipation of the release of the HRA to support stakeholder relations-planning activities, Goldcorp’s internal alignment, and the company’s long-term implementation of human rights due diligence. This corporate-level project involved no work at Marlin Mine.

BSR had no contact with AMAC or directly with the Marlin Mine, from 2005 until the 2015 assessment. BSR has, however, worked with Goldcorp on sustainability topics throughout this time period, as Goldcorp is a member of BSR.

Report Content
This report is generally organized around seven priority issue areas from the 2010 HRA, with the addition of a section on Overall Mine Closure. We have taken liberties with the order and classification of the recommendations and have, in some cases, combined similar recommendations for ease of reporting on company actions taken. Additionally, in some cases, we have paraphrased Goldcorp commitments for ease of reading. Both the 2010 HRA and the Goldcorp commitments can be found online in their original form.12

For a complete list of the original recommendations, if and where they are addressed in this assessment, see Appendix III.

In each of the main chapters of the report we include:

» Overview – In this section, we provide an overview of the issue and relevant sub-topics, and introduce how the issue is addressed generally and in mine closure.

» HRA Recommendations and Commitment Completion Status – In this section, we provide the original 2010 HRA recommendation (directly quoted from that report) and the Goldcorp commitment (paraphrased), the BSR findings, and our analysis.

» Recommendations – In this section, we provide any recommendations for the company to implement in the future.

It should be noted that throughout the report we refer to Goldcorp, Montana, and Marlin Mine. When we refer to Goldcorp, we are referring to the global, corporate entity of which Montana is a subsidiary. We distinguish between Goldcorp and Montana because there are some instances in which we need to delineate between company-wide practices and practices that are specific to Montana. When we refer to Montana, we are referring to the corporate entity that operates in Guatemala and manages the Marlin Mine. When we refer to Marlin, we are referring to the mine site, specifically.

Chapter 1: Mine Closure

Overview
Marlin Mine was the first commercial mine in Guatemala and will be the first mine in the country to go through a formal closure process. While Guatemala’s Mining Law does not currently regulate mine closure, Montana must fulfill a number of legal requirements for closure that are enshrined in environmental laws and existing agreements the company has made with the Ministerio de Energia y Minas (Ministry of Energy and Mines [MEM]) and Ministerio de Ambiente y Recursos Naturales (Ministry of Environment and Natural Resources [MARN]). In Guatemala, some minimal closure requirements are incorporated into the environmental impact assessment (EIA) process for mine approval. The Marlin Mine EIA was approved by MARN in 2003.

Local and international stakeholders and media have expressed concern over the lack of an overarching legal framework governing mine closure. For example, in February 2017, the director of Rafael Landivar University’s Institute for Research and Protection of the Environment and Society was interviewed by Prensa Libre regarding the Marlin Mine closure. The director expressed concern that the Guatemalan Mining Law currently contains no provisions to regulate the mine closure process.\(^{13}\)

In addition, the 2015/2016 United Nations Development Program (UNDP) National Human Development Report on Guatemala highlights the conflict and mistrust that arises when insufficient legal protections are provided by government. It adds that citizens have already expressed a lack of trust in the accuracy of technical studies issued by government and private enterprise.\(^{14}\)

The lack of legislation governing mine closure has created a complicated landscape for all actors. Montana has stated that it has worked closely with the Government of Guatemala, specifically MEM and MARN, in the development of its closure plan.

In 2016, Montana’s environment team met with MEM and MARN to decide on a timeline for how often it would present closure updates. In interviews with Montana employees, the employees remarked that they want the government to be involved in the closure process because it will allow the government to better inform citizens about the process. In addition, a stated objective of Montana’s is that government involvement in the closure process will help build institutional capacity for future mine closures. Members of Guatemala’s Congress have been involved in the closure process and have contributed to requests for additional information.

Montana submitted an updated closure plan for the government’s consideration on March 16, 2017.\(^{15}\) Subsequently, the government asked Marlin for extensive additional information on the closure process. Montana stated that it will provide the government with this information, due in August 2017. According to interviews, the requests pertain to information that Montana has already been collecting and monitoring and merely needs to be

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\(^{13}\) Prensa Libre, 22 de febrero de 2017.

\(^{14}\) UNDP, 2016.

summarized and presented to the government. For example, the government request includes a social closure plan that explains the security mechanisms that will be in place at the site during closure and the health and safety plan for employees who will be active on site during closure, as well as assurance of ongoing training for employees responsible for the closure process. On the technical side, the government requested additional information on waste and water-management processes.

**Mine Closure at Goldcorp**

In 2015, Goldcorp established a corporate-level Reclamation and Closure Unit led by a vice president of reclamation and closure. This team is responsible for managing all closed sites and for supporting mines in their closure planning process. According to Goldcorp’s 2016 Sustainability Report, the company has closed, or is closing, 35 sites to date in Canada, the United States, Mexico, Guatemala, and Honduras. Goldcorp’s company-wide Sustainability Excellence Management System (SEMS) requires all sites to document their closure plans and specifies requirements for environmental and social closure activities. SEMS is a set of frameworks and standards for sustainability management that is built on international standards and best practices in mining, such as the performance standards set forth by the International Finance Corporation (IFC) and the International Council on Mining and Metals (ICMM).

Goldcorp’s 2016 Sustainability Report states that all sites review and update (as required) their closure plans annually. The report also states that it encourages stakeholder consultation as early as possible in the closure process, especially where land use involves community input and where proposed post-mining land use differs from the way land was used before mine development began.

**MARLIN’S CLOSURE PROCESS**

Production at Marlin Mine ended May 31, 2017. Mine closure was originally planned for December 2016; however, in December 2016, the company decided to extend the mine’s life until March 2017 because it found that remaining minerals made it economically viable to keep the mine running. In February 2017, a decision was made to again extend the life of the mine until May 31, 2017, for the same reasons.

Marlin Mine underwent progressive reclamation efforts throughout the mine’s life cycle. Beginning in 2012, the mine started backfilling the open pit with a mixture of dry tailings, cement, and rock. The backfilling was completed in 2015, and in 2016 the company began to cover the pit wall; the process is expected to be finished by the end of this year. The tailings dam will be completely filled by June 2017 and dried and reclaimed by the end of 2019.

Mine closure efforts were ramped up in 2015 when a large, cross-functional team of Goldcorp and Montana employees met at Marlin Mine to work specifically on the social closure process. A closure steering committee was formed at this meeting, and teams were set up within the committee to manage specific aspects of social closure, including external communications, internal communications, corporate governance, and legal matters.

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16 A 2017 *Prensa Libre* article called “MEM requiere ampliación del plan de cierre de Mina Marlin” indicates that Montana was a day late providing an update to the government’s most recent request for information. While this does not necessarily contradict Montana’s claims that it is happy to work with the government, it does speak to the level of scrutiny the company is under by both government and media.

17 Goldcorp 2016 Sustainability Report DRAFT.

18 Ibid.

The steering committee is also responsible for aligning the mine’s social closure plan with the technical (environmental) closure plan.

Montana’s government affairs staff stated that the company will address any pending legal issues before exiting the country. However, staff noted that only one claim has been placed, for which Montana has not been officially notified; they believe it lacks the basic elements required to be considered an appropriate claim by the district attorney.\(^{20}\) A 2017 Mining Press article does allege that there is a water pollution case against the company in court.\(^{21}\)

Montana’s government affairs staff told BSR that there is a five-year statute of limitations on most legal cases in Guatemala. Therefore, following closure, there will be a limited time period in which stakeholders could file legal cases against the company.

**HRA Recommendation and Commitment Completion Status**

**1.1 REVIEW MINE CLOSURE TIME FRAME AND COSTS**

**2010 HRA Recommendation:** “Conduct an internal review of post-closure management plans incorporating international good practice.”\(^{22}\)

**Goldcorp Commitment:** In 2010, Goldcorp stated that Montana regularly reviews and updates the closure plan for the Marlin Mine. It also committed to undertake a full review of the closure plan and its associated costs every three years.

**BSR Findings:** Marlin Mine closure plans were changed and updated as the company’s understanding of the environment and operation evolved during the mine’s life cycle. The closure team at Montana told BSR that it updated Marlin’s technical closure plan in 2009, 2012, and 2014. In 2012, Marlin began updating its plans annually, rather than every three years. The most recent technical closure plan was prepared in February 2017, and an additional update to this plan is scheduled for June 2017.

Each rendition of the closure plan includes clear, detailed timelines for the closure process, such as when the processing plant is to be cleaned and when it will be dismantled. The closure plans also include timelines on rehabilitation activities and projected dates of completion.

**BSR Analysis:** BSR considers this commitment fulfilled. There is evidence that Montana regularly reviewed its closure planning at least every three years until 2012, when it began annually updating its closure plan. As of 2017, the company was updating its closure plan multiple times a year. While no explicit mention was made of incorporating international good practice into the closure plans, Goldcorp’s SEMS program, which includes guidelines for mine closure, is based on internationally accepted best practices.

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\(^{20}\) The case is being filed by an anti-mining NGO, Asociación Pluriculturalidad Juridica de Guatemala (Plurijur).

\(^{21}\) Mining Press, 22 de febrero de 2017.

1.2 PROVIDE ADEQUATE FINANCIAL ASSURANCE FOR UNANTICIPATED CLOSURE

2010 HRA Recommendation: “Post a bond to adequately cover closure cost or provide other mechanisms of financial assurance for the full cost of closure.”

Goldcorp Commitment: In 2010, Montana committed to pay the costs of closing the Marlin Mine. It also committed to implementing (with MEM) other mechanisms to provide financial assurance to the Government of Guatemala sufficient to cover the full, estimated cost of closure. In addition, Goldcorp stated that the amount of financial assurance would be reviewed with MEM on a regular basis and whenever changes in mine operations would be expected to have a significant effect on the estimated cost of closure.

BSR Findings: Goldcorp has approved a budget of US$75 million for the closure of Marlin. This does not include severance payments or post-closure monitoring. Goldcorp estimated that severance costs will total US$18 million. As of May 31, 2017, Goldcorp had already paid US$13 million in severance costs as headcount dropped from 1,000 to 336. (It will fall to 121 by the end of 2017.) Goldcorp estimates that additional post-closure costs such as monitoring will amount to US$11 million; post-closure monitoring costs will be precisely defined in the company’s 2019 budgeting process as the closure phase concludes.

In June 2010, following the release of the HRA, Montana posted a US$1 million surety bond with the Government of Guatemala, which was criticized by local and international stakeholders as being insufficient. In 2012, Montana submitted another compliance bond to MARN that was worth approximately US$30 million. The bond will be released once all of Montana’s closure obligations are met.

BSR Analysis: BSR considers this commitment fulfilled. Goldcorp has set aside funds for Marlin’s closure and has also provided additional financial assurance for closure in the form of a bond. All of its financial commitments have been disclosed to the public, fulfilling transparency commitments. Further, Montana responded to stakeholder concerns and significantly increased the amount of the initial bond.

Mine Closure Recommendations

» To proactively address stakeholder concerns, Goldcorp and Montana should post updates and timelines for the closure process on their respective websites. Up-to-date information on mine closure at Marlin Mine is notably absent from both websites. Additionally, Montana should consider uploading environmental-monitoring data concerning closure to its Goldcorp Guatemala (Montana) or corporate website regularly through the closure process. Given that the DDS team will shrink in the coming years, and will therefore have less interactions with the communities, this would be an important way for the company to proactively inform stakeholders about the closure process.

» The company should continue to regularly work with the government on the closure process and help the government build capacity for future mine closures, ideally by promoting the implementation of guidelines and regulations on mine closure.

24 Goldcorp 2016 Annual Report DRAFT.
25 Goldcorp corporate website, Marlin – Health, Safety & Environment.
Chapter 2: Consultation

Overview
Obtaining a social license to operate is crucial for any mining or large-scale infrastructure project. In the context of the mining sector, BSR considers a social license to operate as the result of securing consent from impacted stakeholders to develop and operate the mine. Without stakeholder consent, mining projects can experience protests and blockades that can affect the reputation of a company and sometimes delay construction or production, which adds significant operational costs. International best practice includes the implementation of free, prior, and informed consent (FPIC) of stakeholders, often obtained through consultation, although the remit and interpretation of FPIC commitments remains complex and contested. The international human rights community argues that FPIC is critical, due to the historic imbalances and inequities that indigenous communities have faced, especially in Guatemala. Depending on the jurisdiction, FPIC may be enshrined in national laws or through the country’s ratification of the International Labor Organization’s convention 169 (ILO 169) on indigenous and tribal peoples.

Guatemala ratified ILO 169 in 1996, and therefore the government has an obligation to ensure that consultation in the country is in alignment with the principles of FPIC. However, the government has not provided a regulation with clear guidance on the implementation of ILO 169, and the country’s Mining Law is not in alignment with ILO 169. This issue has been a significant point of controversy for many years, especially as more hydroelectric projects begin to be proposed across Guatemala. Adding to the political tension is that natural resource rights sit with the central government, not with the departmental or municipal governments that are often more directly impacted by these projects.

One of the findings of the 2010 HRA was that Montana had not adequately involved the government in its consultation efforts and that consequently, there had been no independent oversight in the consultation process. In BSR interviews, Montana stated that one of the major problems was that the central government has historically lacked a strong presence in the department of San Marcos, contributing to the area’s poor socioeconomic situation and fostering mistrust of the central government by local and indigenous communities.

In addition to ILO 169, the 2010 HRA also stressed the importance of ongoing consultation and the disclosure of information to ensure the transparency and accountability of the operations, as well as to provide a foundation for genuine dialogue.

GOLDCORP’S APPROACH TO CONSULTATION
Goldcorp has a company-wide Corporate Social Responsibility policy that commits to “develop meaningful and effective strategies for engaging with all stakeholders” and to “consult with local communities to identify effective and culturally appropriate development goals.”

Goldcorp’s company-wide Human Rights Policy commits to respecting the rights and perspectives of indigenous people in accordance with ILO 169 and ICMM’s Position Statement on Indigenous Peoples and Mining. The

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26 Goldcorp Corporate Social Responsibility Policy.
ICMM position statement explicitly commits to the principle of FPIC, and Goldcorp follows this definition.\textsuperscript{27} Furthermore, Goldcorp’s Human Rights Policy commits to adopting and applying engagement and consultation processes “that ensure meaningful participation of indigenous communities in decision making and planning processes.”\textsuperscript{28}

In addition, Goldcorp’s 2016 Sustainability Report states: “Key components of our stakeholder engagement process are: relevant, accessible, culturally appropriate and timely information; safe channels for stakeholders to express their views; and mechanisms for incorporating relevant feedback into our decision-making processes.”\textsuperscript{29}

**MARLIN’S APPROACH TO COMMUNITY CONSULTATION**

Montana does not have site-specific Corporate Social Responsibility or Human Rights policies. Rather, all Goldcorp sites must abide by overall corporate policies.

Goldcorp’s 2016 Sustainability Report highlights that the Marlin Mine has worked extensively with the Consejos Comunitarios de Desarrollo (Community Development Councils [COCODE]) in Guatemala. A COCODE is a community organization of elected leaders that can be formed in any permanent community within a known territory that has a population of at least 250 people. COCODEs are responsible for promoting the community’s socioeconomic development, identifying priorities and needs, managing the community’s finances and resources, and acting as the liaison between the community and the local municipal government.

COCODEs are enshrined in Guatemala’s Ley de Consejos de Desarrollo Urbano y Rural (Urban and Rural Development Councils Law [2002]). The law states that it is intended to promote democratic, participatory processes, and equal opportunity for the Mayan, Xinca, and Garifuna, as well as non-indigenous populations, by giving communities a voice and establishing formal mechanisms by which they can interact with other institutions and levels of government. Through this system, COCODEs are responsible for promoting, facilitating, and supporting community participation and coordinating relationships among community members and public and private institutions. The law also protects the right of the COCODEs to be respected and engaged by other levels of government.

Montana employees stated that the company adheres to the framework of the Ley de Consejos de Desarrollo Urbano y Rural by working with and through the COCODEs. Any community investment projects the company undertakes are proposed via, and decided by, the COCODEs, which must document community consent for a project in their acta comunitaria (community minutes). Montana told BSR that it always requests to see the acta comunitaria before proceeding with any social investment project to ensure that the proper community decision-making process have taken place. According to Montana staff, the company consistently works through the COCODEs and the framework set out in the Ley de Consejos de Desarrollo Urbano y Rural.

While COCODEs are relied on for decision-making processes in neighboring communities, the majority of community visits carried out by Montana’s Departamento de Desarrollo Sostenible (Sustainable Development

\textsuperscript{27} The ICMM does not necessarily require full consent for project approval, but rather focuses on a process and outcome in which indigenous peoples are “(i) able to freely make decisions without coercion, intimidation or manipulation; (ii) given sufficient time to be involved in project decision making before key decisions are made and impacts occur; and (iii) fully informed about the project and its potential impacts and benefits.”

\textsuperscript{28} Goldcorp Human Rights Policy v2.

\textsuperscript{29} Goldcorp 2016 Sustainability Report DRAFT.
Department (DDS) team are information-sharing meetings, which include question-and-answer sessions and are directed at all community members, not just COCODE representatives. Moreover, Montana informed BSR that it has an “open door” policy whereby any local community member is welcome to visit and tour the Marlin Mine. According to Montana’s DDS 2015 report, 34 different groups visited the mine in 2015, including community authorities, university students, government organizations, and non-governmental organizations.30

HRA Recommendation and Commitment Completion Status

2.1 ENSURE EFFECTIVE GOVERNMENT INVOLVEMENT

2010 HRA Recommendation: “While respecting the appropriate role of companies in interacting with governments, encourage the Guatemalan government to implement an appropriate framework for consultation with indigenous peoples under ILO 169.”31

Goldcorp Commitment: In June 2010, Goldcorp committed to working with the government, as appropriate, to assure that indigenous peoples are consulted with respect to operations. In April 2011, the company stated that, “Goldcorp and Montana actively support the Government of Guatemala’s adoption and implementation of legislation or administrative rules that establish clear, transparent, and inclusive procedures to eliminate ambiguity with respect to consultation and ILO 169.”

BSR Findings: Montana’s Legal and Government Relations departments informed BSR that the company has been actively promoting the government’s adoption and implementation of rules and regulations around ILO 169 through its participation in the Camara de Industría (Guatemalan Chamber of Commerce). Montana is a member of the Gremial de Industrias Extractivas (Extractive Industry Trade Union), which sits in the Camara de Industria. Through the Camara de Industria, Montana has helped to facilitate forums for government officials to learn about consultation on ILO 169.

In interviews, Montana stated that it was part of a group of companies in the Camara de Industria that drafted a proposal32 for a government regulation aligned with ILO 169, which was submitted to the Ministry of Labor in 2014. Although this mechanism has not become law or regulation, Montana reported to BSR that all of the companies involved in the drafting of the proposal are now adhering to the recommendations in their internal practices.

As of May 2017, budget had not been approved for participation in the industry associations beyond 2017, but Montana staff reported that they thought it likely that participation would continue through 2018.

BSR Analysis: This commitment is considered fulfilled, as Montana has demonstrated a clear and longstanding commitment to working within appropriate, existing institutions to promote the government’s adoption of clear guidance and regulations aligned with ILO 169. While there still has not been a concrete outcome on the side of

32 Propuesta reglamentación CAE-CACIF Consulta PPII C 169 OIT (Sep 2014). BSR was informed of this proposal in interviews in 2015. BSR, however, has not seen this proposal and cannot vouch for its content.
the government, the company has acted and continues to act within appropriate frameworks to promote the implementation of ILO 169 in the country, and it has committed to implementing FPIC in its operations.

2.2 REVISE PLANS AND PROCEDURES FOR CONSULTATION AND INFORMATION DISCLOSURE

2010 HRA Recommendation: “Develop a new public consultation approach, with particular focus on increased information disclosure and formalized feedback processes. Involve affected communities and their representatives in review/redesign of ongoing consultation and information disclosure mechanisms. Ensure compliance with the requirements of Guatemalan access to information legislation. Include objectives and performance indicators that are measurable.”

Goldcorp Commitment: In 2010, Montana committed to revise its stakeholder dialogue processes to reflect the distinction between information sharing and stakeholder dialogue. Goldcorp also committed to have each of its operations collect and report information regarding stakeholder engagement based on the classification between dialogue and information sharing and to ensure clarity and scope of engagement with each stakeholder.

BSR Findings: At the beginning of each year, Montana’s DDS employees create a communication plan based on their experiences from the previous year and goals to guide future community engagement efforts. While the plans indicate the topics and areas to be covered in community meetings, they do not specify whether and how many community meetings will be dedicated to dialogue, versus information sharing. According to the DDS staff, that delineation is not made because every community visit includes an opportunity for the community to ask questions and to provide feedback. Generally speaking, however, community assembly meetings with COCODEs were reported as being more focused on two-way dialogue than meetings with general community members, which were reported as being mostly dedicated to information-sharing.

The DDS employees track their annual community visits and the feedback obtained at each visit, but there is no evidence that the company classifies the type of community visit in its tracking process. See Appendix V, Exhibit C for details on the number of visits.

BSR Analysis: BSR considers this commitment partially fulfilled. The company committed to delineate between information sharing and stakeholder dialogue in engagement processes and to document this delineation. However, the separation of the two activities has not occurred to date. However, BSR is confident that Montana’s stakeholder dialogue process has evolved since 2010. Montana employees state that information sharing and dialogue are conducted in tandem at stakeholder meetings; this may well be an optimal approach, given the nature of the operation or the local context. This approach, however, does not fully align with the commitment made by the company.

2.3 EXPAND CONSULTATION EFFORTS ABOUT OPERATIONAL ISSUES

2010 HRA Recommendation: “Effective consultation is required about land acquisition; environmental performance, including closure and post-closure issues; social investment; and security issues. … Consult with

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communities about closure and ensure substantial and sustainable funding, depending on the communities’ interests, capabilities, and long-term commitments.”

**Goldcorp Commitment:** In 2010, Montana committed to engaging with the public on all aspects of the closure plan that could affect local communities. Also in 2010, Montana committed to include closure planning in its ongoing stakeholder dialogue process, and to integrate public consultation into the closure plan. Goldcorp and Montana agree that effective consultation is required about land acquisition, environmental performance (including closure and post-closure issues), social investment, and security issues and they commit to include these issues on the agenda for multi-stakeholder dialogue.

**BSR Findings:** According to a presentation that Montana’s Government Affairs and Legal department delivered to MEM, MARN, and the President of Guatemala in April 2017, the communities around Marlin Mine have been informed about the mine’s closure, starting in 2013. Montana’s 2016 Social Closure plan also stated that community visits were made to the Marlin Mine twice a week to learn about the closure process. For a list of community visits, see Appendix V.

In interviews with Montana staff, they disclosed that the DDS, Communications, and Environment teams have worked closely on the community communications strategy for closure, as many of the closure topics are technical (for example, refilling the open pit or the underground facilities). Together, the teams developed presentations that focus on graphic representations of the closure process and show images of the refilled open pit and other rehabilitated areas around the mine site. The presentations also include a description and map detailing the land transfer process, which is described in more detail in Chapter 5: Land Acquisition.

In addition to community presentations on closure, Montana has discussed closure in its monthly company magazine, *El Ingeniero* (The Engineer), which is distributed to employees, many of whom live in neighboring communities, and to community members during community meetings. The April 2017 edition of the magazine contained a two-page article on rehabilitation of the open pit and tailings dam, including photos. The magazine is published only in Spanish.

A report summarizing Montana’s community engagement efforts related to closure was completed by Consultoria y Tecnología Ambiental, S.A. in November 2016. The report discloses the number visits DDS made to the communities. The report found that the predominant sentiment at these meetings was recognition of the mine for the jobs and investments it has provided over the years. However, the report did mention that community members expressed concerns related to the environmental and social impacts of closure. Specifically, community members expressed concerns about the closure of the underground tunnel, water quality, the social effects of job cuts, and the process for land donations. An additional major issue of concern was what would happen to línea 69, an electric transmission line the company constructed to power the Marlin Mine and that runs through local communities (discussed further in section 2.6).

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34 Ibid.


36 *El Ingeniero,* “Apuesta por el Ambiente,” April 17, 2017.

The DDS’s 2016 Informe Anual (Annual Report)\(^{38}\) states that additional closure-related concerns were raised during community meetings and outreach in 2016 pertaining to: environmental monitoring during closure, especially the tailings dam; who would be responsible for the Montana property during closure and post-closure; the continuity of the scholarship program during closure; requests for additional land acquisition; and communities along the línea 69 transmission line (discussed under section 2.6) requesting that they continue receiving company support until the electric line is dismantled.

Montana’s DDS team stated that closure has long been a topic of discussion at community meetings; while community presentations included information on the technical and environmental aspects of closure, there is no evidence that the company proactively addressed the social impacts of closure with communities, other than through question-and-answer periods.

For a list of community visits related to closure, see Appendix V, Exhibit C.

**BSR Analysis:** BSR considers this commitment partially fulfilled. There is evidence that Montana has been engaging with communities around closure since 2013. There is also evidence that the company has been tracking and noting the community’s concerns around closure. Further, the company’s 2016 Social Closure Plan and other closure-planning documents clearly include community outreach as part of the closure process. However, the integration of results from public consultation into the closure plan appears to have occurred on an ad hoc basis, rather than on a systematic basis.

### 2.4 FULLY DISCLOSE AND CONSULT ON PROJECTS

**2010 HRA Recommendation:** “Montana should fully disclose documents related to past and current projects, including the full ESIA for the Marlin Mine which is not currently available on the Internet, and proposed project descriptions and ESIs of planned mine activities, including La Hamaca, the West Vero expansion, and the potential second tailings facility.”\(^{39}\)

**Goldcorp Commitment:** In 2010, Montana committed to posting the complete ESIA for the Marlin Mine and other ESIs that have been submitted to the government (e.g., La Hamaca) on the internet before July 31, 2010. Goldcorp agreed to immediately initiate the work necessary to make its principal website, www.goldcorp.com, available in English, French, and Spanish. In 2011, Montana and Goldcorp committed to continue to disclose relevant project documents on their respective websites whenever they become available.

**BSR Findings:** On the Goldcorp website, no mention is made that the Marlin Mine is in closure; rather, the website states that “the company is already planning for its eventual closure.”\(^{40}\) The website notes that the Marlin Closure Plan for the open pit and waste-rock storage facility was approved by MARN in October 2012, and a link is provided to the Executive Summary.\(^{41}\)

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\(^{40}\) Ibid.

\(^{41}\) Company document: Environmental Impact Assessment Study, Marlin I Dump and Pit Closure Plan, Executive Summary, February 2012.
The ESIA for the Marlin Mine is available on the Montana website, however, additional project ESIs for La Hamaca and others do not appear to be included. The Montana website does have a page on its research of land use post-closure.

The Goldcorp website is available in English, French, and Spanish, and the Montana website is available only in Spanish.

**BSR Analysis:** BSR considers this commitment to be partially fulfilled. The commitment to include the Goldcorp website in multiple languages is fulfilled, and the ESIA is on the Montana website. Absent from the Goldcorp and Montana websites is up-to-date information on the mine closure.

### 2.5 IMPROVE RECORD-KEEPING AND DOCUMENTATION-TRACKING SYSTEMS

**2010 HRA Recommendation:** “Implement procedures to carefully document all interactions with community members and other stakeholders, ensuring that all concerns are recorded and information is provided back to stakeholders in transparent and predictable ways, on actions taken to address these concerns.”

**Goldcorp Commitment:** In 2010, Goldcorp committed to develop corporate practices for documenting and tracking its sustainable development efforts, including interactions with community members and other stakeholders.

**BSR Findings:** Montana’s DDS team tracks its community visits and summarizes the issues and comments from community participants at each meeting. After each community meeting, a report is generated summarizing the meeting; at the end of each year, the number of meetings and an overview of the issues discussed at meetings are compiled in the team’s annual report.

It is important to mention that one issue with record keeping has been resistance from community members to signing their names on attendance lists that the company passes around at community meetings. In these cases, the company will note the number of people in attendance, but not the names of the unwilling parties.

In addition to the field reports from each community meeting, Montana also has informal and formal grievance mechanisms available to community members. All grievances fielded through these systems are tracked. BSR’s assessment of Montana’s grievance mechanisms is discussed in detail in Chapter 8: Access to Remedy.

Aside from tracking community visits and grievances, DDS also has documentation related to community investment projects with the COCODEs. For additional details, see Chapter 6: Economic and Social Investment.

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43 Goldcorp Guatemala website, Investigación de Usos de Tierra Post Cierre.
BSR Analysis: BSR considers this commitment fulfilled. Goldcorp regularly tracks and documents its stakeholder-outreach efforts and the feedback it receives during those efforts. The company also has documents and tracking systems for its community investment projects and its grievance system.

2.6 ENSURE ONGOING REVIEW OF CONSULTATION AND INFORMATION DISCLOSURE PRACTICES

2010 HRA Recommendation: “Undertake periodic reviews and ensure feedback from project-affected communities and stakeholders is incorporated into revised policies, procedures, and practices.”

Goldcorp Commitment: In 2010, Goldcorp and Montana committed to undertaking periodic reviews of information-disclosure and stakeholder-dialogue policies, procedures, and practices and to ensure that feedback from communities near the companies’ mines and stakeholders is considered in revising those policies, procedures, and practices.

BSR Findings: The main way that Goldcorp integrates community and stakeholder feedback is through its commitment to work with the COCODEs and to respect their decision-making processes around how to prioritize community investment projects.

The company’s communications team also conducts annual opinion surveys with local communities to better understand community perceptions about the mine and its operations. Examples of survey questions include: “What do you think of the Marlin Mine?”; “Do you think Marlin has brought development to the area?”; and “What do you think of the information that Marlin Mine shares?” The communications team conducted these surveys regularly from 2010 to 2015. However, it is unclear how the team systematically used this information to inform or change its policies, procedures, and practices.

One clear example of the company incorporating community feedback into its policies and procedures relates to closure. In 2017, Montana began consulting with local communities about what to do with línea 69, the electric transmission line that supplies energy to the Marlin Mine. The line runs from the municipality of Tejutla to the mine, passing through 15 communities: seven in Tejutla, two in Comitancillo, and six in San Miguel Ixtahuacán. The line’s construction faced community resistance because it had to pass through community lands and did not provide power to local households. To gain right of way to the community lands, the company made significant investment agreements with households affected by the line to provide them with housing upgrades. To decide what to do with the line after closure, the company undertook a survey in affected communities in March and April 2017. The surveys asked community members if they would like the line to remain intact, and if they foresaw any long-term benefit to its presence. Sixty one percent of the respondents said they favored having the line removed. Montana staff told BSR that it will comply with the communities’ decision, but as of May 2017, Montana had not yet delivered the results of the survey to the communities. The DDS employees told BSR that the company plans to remove the line; however, Montana’s government-affairs and corporate staff members indicated that they are still exploring other options, perhaps in conjunction with the government, for a takeover of the transmission line to provide electricity to the local population. BSR understands that a final decision on línea 69 has yet to be made.

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47 Company document: Informe de Actividades durante el censo en cuanto a el desmantelamiento de la línea 69, realizado en los meses de marzo y abril del año 2017.
In addition to the línea 69 example, the closure team also indicated to BSR that the decision to fill the open pit and prioritize the filling of the underground workings was in part driven by community concerns over those two issues.

**BSR Analysis:** This commitment is considered partially fulfilled. BSR has not found evidence of Montana systematically using stakeholder feedback to revise or review its policies and procedures; however, the company has incorporated community feedback into its practices on an ad hoc basis. For example, while the survey around línea 69 represents an attempt to incorporate stakeholder feedback, it appears that stakeholder consultation may have been premature and not sufficiently communicated regarding all avenues under consideration by the company, such as the possibility of a new agreement with the government to make use of the line. This may create the expectation that the company is committed to responding to stakeholder input, which, in turn, poses reputational risks should it not respond in accordance with survey results.

### 2.7 PROVIDE TRAINING ON ILO 169 AND INDIGENOUS PEOPLES’ RIGHTS

**2010 HRA Recommendation:** “Further training is required for Montana’s management and relevant staff on these issues, with a focus on the importance of consultation to respect indigenous people’s rights under ILO 169.”

**Goldcorp Commitment:** In 2010, Goldcorp committed to provide company-wide training on human rights, with a specific focus on indigenous peoples and the commitments outlined in ILO 169.

**BSR Findings:** All Montana staff receive human rights training, which focuses on broad human rights concepts that include the Voluntary Principles on Security and Human Rights, indigenous rights, and consultation. The training, which is based on the company’s Human Rights Policy, underlines the company’s approach to indigenous rights as outlined in the policy. The training states that Goldcorp respects the rights, interests, perspectives, and traditions of indigenous peoples in accordance with the ICMM Position Statement on Indigenous Peoples and Mining and ILO 169. The training does not, however, provide more detailed guidance on the company’s approach to indigenous rights than what is outlined in the Human Rights Policy. The training is mandatory for management staff and was last given in 2016.

Goldcorp’s 2016 Sustainability Report states that 86 percent of employees in the company’s Latin America region (with computer access) completed the online human rights training in 2016 and that 88 percent of worldwide employees with computer access completed the training. In communication with BSR, Goldcorp shared that 99 percent of employees with access to computers (256 employees) completed the company’s online human rights training in 2016. Goldcorp added that some sites conduct additional, ad hoc human rights training during meetings or huddles before shifts and that such training is not tracked.

In addition, Montana informed BSR that specific training on ILO 169 was provided in 2009 and 2010, but the details of this training were not shared.

**BSR Analysis:** BSR considers this commitment fulfilled, based on Goldcorp’s assurance that indigenous rights and ILO 169 are components of the general human rights training. However, BSR was unable to establish

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49 Company document: Email to BSR from Goldcorp, June 2, 2017.
whether this training provides the level of depth and detail necessary to help mine management implement ILO 169.

**Consultation Recommendations**

» Given Montana’s role in promoting ILO 169 in the Camara de Industria, the company should consider remaining a member of the industry association at least until the end of the initial closure phase (2019). While the company’s leverage with the government is reduced, now that it is not paying significant royalties, Montana has been a key part of the multistakeholder dialogues on ILO 169, and its continued involvement could have a positive impact on the process, whereas its absence could be negatively interpreted or hinder the process.

» Montana’s DDS staff should continue to visit and regularly engage communities during the closure process to answer any questions or concerns that may arise during the dismantling- and closure-monitoring phases.

» Montana should deliver the survey results regarding línea 69 to communities in a timely manner and then work with communities to undertake their chosen approach. The dismantling of the electric transmission line should not interfere with the communities’ agricultural activities or negatively affect their daily activities.

» Goldcorp should continue its commitment to training on ILO 169 to ensure that community relations staff at Goldcorp mining sites elsewhere that are located near indigenous peoples have regular training on ILO 169, equipping them with the skills to implement consultation programs in line with international best practices.
Chapter 3: Environment

Overview
With any mining project, concerns over environmental degradation tend to be a top priority for stakeholders. Marlin Mine has been no exception. It has faced intense stakeholder scrutiny over its environmental performance, largely due to the mine’s proximity to local communities that are primarily engaged in subsistence agriculture and depend on land and water for their livelihoods.

It is not within the scope of this project, or BSR’s area of expertise, to assess the technical rigor of Goldcorp’s environmental-closure process. However, this section will provide an overview of some of the key environmental aspects of Marlin’s closure from a human rights perspective. In addition, BSR has assessed Goldcorp’s progress on the commitments it made in response to the 2010 HRA.

ENVIRONMENTAL MONITORING
Environmental monitoring takes place regularly at and around the Marlin Mine site. Overall, monitoring is conducted by Montana’s environmental team, which submits quarterly monitoring reports to the MARN. Additional water monitoring is conducted by a community-based environmental monitoring group, Asociación de Monitoreo Ambiental Comunitaria (Association of Community Environmental Monitoring [AMAC]), and Ministerio de Energía y Minas (Ministry of Energy and Mines [MEM]).

AMAC was established by Montana and neighboring communities in 2005 in response to community concerns over water quality. It is registered as a community-based organization and is funded by Montana through Fundación para la Superación de la Ingeniería (Foundation for the Improvement of Engineering [FUNSIN]), which is associated with the Guatemalan engineering school, Colegio de Ingenieros de Guatemala. Montana chose to channel AMAC funding through FUNSIN in an effort to make AMAC autonomous.

Although Montana, via FUNSIN, is AMAC’s primary source of funding, it is important to note that Montana requires only 24 hours’ notice from AMAC prior to its environmental monitoring visits, and that AMAC has the ability to choose which sites it monitors. Both of these factors preserve some level of independence for AMAC. AMAC regularly presents the results of its monitoring, which is done five to six times a year, to local communities, municipal governments, and MARN and MEM. In 2016, AMAC also met with the Procurador de los Derechos Humanos (Attorney for Human Rights [PDH]) to share the results of its 2015 annual study.50 According to Montana, the company does not typically accompany AMAC on community or government visits to present its monitoring results unless its presence is requested. This approach is taken by Montana to support the independence of AMAC.

The MEM monitors the waterways around Marlin with the same frequency that AMAC does. Montana also provides MEM with funding so it can send its water samples to an independent laboratory in the United States. Water samples from MEM, Marlin, and AMAC are sent to different labs, and the results are compared and analyzed several times a year.

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50 Company document: Asociación de Monitoreo Ambiental Comunitario AMAC, Municipios de Sipacapa y San Miguel Ixtahuacán del departamento de San Marcos, Memoria de Labores 2016, Informe de Monitoreo de Agua.
ENVIRONMENTAL MONITORING DURING CLOSURE AND POST-CLOSURE

Montana plans to monitor the Marlin Mine site through 2026, post-closure, and will continue to submit quarterly environmental reports to MARN until that date. Provided that no unusual results are reported through the closure and post-closure monitoring process, the company does not anticipate monitoring beyond 2026.

In addition to the company's own monitoring, a representative from the MEM will be present at the mine site during closure, with plans to remain through post-closure (until 2026) to participate in the monitoring process and to communicate directly with the government about the results.\(^5\)

According to Montana employees, with closure looming, the 11 communities involved in AMAC requested that it expand its monitoring efforts. In 2014, AMAC thus began to expand its monitoring activities to include additional environmental aspects of closure, such as the productive projects and reforestation and rehabilitation efforts. For example, AMAC helped the company's Environmental department create a guide to flora and fauna in the region (discussed under “Biodiversity” below; also in the Overview section). AMAC is also involved in monitoring forest fires so that it can alert Montana if it needs to respond. In addition, AMAC has done some outreach with communities around the importance of protecting forest lands. Montana employees told BSR that the company supports AMAC's expanded monitoring role, given the community's acceptance and support of AMAC.

LAND RECLAMATION

The technical closure plan developed by Montana has gone through a number of iterations over the years. The current plan, according to the company, maximizes the reclamation and re-vegetation of the land to minimize the long-term impacts of mining operations on the landscape, people, and environment.

During interviews with BSR, Marlin staff stated that some of the biggest community concerns are related to the tailings pond and the open pit.

Regarding the tailings pond, the Montana environmental team noted that the only and best option was to leave the tailings pond and dam dry, due to its proximity to local communities and the area's susceptibility to earthquakes and hurricanes. Montana commissions an annual third-party safety audit of its tailings dam and according to the Montana environment team, it will continue to monitor the dam through closure and post-closure, even after it is completely dry. After draining the pond (which was underway during the BSR site visit), the area will be covered with waste rock and re-vegetated with plants and trees. Once this is completed, the area will be designated for animal grazing.

To address community concerns over the open pit, Montana redesigned the open pit area by backfilling, re-contouring, and re-vegetating the pit. This process is also designed to mitigate and prevent rock oxidation and acid mine drainage, an issue of great concern for water quality in the communities. Any waste rock with high sulphur content was encapsulated with neutralizing earth before being used to backfill the pit. At the time of the BSR visit, the open pit was filled and the walls were in the process of being stabilized and re-vegetated.

Other waste-rock dumps throughout the mine site have been and continue to be re-vegetated. One re-vegetated dump is now a cow pasture that is almost indistinguishable from the other steep hillsides around the mine.

The reclaimed open pit and tailings pond will be transferred to the Fundación Sierra Madre (Sierra Madre Foundation [FSM]), a foundation started by Montana that is dedicated to supporting the sustainable development of San Miguel Ixtahuacán and Sipacapa. The FSM will use the land for use in its productive projects (for an explanation of the productive projects, see section 6.6); these areas will, however, require monitoring during closure and post-closure. According to interviews, employees stated that Montana would carry out this monitoring.

WATERSHED AND FOREST MANAGEMENT

Forests have well-known effects on the health of local watersheds because tree roots and fallen leaves contribute to creating rich, porous soil that absorbs water and allows it to slowly infiltrate the groundwater table. In 2004, as a result of findings in Montana's environmental and social impact assessment, the company signed an agreement with the Instituto Nacional de Bosques (National Institute of Forests [INAB]) to ensure good water management and reforestation practices in the Marlin Mine area. The agreement stipulated that Montana would reforest 190 hectares of land. That phase was completed from 2004 to 2006. Beyond the initial 190 hectares, Montana has reforested over 400 additional hectares for a total of more than 600 hectares reforested.52

Prior to Montana’s presence in the area, communities were using the lands eventually purchased for the Marlin Mine for firewood gathering and livestock grazing. Wood-burning stoves are the most commonly used cooking method in all the surrounding communities, and wood is also used in building. During construction of the mine, Montana gave some firewood to former land owners from trees that had been cut down to clear space and to prepare the mine site. After that firewood ran out, Montana for a short time gave community members money to buy wood. However, according to the company, all the land sellers acquired new lands that, if managed properly, would include sufficient firewood for their needs. Therefore, BSR understands that the firewood-replacement program was short-term and that Montana has instead worked with the community on reforestation efforts to provide a sustainable source of firewood, rather than fostering dependency on the mine for firewood.

In a further effort to encourage the communities to protect the forests, INAB provided neighboring communities with financial incentives to encourage them to preserve the replanted forests. From 2004 to 2009, INAB distributed US$114,002.00 among 133 families in the municipalities of Sipacapa and San Miguel Ixtahuacán.53 To support community involvement in reforestation efforts, Montana has also given community members seedlings for reforestation efforts in the region.

Upon closure, some reforested lands will be donated back to the communities as communal land, and some will remain in the possession of FSM. During BSR’s 2017 site visit, Montana staff shared the concern that reforested lands to be donated face the risk of deforestation should communities choose to access them for firewood. This risk is also iterated in Montana’s 2016 Social Closure Plan, prepared by Soluciones Sostenibles de Guatemala.54

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53 Ibid.
Biodiversity

In 2007, Montana supported the creation of an employee-based workers’ association, Asociación Trabajadores Montana (ASOTRAMON), with an objective to benefit workers and enhance their well-being. This organization does not, however, negotiate on behalf of workers, nor does it represent workers’ concerns to management.

Montana reports having made progress in rehabilitating and reforesting the land surrounding the mine site since it began acquiring land and has noticed an influx of wild birds in the area. This observation has been corroborated by biologists, who confirm that there are now over 98 species of birds in the Marlin Mine area. The company’s environmental team has been populating an online bird registry site www.ebird.org with sightings of birds in the area. In addition, the environmental team published a comprehensive guide to the flora and fauna around the mine.

These efforts feed into one potential investment idea proposed for the mine site: turning the mine into a protected, or eco-tourism, area. As of May 2017, Montana representatives had held preliminary meetings with the Ministry of Tourism to propose the idea, as well as that of training community members to work as bird-watching tour guides.

ACCESS TO WATER

Arguably the biggest stakeholder concern throughout the existence of the Marlin Mine has been related to community access to water. On May 20, 2010, the Comisión Interamericana de Derechos Humanos (Inter-American Commission on Human Rights [CIDH]) requested that the government of Guatemala adopt precautionary measures, including the suspension of activities at the Marlin Mine, to “prevent irreparable harm to life, physical integrity of the environment of indigenous peoples in communities of San Miguel Ixtahuacán and Sipacapa,” due to alleged environmental contamination. After extensive review and follow-up studies, including a water census conducted by Consultoria y Tecnologia Ambiental in June 2011, as well as a public health study conducted by the Ministry of Health, the government issued a resolution on July 8, 2011, declaring that Marlin was in compliance with the law and that there was no basis for suspending operations. These findings were, in part, supported by the analysis of quarterly water samples collected by Goldcorp and, independently, by AMAC. On December 11, 2011, the CIDH lifted the request to suspend mining operations and instead requested that the state of Guatemala adopt necessary measures to ensure access to water that is potable for domestic and agricultural use for the 18 communities included in the precautionary measures.

In 2010, following the CIDH’s first set of precautionary measures, the government of Guatemala created the Mesa de Diálogo (Dialogue Roundtable) to establish a dialogue about mining among the federal government, local governments, COCODEs, and Montana.

In 2012, following years of multistakeholder engagement via the Mesa de Diálogo, Montana, the Instituto de Fomento Municipal Guatemala (Municipal Development Institute [INFOM]), the municipalities of Sipacapa and San Miguel Ixtahuacán, and the 18 communities signed a cooperation agreement on the precautionary measures. The water projects would provide each household in the community with a latrine, a water pipe, and a water meter. The agreement also stipulated that the INFOM would be responsible for project planning and for providing

55 Company document: Estudio Hidrogeológico Mina Marlin I, Consultoria y Tecnologia Ambiental (CTA), junio 2011.
technical teams to design the projects. The municipalities would be responsible for developing agreements with the communities for local sourcing of materials and labor.

In 2014, the cooperation agreement was revised to explicitly state that Montana would be responsible for seven of the 18 water projects in the surrounding communities (two in Sipacapa and five in San Miguel Ixtahuacán) and the state of Guatemala would be responsible for the remaining 11 projects. In 2015, following prolonged government inaction and community complaints, Goldcorp agreed to assume responsibility for an additional four community water projects, leaving the government with only seven. As of the writing of this report, the government had started only one of its designated water projects, whereas Goldcorp has completed six initial projects, one project was 98 percent complete as of May 2017, and the remaining four were in the feasibility stage.⁵⁶

In 2016, Montana withdrew from the Mesa de Diálogo. In a letter explaining its decision, Montana stated that it was withdrawing from the group because one of its members, COPREDEH, had submitted a proposal to expand the scope of the group’s work beyond its initial intent.⁵⁷ That intent was to address the precautionary measures instigated by CIDH in 2010. COPREDEH’s proposal surpassed that scope by suggesting a reparations process for human rights victims. Montana considered this a responsibility of the government that lay outside the Mesa de Diálogo’s mission. Nonetheless, Montana’s withdrawal letter clearly stated that the company remains committed to the full implementation of its 11 water projects.

HRA Recommendation and Commitment Completion Status

3.1 IMPROVE GOVERNMENT CAPACITY FOR WATER MONITORING

2010 HRA Recommendation: “Work with the government to establish an independent audit/monitoring function to provide reliable and credible information for regulators on issues related to water, including water quality measurements, flows, and a basin-wide monitoring of contamination sources. Consult in an ongoing way with communities about monitoring results. The recent agreement with MEM could provide a vehicle to accomplish this objective.”⁵⁸

Goldcorp Commitment: In 2010, Montana committed to continue independent monitoring efforts conducted by both MEM and AMAC. Montana also committed to continue to support AMAC’s efforts to conduct public information meetings and to work with MEM to undertake public information meetings, should MEM choose to do so. If MEM and/or AMAC express interest in additional work, such as flow measuring and a basin-wide monitoring program, Montana committed to support this effort. In 2011, Montana also committed to publishing regular monitoring data on its website as part of the Annual Monitoring Report.

BSR Findings: The Marlin Mine Annual Monitoring Reports (AMRs) from 2004 to 2009 are available on the Goldcorp corporate website. The AMRs include information on air and water quality, noise levels, waste management, and emergency response systems. They are technical in nature and are posted on the corporate

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website in English and Spanish. As of June 2017, the Goldcorp Guatemala (Montana) website did not include links to any AMRs, but it contains a section that describes the environmental monitoring process.

While up-to-date environmental monitoring reports are not listed online, the Goldcorp Guatemala (Montana) website does include a link to an article about the open pit-refilling process at Marlin.\(^{59}\) The article is not dated but appears to have been uploaded in 2015. It is in Spanish.

Goldcorp discloses information on environmental issues at Marlin, as they pertain to closure, in its 2015 and 2016 corporate Sustainability Reports. The reports describe the process and benefits of refilling the open pit and say what the site is doing to prevent acid mine drainage. While Montana does release its sustainability report in Spanish, the report is not typically shared with community members.

Montana’s DDS told BSR that it touches on some environmental issues in its community meetings and brings members from the environmental team to support community visits, as needed. However, the majority of community engagement around environmental issues is conducted by AMAC.

The 2017 DDS community engagement plan that was shared with BSR does not specifically include content on environmental or health issues, but the 2016 community engagement plan did include information on such technical and environmental aspects of closure as the tailings pond and open pit reclamation. As stated in section 2.3, some technical closure issues are also discussed in the Montana monthly magazine *El Ingeniero*, which is distributed to employees and community members.

**BSR Analysis:** BSR considers this commitment partially fulfilled. Montana has fulfilled its commitment to provide MEM and AMAC with ongoing access to the site for monitoring and by supporting AMAC’s capacity building, including its desire to expand its monitoring efforts. However, as of May 2017, the AMR reports for Marlin are posted only on the corporate Goldcorp website for the years 2004 through 2009.\(^{60}\) While Montana has various ad hoc ways of communicating information about the environment to communities, the spirit of the original 2010 commitment was to systematically and regularly post environmental data on the website, and the company has not done that. Nonetheless, it is clear that there is regular information sharing on environmental issues through a variety of channels.

The Goldcorp commitment makes no formal reference to consultation, an important component of the 2010 HRA recommendation.

### 3.2 SUPPORT GREATER INDEPENDENCE FOR AMAC

**2010 HRA Recommendation:** “Increase support for AMAC to become a more recognized independent community-based monitoring committee, including support for other institutions to work with AMAC, further training, and autonomy to determine scope and breadth of their work.”\(^{61}\)

**Goldcorp Commitment:** In 2010, the company stated that Montana is fully supportive of independent institutional support for AMAC, such as that provided in the past by the International Finance Corporation and the

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\(^{59}\) Goldcorp Guatemala website, Cierre del Tajo Marlin.

\(^{60}\) Ibid.

Canadian Embassy. The company also reported that it continues to back the search for independent funding sources for AMAC. In 2011, Goldcorp and Montana intended to aggressively support AMAC’s effort to become an independent, widely accepted, community-based monitoring committee.

**BSR Findings:** According to Montana, it has made efforts to increase the capacity and autonomy of AMAC. For example, although the funding for AMAC, including laboratory costs, is provided by Montana, AMAC is managed by an independent third party, FUNSIN, which provides some distance between the company and AMAC. Moreover, both FUNSIN and Montana have tried to secure consistent, long-term, external funding for AMAC, but neither party has been successful to date. During BSR’s site visit to Marlin in May 2017, the environmental team stated that it believes Montana will be able to continue funding FUNSIN—and, in turn, AMAC—until 2020.

In addition to trying to make the funding process more independent, Montana employees noted that the company has also made efforts to increase AMAC’s capacity by providing training to the group on such issues as biodiversity and waste management. Four of these training rounds have been provided since the beginning of 2017, according to Montana’s environment team. The team also told BSR that in 2016, Montana paid for AMAC to travel to Vancouver to visit one of the labs to which samples are sent in order to provide AMAC with a better understanding of the testing process.

**BSR Analysis:** Montana has fulfilled its commitment by providing AMAC with ongoing access to the site for monitoring and by supporting AMAC’s capacity building, including its desire to expand its monitoring efforts. In addition, Montana has made efforts to separate itself from AMAC by channeling AMAC funds through a separate foundation and by not inhibiting AMAC’s sharing of its monitoring results with community and government representatives. While AMAC still lacks a consistent, independent funding source outside of Montana, it is clear that the company has made efforts to secure at least one.

### 3.3 SUPPORT PROGRAMS THAT ENHANCE ACCESS TO WATER

**2010 HRA Recommendation:** “Support programs that enhance access to water.”

**Goldcorp Commitments:** In 2010, Montana committed to continue to support programs that enhance access to water. Montana agreed to provide financial and technical assistance to improve the water systems in six communities around the mine.

**BSR Findings:** As of May 2017, only one of Montana’s original seven projects was still in progress, and it was 98 percent complete; according to Montana DDS staff, it is due to be fully completed in June 2017. Four remaining water projects were in the feasibility stage as of this writing in May 2017. Montana staff also informed BSR that the government was finalizing studies to start one of its seven water projects, but that the government is behind in its commitments. According to Montana staff, communities are aware of the government’s shortcomings and delays because they participated in the Mesa de Dialogo, in which the government consistently had no updates to share.

Each water project carried out by Montana consists of four phases. First, there is a pre-feasibility phase whereby Montana works with each community authority (COCODE) to do a needs assessment of the community. Next, the project enters the feasibility stage, which includes technical analysis of the area’s geography, the design of the project, and budgeting. Third, the project enters a construction phase. Last, the project undergoes a community

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62 Ibid.
capacity-building stage in which the communities receive training on watersheds, how to manage their water resources, how to read water meters, and how to use new sanitary infrastructure (latrines).

As part of the community capacity building around the water projects, Montana worked with the COCODEs to establish water commissions that support and manage the water infrastructure. Members of the water commissions are trained on how to conduct minor repairs to the water systems, and they also work directly with the Oficina Municipal de Agua y Sanamiento Municipal (Office of Water and Sanitation [OMAS]), which was also created in each municipal office of San Miguel Ixtahuacán and Sipacapa as part of the cooperation agreement in 2012. The COCODE-based water commissions are crucial for the long-term sustainability of the water projects, which, after initial investment and construction, should become fully operated and maintained by the communities themselves.

**BSR Analysis:** Based on BSR’s findings, this commitment is considered fulfilled. In fact, Montana has gone well beyond its commitment in this case, completing more projects than it originally committed to support. It has also coordinated institutional strengthening around water management and provided technical and financial assistance around improving the community access to water.

One outstanding question remains as to whether Montana could make additional efforts to press the government to fulfill its commitments to the seven underserved communities. More detail is provided on this point in the recommendations at the end of this section.

### 3.4 SUPPORT REGIONAL WATERSHED MANAGEMENT

**2010 HRA Commitment:** "Provide leadership and funding to assist government to develop a multi-stakeholder initiative for basin-wide water management. Upstream sources of contamination should be identified and progress made on returning the river basin to a more healthy state that supports multiple uses."

**Goldcorp Commitment:** In 2010, Montana committed to support governmental efforts to develop a multistakeholder process for regional watershed management. To the extent necessary to implement such an initiative, Montana will support the enactment of legislation in Guatemala.

**BSR Findings:** The focus of Marlin’s watershed management activities has been reforesting the area around the mine to prevent erosion and increase water absorption.

Regarding the 2010 HRA mention of upstream sources of contamination, Marlin employees stated in 2015 interviews that pollution in the river was caused by the communities that live upstream of the mine and lack proper sanitation infrastructure. In December 2014, two studies were published by the Ministry of Health about health and water quality in San Miguel Ixtahuacán and Sipacapa. The results of the studies indicated that upstream water contamination was caused by animal waste from household livestock, overcrowding, and poor infrastructure. Marlin has indirectly addressed this issue through the CIDH water projects discussed in section 3.3, through which it has provided sanitation infrastructure to 11 communities around the mine.

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Beyond the efforts undertaken by INAB, Montana claims that the government has paid little attention to watershed issues. Through the CIDH water projects (see section 3.3 for further details), the OMAS in San Miguel Ixtahuacán and in Sipacapa do some annual outreach in communities on watershed issues, but there is no formal multistakeholder watershed-management initiative, and little progress has been made by the government in improving access to water and sanitation.

**BSR Analysis:** BSR considers this commitment to be fulfilled. According to Montana, it made efforts to form multistakeholder initiatives and found that the government, besides INAB, was an unwilling partner. Montana has worked with INAB on reforestation activities around the mine and has undertaken ad hoc initiatives to include communities in reforestation activities. After closure, some reforested land will be transferred back to the communities; however, the company has expressed some concerns about the communities’ willingness and ability to preserve those forested lands.

### 3.5 DEVELOP A PROGRAM TO ENSURE ACCESS TO WOOD

**2010 HRA Recommendation:** “Determine how the cost and availability of wood have changed as a result of land acquisition, or as a loss of access to common property resource, and implement a replacement program.”

**Goldcorp Commitment:** In 2010, Montana committed to develop a strategy for public engagement on access to wood that would take into account the environment, soil conservation, sustainable forest management, and Guatemalan law based on results of a socioeconomic study that would assess both historical and contemporary access to wood.

**BSR Findings:** In 2011, Montana commissioned a socioeconomic study of the Marlin Mine area. The study was completed by Consultoria y Tecnologia Ambiental, S.A. (CTA) and included an overview of historical and contemporary wood and forest use in the area. The study used household surveys and technical studies to determine access to wood and use of firewood in the community. The study found that the mine added pressure to wood scarcity in the region but was not the sole cause. Other factors mentioned include communities’ reliance on inefficient wood-burning stoves, the informal firewood market, and increasing population. The CTA study informed the company’s decision to focus on reforestation efforts, rather than provide the community with funds to purchase firewood.

In conversations with BSR, Montana staff reported that communities have trees on their own lands that, if managed properly, are sufficient for their needs, but that communities prefer to cut trees from the mine’s property and preserve their own resources. Additionally, Montana staff shared concerns about the risk of deforestation on donated lands post-closure, given the preference of some individuals to maintain their own wood supply and exploit other resources. Unfortunately, it is outside of the scope of BSR’s study to determine the wood supply and needs of community members in the area. Therefore, it was not possible to assess the legitimacy of these claims.

**BSR Analysis:** BSR considers this commitment fulfilled. Montana provided a temporary wood-replacement program, but it was superseded by a program focused on reforestation. The company’s overall approach was informed by a technical study of access to wood in the area, which included community surveys and interviews. Goldcorp did not commit to provide a long-term wood-replacement program, as recommended by the 2010 HRA.

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preferring to develop a strategy that took into account the environment, soil conservation, sustainable forest management, and Guatemalan law. The strategy in place fulfills those commitments.

3.6 DEVELOP A CONTINGENCY PLAN FOR TXESHIWE SPRING

2010 HRA Recommendation: “Some households in Siete Platos depend for their water on the Txeshiwe Spring, located downstream of the tailings storage facility. ... To ensure Txeshiwe Spring water users have access to water as a priority, complete a contingency plan in consultation with the users to supplement or replace the water source in case of impacts to quality or quantity.”

Goldcorp Commitment: In 2010, Montana committed to immediately initiate engagement with the water commission that manages Txeshiwe Spring/GW-3 to formalize the contingency plan in writing. The company also said that its Environment department would engage with the water commission to prepare the formalized contingency plan, and Montana would post the plan on its website once it had been approved.

BSR Findings: The Txeshiwe Spring is located one kilometer downstream from Marlin’s tailings dam. The spring is part of the focus of company’s regular, quarterly environmental monitoring that is sent to the MARN, not only due to its proximity to the tailings dam, but also because it is used by the local community of Siete Platos for bathing and cooking. AMAC also regularly monitors the spring. According to discussions with Montana staff in May 2017, the spring is in excellent condition and even has a new branch of water flowing from it. According to Marlin Mine interviews conducted by BSR in 2015 and 2017, Marlin has not received any community complaints after addressing the Txeshiwe Spring situation.

Marlin has a contingency plan and an emergency evacuation plan for the mine area in the event of a tailings dam failure. The plan includes meetings, preparatory simulations, and communication procedures to notify each community and involves Guatemala’s Coordinadora para la Reducción de Desastres (CONRED). In addition to an evacuation process for the Siete Platos community, Montana staff also informed BSR that the DDS has provided the community of Siete Platos with a piped water source from the spring; should the spring ever become contaminated, the company would provide the community with an alternative water source.

BSR Analysis: Based on information gathered through interviews with Montana staff, this commitment is considered partially fulfilled. Montana has a contingency plan for the community of Siete Platos in the event of a disaster or emergency at the mine site. The company, however, has not posted the contingency plan on the website, which the company committed to doing. As of May 2017, Montana reported that this issue was of decreasing stakeholder concern, due to the positive track record of community and company monitoring that shows that the health and flow of the spring is positive, if not improving.

Environmental Recommendations

» Montana should commit to secure funding for AMAC until 2026, with a corporate financial commitment, if needed. The company has stated it will provide funding through 2020, and an extension until the end of

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the post-closure period would provide additional guarantees to the community of the company’s commitment to access to clean water for the communities.

» The company should continue to engage with the government of Guatemala and encourage it to complete the remaining CIDH water projects. While these efforts have not been successful to date, Montana should persist, as these projects are critical for the remaining communities to access water and sanitation. However, given the lack of past success with the government and the continued challenges facing the government, Goldcorp should consider alternatives and potential partnerships with other entities.

» If the company chooses to protect lands that will remain in the custody of the FSM from land invasions and deforestation (risks identified by Montana employees) by employing guardabosques (forest wardens)—a suggestion made in Montana’s 2016 Social Closure plan—the company should prevent human rights abuses by ensuring that those wardens receive training on human rights, the Voluntary Principles on Human Rights and Security, and the proper use of force.

» Montana should post its environmental monitoring efforts (in the form of the Annual Monitoring Reports [AMRs]) on the company website, and it should consider including its quarterly reports to the Ministry of Environment and Natural Resources during closure and post-closure.
Chapter 4: Labor

Overview
Goldcorp’s Human Rights Policy\(^{68}\) commits to respect workers’ rights, including the freedom of association and collective bargaining. All employees receive general human rights training, and Montana states that it specifically includes training on workers’ rights. Goldcorp’s Code of Conduct\(^{69}\) prohibits harassment and discrimination in the workplace and expressly prohibits any form of retaliation (including termination, transfer, demotion, suspension, threats, or harassment) against any person who, in good faith, reports a suspected Code violation or a situation that may create a potential for a Code violation, or who cooperates with investigations of a suspected Code violation or a situation that may create potential for a Code violation.

At the height of operations, approximately 78 percent of Marlin’s workforce was local (from San Marcos or Huehuetenango provinces) with an additional 19 percent from other states in Guatemala and only 2.5 percent from outside Guatemala.\(^{70}\) Based on BSR’s knowledge, the percentage of local and national hires exceeds industry norms.

The local population is predominantly indigenous, with generally low levels of literacy and Spanish language skills. Montana identified these issues as potential barriers to employment and to address this, the mine offered literacy and Spanish language courses for employees (one hour, four or five times a week) and on-the-job training. These courses were provided only to current employees, not to local community members seeking employment with Marlin Mine.

Marlin Mine does not appear to have standing formal processes for dialogue with workers about workplace issues; however, the company employs an “open door policy” whereby workers are encouraged to speak directly with their supervisors or go to the HR Director or Mine General Manager. Employees also have access to the Goldcorp corporate ethics hotline, which can be accessed via phone or email. For more on grievance mechanisms available to workers, see section 8.1.

WAGES OF WORKERS
Montana reported that men and women receive the same pay for equivalent jobs; however, women are prevented from filling some of the highest-paid jobs due to Guatemalan law, which prohibits women from working in underground mines.

International best practice on labor rights\(^{71}\) recommends a collective bargaining process with the relevant union to agree to wage levels; however, there is no labor union at the Marlin Mine. According to the 2010 HRA, Montana

\(^{68}\) Goldcorp Human Rights Policy v2.
\(^{69}\) Goldcorp Code of Conduct.
\(^{70}\) Company document: 2015-07 Demografica.
employees tried to form a union in 2006, but the company allegedly took action to prevent its formation. There is, however, a workers’ association.72 (See “Montana Workers’ Association (ASOTRAMON)” for additional details.)

Despite no union presence, Montana does appear to have made significant efforts to ensure pay equity. According to interviews with Montana, employees are offered a salary within an associated pay scale that is commensurate with skill level. The salaries are derived from a wage study conducted by PwC and a Montana internal review and aim to ensure pay equity. As a result of this study, Montana has determined that entry level wages are significantly higher than those in the local community and five times higher than the national average.

Publicly available information also indicates that Montana pays above the national minimum wage. In 2015, the Ministry of Labor reported that the base minimum wage was Q.2,394.00 plus Q.250.00 bonus, totaling Q.2,644.00 (US$359.38) per month. In 2015, Marlin reported its average entry salary (lowest salary) is Q.2,500 base salary plus Q.250.00 bonus plus Q.1,000 production bonus, totaling Q.3,750.00 (US$509.70) per month.

Montana reports that it requires its contracting companies to comply with Guatemala Labor Law, including paying social security and at least the minimum wage.

ACCESS TO MEDICAL CARE
While employed, employees have access to health care at Marlin’s free onsite clinic (staffed 24 hours a day, with a doctor), through their private health insurance, and at the Centro de Atención Permanente (Permanent Medical Center [CAP]) in San Miguel Ixtahuacán. Employee access to the onsite clinic and private health insurance will cease upon termination of their employment with the company.

From BSR’s limited engagement with workers in 2015 and 2017, and insights derived from the Human Resource department and clinic staff, workers appear to use the onsite clinic for basic health-care needs and go to private hospitals in Huehuetenango and San Marcos for more serious medical issues.

Contractor workers, while they are working for the mine, also have access to the Marlin onsite clinic in the event of an emergency, and contracting companies are legally required to pay social security insurance through the Instituto Guatemalteco de Seguridad Social (Guatemalan Social Security Institute ([IGSS]), which is also available to Montana employees.

Continued access to medical care for former Marlin employees and contractors will depend on IGSS, out-of-pocket purchases of private medical insurance or care, and use of government-run medical services. IGSS coverage is contingent on being employed and is extended beyond employment termination for a period of time that varies in accordance with the number of years employed. Therefore, this is a short-term solution for medical care for former employees. Montana has provided employees who are interested in continuing their private medical insurance with information on how to do so. Costs range from approximately Q.$367 to over Q.$2,937, or

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72 According to the U.S. State Department’s Guatemala Human Rights Report, “unions continued to assert that management promoted ‘solidarity associations’ to discourage the formation of trade unions or to compete with existing labor unions.” While it is beyond the scope of this study to determine if ASOTRAMON was promoted by Montana to discourage the formation of a union, it is worth noting that this is an assertion made of other employers in Guatemala. Source: “2014 Country Reports on Human Rights Practices – Guatemala,” United States Department of State.
US$50 to over US$400 a month, depending on the level of coverage and age, and would have to be directly incurred by individuals interested in continuing private medical insurance coverage.

In BSR interviews, the Human Resources department reported that few employees have asked about continuing the private medical insurance benefits, noting that the practice of having private health insurance is not common in the area. As part of the closure planning, employees have been notified that the benefits will be terminated.

**WORKFORCE REDUCTIONS**

As mining operations end in 2017, the labor needs of Marlin Mine and Montana are rapidly decreasing, necessitating staff reductions. With mine closure originally planned for December 2016, specific activities preparing the workforce for closure began over two years ago.

During full production, Montana employed more than 1,000 contractors and over 1,500 direct employees. After major closure activities are complete (likely by the end of 2017), the expected total workforce for the remaining time during the closure phase will be around 50 employees. During post-closure (2020 to 2026), Montana is expected to have about 10 employees.

All employees being laid off have received, or will receive, a compensation package that adheres to Guatemala’s legal requirements.

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**Montana Workers’ Association (ASOTRAMON)**

In 2007, Montana supported the creation of an employee-based workers’ association, Asociación Trabajadores Montana (ASOTRAMON), with an objective to benefit workers and enhance their well-being. This organization does not, however, negotiate on behalf of workers, nor does it represent workers’ concerns to management.

While it was in operation from 2007 to 2016, ASOTRAMON provided benefits to employees, such as savings accounts and savings matching by Montana (e.g., Montana matched up to five percent), loans, an onsite grocery store, and an offsite community pharmacy. Founding members included members of management. The association was run by a board that was (re)elected about every two years.

ASOTRAMON officially closed in November 2016; the original mine closure date was December 2016. The association developed and executed a closure plan, which included capital recuperation, closure of all projects, liquidation of all obligations, and finally, closure of the association. All remaining capital was liquidated, totaling about US$2 million, and was given back to the employees who had been with the association for five years or more.

Employees report receiving a generous sum upon ASOTRAMON’s closure. While absolute payouts varied, depending on the number of years an employee had paid dues to ASOTRAMON, it is helpful to know that upon closing in November 2016, ASOTRAMON had 683 members who received various portions of the US$2 million payout.

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73 Company document: Tarifas Individuales, Especialistas en Seguros de Salud, vigencia 09-09-14 al 13-08-17 preparado Humania, Corredores de Seguros, S.A.
HRA Recommendation and Commitment Completion Status

4.1 RETRAIN THE WORKFORCE

2010 HRA Recommendation: “Anticipate the end of the mine life through training opportunities that provide transferable skills that will provide further opportunities to exercise the right to work and to maintain an adequate standard of living after the mine closes. Develop a strategy for how to support contractors to prepare for mine closure and reduce dependency on mine economy over upcoming years.”

Goldcorp Commitment: Goldcorp did not make a specific commitment in response to this recommendation; however, in October 2010, Goldcorp noted that its closure plans included socioeconomic factors and that it was working to finalize those guidelines to ensure that all site closure plans would include socioeconomic factors. Additionally, in April 2011, Goldcorp highlighted that “[o]ngoing skill development and training not typically available in Guatemala takes place on a regular basis at the Marlin Mine. Many of these skills such as heavy machinery operation, electrical and hydraulic systems operation and management skills will be transferable and sustainable upon mine closure.”

BSR Findings: Marlin Mine developed and implemented retraining skills programs with Guatemalan training institute Instituto Nacional de Formación Técnico Profesional (National Institute of Professional Technical Training [INTECAP]) to prepare the workforce for mine closure.

These programs included Construyendo Su Futuro (Building Your Future) and Habilidades Laborales (Workforce Skills), an ongoing skill-development and training-certification program.

Construyendo Su Futuro was a half-day course focused on planning for mine closure and preparing to find other income sources, either through alternate employment opportunities or through business ventures. The workshops were given by someone outside the company. The program was a morning workshop that took place in 2015 and 2016. It was open to direct employees and contractors and received good attendance across the mine, with a reported total of 943 employees participating.

Habilidades Laborales focused on job skills and included certified diplomas in defensive driving, road safety, heavy vehicle operation, and surface mining. The company covered the costs of all the courses and encouraged employees to participate in the 40 hours of personalized training by INTECAP under the Joint Certification for Labor Competence program. Other training offered by INTECAP included how to work in the kitchen and how to clean rooms for support staff.

Marlin also provided employees with training on how to prepare resumes; in the final package, all employees will receive prepared resumes citing their accomplishments during their time at Marlin. Workers were also provided training on financial planning and budgeting in early 2016 to help them prepare for mine closure. However, BSR is not aware of any direct or indirect job referral services offered to workers.

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In interviews with BSR, the head of HR noted that a lot of thought has been put into making the employees feel supported during closure, which is why there has been a lot of emphasis on formalizing the knowledge and work people are currently doing.

Montana does not appear to have developed a closure strategy specific to contractors, as recommended in the 2010 HRA. However, much of the pre-closure training offered was open to contract workers in addition to direct employees and, according to the HR department, contract workers were considered in layoff-training plans.

**BSR Analysis:** Goldcorp made no specific commitments around training and retraining the Marlin Mine workforce or contractors in anticipation of mine closure. However, the company did offer training courses and support for workers in preparation for mine closure. The workers were given the opportunity to leave Marlin Mine with transferable skills, certificates, and solid work experience; it remains to be seen how they apply those skills. (See the Labor Recommendations section for BSR’s recommendations.)

**4.2 ENSURE CONTRACTORS RESPECT LABOR RIGHTS**

**2010 HRA Recommendation:** “Extend improvements in labour standards to contractors and their employees, including wages, and include these standards in contracts. Provide support and training to help local contractors respect these standards. Conduct periodic inspections of contractors to ensure respect for human rights.”

**Goldcorp Commitment:** Goldcorp reported in June 2010 that Montana provides and will continue to provide training for local contractors. Additionally, in October 2010, the company stated that Montana had revised its contracts to include a clause requiring compliance with applicable labor standards, as well as company policies regarding safety and other matters.

**BSR Findings:** Montana reports that the contracts between Montana and contractors stipulate that contractors are required to follow national labor laws, which would include minimum required wages.

A sample contract that BSR reviewed included language stipulating that a contractor should: Respect safety and environmental norms (noting that those topics would be covered in the induction process, which is mandatory); respect all the points of Marlin’s Code of Conduct; respect the culture and customs of the place where it’s working; and respect the Guatemalan Institute of Social Security Law. While this contract did not explicitly mention human rights, Goldcorp’s human rights commitments are outlined in full in the overall Code of Conduct, which all suppliers must respect.

Goldcorp reports that at the Marlin Mine in 2016, 15 contracts were signed with significant suppliers and contractors, and all 15 contractors were either screened for human rights or had human rights clauses included in their contracts. Goldcorp’s 2016 Sustainability Report states that “[t]he Supply Chain Management team, in collaboration with the Ethics and Compliance department, have established a risk-based due-diligence process for the on-boarding of third-parties, including vendors. Through a combination of procedures, including the use of

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76 The International Labour Organization’s (ILO) Declaration of the Fundamental Principles and Rights at Work puts forth internationally accepted best practices in labor rights and enshrines a right to freedom of association and a right to collective bargaining. Due to the labor-intensive nature of the mining industry and the industry’s history of high injury and fatality rates, unions and collective bargaining have been of particular importance to the industry.

77 For information on 2016 contractors across Goldcorp’s operations, see the Goldcorp 2016 Sustainability Report.
external intelligence databases and a dedicated due-diligence platform, applicable third-parties are checked, as part of the onboarding process, for red-flags such as previous convictions or political exposure improving our confidence in approved suppliers.  

Additionally, according to Montana, contractors have received human rights training. In 2016, 11 contractors who regularly access computers and have a Goldcorp email account completed Respecting Rights, Level I, an online human rights training course offered by Goldcorp.

Goldcorp’s SEMS guidelines state that all potential contractors, and their sub-contractors, will be evaluated for their sustainability performance as part of their due diligence process. Moreover, during the contractor’s presence on site, the contractor must designate an individual who will be at the site to represent them on sustainability issues. Further, SEMS states that the site will regularly (not less than annually) monitor the sustainability performance of the contractor and hold regular performance reviews with the contractor.

According to the Procurement and Human Resources departments, all contractors were notified of the pending mine closure a few years before closure, and none have been surprised by the termination of work. According to Montana employees, at the time of BSR’s fieldwork in 2017, all major contractors had been dismissed. In interviews, BSR was told that closure planning had always envisioned dismissal of contractors first, and overall planning included considerations for how these layoffs would affect the community directly. This was an important consideration because employees and all but one of the contractor companies’ workers lived in or had camps in the communities. Contractor terminations were timed to minimize economic impact in host communities. Additionally, Montana employees noted that contracts with contractors that had camps in the communities contained clauses to ensure that the camps were properly closed and that any community commitments were fulfilled before the contractors received final payment from Montana. (BSR did not view these contracts and is therefore unable to verify this.)

At the time of writing, and based on information made available to BSR, no complaints have been received about the contractor-dismissal process.

New contractors will be hired for the dismantling and mine closure process. According to Montana’s head of HR, these contractors will be required to follow all policies and standards, including safety inductions and human rights training, given that many of them will be new workers and may not be familiar with working at a mine site and the safety procedures involved.

**BSR Analysis:** Based on available information, Montana has fulfilled its 2010 commitments regarding contractor training and compliance with local laws. Montana has consistently delivered safety training to its contractors. In addition, contracts include clauses that require contractors to comply with Guatemalan labor laws and the company’s own code of conduct. Montana staff told BSR that specific human rights training had been delivered to contractors in the past and that it would be given to new contractors brought in for the mine-dismantling process.

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77 Company document: Goldcorp 2016 Sustainability Report DRAFT.

While Goldcorp’s SEMS audit captures safety incidents with contractors, it is unclear to what extent Montana monitored, or will monitor, the human rights practices of contractors, aside from providing training.

### 4.3 CONDUCT UNSCHEDULED AUDITS FOR SAFETY AND HEALTH ISSUES

**2010 HRA Recommendation:** “Contract a qualified external company or specialist to undertake unscheduled, documented, third-party [health and safety] audits.”

**Goldcorp Commitment:** In June 2010, Goldcorp reported that it considered the use of “unscheduled audits” but chose not to include them in the safety program. The company stated that, “In our experience, a scheduled audit can determine if there is an effective safety culture and unscheduled audits are no more effective than well performed scheduled audits. Also, unscheduled audits have the potential to undermine the trust between the various levels of the company (line employee, supervisors, management) that is essential in an effective safety culture.”

**BSR Findings:** Although Marlin did not implement unscheduled audits, its health and safety management systems and programs are in alignment with international best practice. Furthermore, the mine’s safety statistics show a steady improvement from 2010 to 2016. In 2010, Marlin reported an all injury frequency rate (AIFR) of 2.59, and in 2016 that number had decreased to 0.34. BSR notes that despite the overall improvement, the site did experience its first fatality in 2016, which is contradictory to the rest of the safety performance statistics.

Marlin received the OHSAS 18001 Occupational Health and Safety certification in 2014. Goldcorp introduced its SEMS Safety and Health corporate standards in 2013, which Montana has implemented at Marlin. Additionally, Marlin has implemented the Sistema de Gestión de Seguridad y Salud Occupational (Occupation Health & Safety Management System [SGSSO]) procedures, to which all employees have access on the intranet via Conveyor. Industrial health and safety aspects are reviewed as part of the annual auditing processes.

Marlin offers two required courses annually on behavior-based safety (Cara-Cara [Face-to-Face] and Delta) for all employees. With the increased number of trainings, Marlin employees stated that there has been a decrease in the number of incidents.

Additionally, Marlin has tried to ingrain a culture of “safe enough for our families” through reinforcement with employees, such as daily five-minute “Safety Huddles” (once a week for 30 minutes) and quarterly Family/Living safety lessons for spouses, children, and schools on electrical, transport, domestic, and earthquake safety.

While the mine is still in production, all existing safety standards will remain in place, according to the Montana Industrial Safety department. In mine closure, safety standards will remain in place, with specific training on closure tasks (for example, working at heights); regular safety audits and inspections in accordance with the SEMS requirements will continue. In addition to the standard safety audits and guidelines, SEMS audits, which occur every three years, contain specific safety and audit guidelines for closed sites.

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80 All Injury Frequency Rate (AIFR): A standard safety indicator in the extractive industries, the All Injury Frequency Rate is calculated based on the total number of reportable incidents per 200,000 hours worked. Goldcorp has considered the following incidents as reportable: medical aid, restricted work duty, lost time, and fatalities.

Montana’s industrial security staff told BSR in interviews that safety incidents have decreased during mine closure. The drop was attributed to the reduced number of workers on site. Anecdotally, staff said they believe employees were taking better care of themselves because they were thinking about their families and their futures. During closure, the department has emphasized the need for mine employees to leave the mine safely, “in one piece,” so they can continue their working lives outside the mine.

With mine closure, the Industrial Safety department will reduce its staff from 14 to 8 by the end of 2017; however, at least one staff member will remain until all activities, including monitoring, have ceased at the mine site (a period expected to last from 2020 to 2026).

**BSR Analysis:** Goldcorp made no commitment to participate in unscheduled audits and logically argued for continuing with scheduled safety audits. Montana has continued to implement scheduled safety audits and its industrial health program at Marlin Mine. Unfortunately, despite the preventative efforts in place, a fatality at the mine occurred in 2016.

### 4.4 ADDRESS INDUSTRIAL HEALTH PROBLEMS IN THE WORKFORCE

#### 2010 HRA Recommendation: “Address immediately the situation of any employees with blood tests indicating heavy metals at problematic levels, or any other indicator of industrial health problems. Provide them with access to support and independent second opinions from healthcare specialists. Review the deaths that have taken place in the labour force to establish that no industrial exposure could have been the cause.”

#### Goldcorp Commitment: In 2010 the company stated that Montana will review the health-monitoring process to make sure it is consistent with international best practice and publicly certify or implement changes before the end of 2010. In the final report in 2011, the company reported that “Montana continues to conduct health monitoring of employees that may be exposed to heavy metals every six months and is conforming all health monitoring processes to international best practices.”

#### BSR Findings: The Goldcorp commitment noted that medical examinations would be conducted at six-month intervals; in interviews, BSR found that the medical examinations are conducted on an annual basis. The physical examinations are conducted by external medical experts and include the following examinations: lung X-rays, blood and urine tests for heavy metals, and a hearing exam. Analysis of medical results was outside the scope of this project. The last medical exam occurred in July 2016 and was scheduled when the anticipated closure date was December 2016. Despite the changed closure date, no additional worker medical exams have been scheduled.

Human Resources and the on-site medical doctor report that there have been no cases of occupational illnesses associated with the mine, even among people who have been working at the mine for 15 years. The medical doctor did mention that the following health issues, while not occupational illnesses, were common: weight gain, high cholesterol, and high triglycerides.

While former workers will be able to use the community and corporate grievance mechanisms during closure should they need to report a health issue, there is no system currently in place for monitoring employee health post-closure.

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The company has not provided additional information on the deaths mentioned in the 2010 HRA that may have taken place in the labor force to determine that no industrial exposure could have been the cause, as recommended in the 2010 HRA; however, in interviews with BSR, the company reported that no employee deaths have been linked to exposure to mining-related activities.

**BSR Analysis:** BSR considers this commitment partially fulfilled. The regular health monitoring of employees has occurred on an annual basis, not at the six-month interval to which the company originally committed in 2010. This interval (yearly) appears to comply with international standards for regular medical check-ups for ongoing workers. Additional international standards may apply during mine closure; see Labor Recommendations.

**Labor Recommendations**

» BSR recommends that Goldcorp tracks the impact of its efforts to retrain workers (i.e., how many people were able to find other jobs or start their own businesses using the training they received), partly to meet transparency and human rights commitments, partly to establish its own return on investment and the efficacy of its efforts, and partly to provide real-life input into planning at future Goldcorp operations.

» Review Goldcorp health-monitoring protocol during mine closure, and establish company guidelines for the future on the timing of final health examinations in order to obtain a baseline record of health conditions as part of Goldcorp’s human rights obligations. Accepted practices appear to vary, from being recommended immediately before workers cease carrying out work that exposes them to risks associated with mining operations to examining them immediately before they stop working at the operation, if there has not been an examination during the previous 12 months.\(^3\)

» Conduct an Occupational Health Risk Assessment, as recommended by ICMM, to assess the health and well-being of employees and contractors in mine closure. See the ICMM Good Practice Guidance on Occupational Health Risk Assessment for details on the scope of the assessment, which examines the potential health risks or impacts “within the fence” of a mining and metals operation.

» Maintain health-monitoring records for all workers for 30 years to ensure proper documentation in case any medical follow-up or proof of medical examinations results is needed, or notify employees and past employees at least three months before Montana ceases to operate in Guatemala of their right to access their records, and assist them in accessing their medical records.\(^4\)

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\(^3\) According to Safe Work Australia, “[H]ealth monitoring must commence before the worker starts work at the mine, and be carried out immediately before the worker ceases carrying out work that exposes the worker to risks associated with mining operations.” Source: Safe Work Australia, Health Monitoring in Mining Draft Code of Practice 2011.

According to Work Safe New Zealand’s approved Code of Practice on Worker Health in Mining, “[A] mine or tunnel operator must offer medical examinations to workers: immediately before they start working at the operation; immediately before they stop working at the operation, if there has not been an examination in the last 12 months; and at least every five years throughout the worker’s employment.” Source: Work Safe New Zealand, Approved Code of Practice on Worker Health in Mining 2016.

\(^4\) The United States Department of Labor Occupational Safety and Health Administration, among others, stipulates that a company must keep employee exposure and medical records for at least the duration of the employees’ employment, plus 30 years. Provisions are in place for companies that are going out of business.
Chapter 5: Land Acquisition

Overview

Conflict and tensions around land acquisition are common in large-scale mining projects, as issues can arise if people are forcibly relocated or extricated from their land, or if there are disagreements over compensation and benefits.

Through interviews, Montana employees emphasized that the land the company acquired for the Marlin Mine project was entirely obtained through a voluntary purchase and sale process. The company repeatedly emphasized the critical importance of this commitment, which is outlined in detail in its Land Acquisition Policy.

LAND ACQUISITION PROCESS

Montana, through its subsidiary Peridot SA, began acquiring land around the Marlin site in 1998. While the majority of lands were acquired at the beginning of the mine’s lifecycle, land acquisition continued throughout the life of the mine, until closure. Montana’s land acquisition was guided by its Land Acquisition Policy and its Standard Procedure for Land Negotiations. The process was managed by the Land Acquisition Unit, which was housed within the DDS. Land was acquired for mine development, but adjacent lands were also acquired if they were seen to be disturbed or somehow rendered unviable due to the mine’s existence.

Marlin employees explained that if the land owner was not interested in selling the land, Marlin withdrew from the acquisition process. BSR, however, did not receive evidence of specific, documented examples of these cases. According to Marlin employee interviewees, that is because there is no documentation exchanged when a property owner does not want to sell land, therefore no documentation is available to show evidence of this exchange.

For community members that did sell their land, there are examples of documentation of the agreement to sell, and details of the total compensation paid (for example, the Contrato de Compra-Venta). Marlin employees stated that all land has been acquired through possessory land rights, not through the controversial titulacion supletorio process, which the company suspended in 2011, after the 2010 HRA.85

In 2016, the DDS acquired 12 parcels of land (approximately 11.6 hectares) for various reasons. Lands in the community of Cancil were acquired for engineering and exploration, lands in Coral and West Vero were acquired following community complaints and requests that the company buy the land, and lands in the area of West Vero were also bought as part of the company’s Julissa exploration license.86

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85 The 2010 HRA notes that the titulacion supletorio process “risks extinguishing collective land titles of the indigenous communities around the mine, and should not be used until individual and collective land usage and rights are thoroughly understood and documented, including any differences between San Miguel Ixthuacán and Sipacapa.”

LAND PRICES

Montana initially offered Q.4,000 (approximately US$500) per cuerda of land, but that price was increased over time, due to inflation and further market studies conducted by the company. As of November 2010, landowners requested a higher price of Q.10,000.00 per cuerda, which Marlin Mine approved. Contracts were (up until the final land acquired) paid at a fixed base rate of Q.6,000.00 per cuerda and an additional Q.4,000.00 related to improvements, according to Marlin Mine interviews. Each parcel's sale price was confidential, and varied according to the improvements on the land (i.e., fruit trees/crops, soil type, and buildings); however, the baseline price was transparent. According to Montana, individuals were also offered land swaps of more productive, fertile land during the negotiation process.

SUPPORT FOR LAND OWNERS

Marlin interviews in 2015 revealed that an individual was hired in 2008 to focus on a land seller follow-up program, which included support and technical assistance for former land owners on how to manage new financial resources in a way that would contribute to enhancing their socioeconomic development. Marlin interviews revealed that land owners were uninterested in the program. They expressed interest in making their own financial decisions without company input. Therefore, in 2012, the position was closed and the individual was shifted to focus solely on land acquisition.

LAND DISPUTES

According to Montana’s Sustainable Development Department, most of the complaints it has received have not been from individuals who did not want to sell their land; rather, the majority of complaints have come from people who wanted to sell their land. While this suggests that selling land to the mine was seen as desirable by the local population, there may be other reasons for individuals wanting to sell their land (i.e., avoidance of negative impacts, a desire to seek economic opportunities elsewhere, etc.). It is outside the scope of BSR’s study to determine the causes of these grievances.

Montana reported to BSR that from 2005 to 2017 there were only three cases in which they had to involve judicial authorities in land disputes; other cases were resolved through dialogue. According to Montana employees and company documentation, the company worked with the individuals and communities to resolve these land disputes directly. When this direct communication was ineffective, Montana escalated the case to the local community authority (the COCODE), or if necessary, to the justice of peace of the respective municipality or the Ministry of Public Administration of the department of San Marcos. One land dispute case is still pending as of the writing of this report and is in the process of being escalated to the judicial authorities, having exhausted other options.

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87 A cuerda is nearly an acre of land (1 cuerda is 0.971 of an acre).
LAND TRANSFER PROCESS IN CLOSURE

Mine lands are designated for two purposes: Some of the land (parcels on the outskirts of the mine property) will be donated back to the surrounding communities, while the rest will remain part of the mine site under the guardianship of the FSM.

In conversations with Montana’s legal counsel, BSR learned that the land transfer process consists of two steps. The first step unifies all the different parcels of land that Peridot SA has purchased over the years into larger parcels for donation. The second step is donating those parcels to either the communities, for communal land, or to the FSM. Due to the area’s challenging topography, which makes measuring and parceling land difficult, Montana staff estimated that the land unification and transfer process could take up to a year. During BSR’s 2017 visit, Montana informed BSR that it had successfully unified the parcels of land to be donated to the community of Los Chocoyos, with the donation planned for June 2017.

The core of the land that remains in the mine’s possession is environmentally sensitive, requires ongoing monitoring (such as the tailings dam, the processing plant, and the open pit), or is required for the FSM’s productive projects (see section 6.5 or 6.6). These lands will be transferred to the FSM, which will be the long-term custodian of the entire property.

As the mine enters closure, Montana staff has expressed fears that former land owners will try to reclaim previously sold lands. There is concern among Montana staff that, in addition to reclaiming previously sold land, community members may invade mine land for firewood collection, animal grazing, and agriculture. There is also a worry that communal forested lands donated to communities will be deforested for firewood, which is a concern for the area’s watershed management, discussed in the Environment section under sections 3.3 and 3.4.

HRA Recommendation and Commitment Completion Status

5.1 CLARIFY PROCESS FOR LAND TRANSFER AT CLOSURE

2010 HRA Commitment: “Clearly set out the intention and modality for transferring the titles to the land acquired by Montana to the communities at closure of the mine.”

Goldcorp Commitment: In 2010, Montana committed to engage with local communities regarding the issue of post-closure land use and ownership in conjunction with engagement on mine closure and post-closure planning. The company also committed to reviewing land tenure processes during a technical review of the closure process in Q2 2011.

BSR Findings: According to 2016 community presentations prepared by Montana’s DDS, communities have been informed of the land donation and transfer process through overview presentations. Communities have been made

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89 It is interesting to note that the CTA Informe Estudio Socioeconómico de las Comunidades found that there have been no communal lands in the communities surrounding the mine for more than 60 years.

aware of the donation process of communal lands through the COCODEs and have been informed that some lands will stay in the possession of the mine or the FSM.

While Montana has informed the COCODEs and municipalities about the land transfer process, Montana staff has clarified that there was not much engagement on land transfers because the company did not want to create high expectations concerning how much land they were going to donate to communities. However, according to Montana staff, the company has done some engagement around the communal, forested lands that will be donated in order to encourage communities to manage and preserve the forests, whose health is strongly linked to supporting regional watershed management (see section 3.4).

In 2015, Montana worked with the nonprofit research center AKIANTO to do an in-depth technical analysis of potential post-closure land uses at Marlin. The final report, entitled “Program para el Desarrollo Productivo de las Tierra de la Mina Marlin”\(^91\) (“Program for the Productive Development of Marlin Mine Lands”), informed Montana’s closure land-transfer strategy. The report studied the fertility, physiography, slopes, and depth of soil of the lands in question and determined five possible land uses: a) agriculture, b) forestry, c) use of infrastructure, d) livestock, and e) agroforestry. According to documents shared with BSR and discussions with Montana staff, all lands are being used for one of these uses during closure and post-closure.

**BSR Analysis:** BSR considers Goldcorp’s commitment fulfilled. There is strong evidence to suggest that Goldcorp informed communities about post-closure land uses well in advance of closure. Moreover, Montana and Goldcorp did conduct a technical review of post-closure land uses and employed those findings to inform the closure plan.

**Land Acquisition Recommendations**

- Montana’s DDS should continue to regularly engage with communities about the land transfer process until it is completed. This communication strategy should include two-way dialogue and technical support for communities that will receive communal lands that require stewardship.

- The company should commit to building the capacity of the COCODEs and communities to manage the donated communal lands. This should include support in developing community land governance and management systems, including systems for addressing conflict. According to the CTA Informe Estudio Socioeconómico de las Comunidades, communal lands in the communities surrounding the mine were privatized in the 1950s and 1960s. Consequently, communities may have no institutional memory of how these lands were governed and may need additional support in setting up governance systems. Company support for community capacity building may be critical in preventing an increase in tension or conflict in communities.

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Chapter 6: Economic and Social Investment

Overview
Montana’s economic and social investment around the Marlin Mine has been conducted through the Departamento de Desarrollo Sostenible (Sustainable Development Department [DDS]) and the Fundación Sierra Madre (Sierra Madre Foundation [FSM]).

DDS is a department within Montana that includes teams dedicated to community relations, land acquisition, and community investment; it will be fully phasing out its activities during mine closure. The DDS focuses on the 30 communities directly impacted by the mine: eight neighboring communities, 14 on the linea 69 transmission line, seven along the road (Ruta al 241), and one other community (Lade Axial).92

The FSM is funded by Montana, but it has staff members that work independently of the company in the surrounding communities on areas related to education and small business development. The FSM’s board, however, is made up of Montana staff.

Historically, the FSM focused on communities outside the DDS’s sphere of influence, but it will scale back its focus during closure, due to limited funding, in order to focus on the 10 communities closest to the mine. During this phase, the two organizations will have geographic overlap, but almost no programmatic overlap.

Quick Facts on Nearby Communities
The local population consists primarily of indigenous peoples who depend on subsistence agriculture for their livelihoods. They face significant economic, social, and health challenges, with high levels of poverty and chronic childhood malnutrition and high rates of maternal mortality.93

» 60 percent of the population lives in poverty (2014)94
» 22 percent of the population lives in extreme poverty (2014)95
» 18 percent of the population is illiterate (2012)96
» 16.6 percent infant mortality rate (2015)97
» 31.2 percent of the population lives with moderate food insecurity (2011)98
» 4.2 percent of the population lives with severe food insecurity (2011)99

93 See footnotes 97–102 for sources.
95 Ibid.
97 Ibid.
99 Ibid.
SUSTAINABLE DEVELOPMENT DEPARTMENT

The DDS is a department within Montana. It has offices at the Marlin Mine, as well as community-based offices in surrounding communities that are focused on community relations. For more on the DDS’s role in community engagement, see Chapter 2: Consultation.

Currently, the department is staffed by 25 people, including community promoters and a team to manage the water projects (made up of engineers, economists, and social workers). For information on the water projects, see Chapter 3: Environment.

The DDS works with these local communities through their established community governance systems, the COCODE, and alcaldes auxiliares (auxiliary mayors).

Montana supports the communities through Proyectos Ejecutados por la Comunidad (Projects Executed by the Community [PEC]). PEC projects vary according to the needs and interests of the communities and are vetted and decided upon by the COCODEs and agreed to through convenios de inversión anuales (annual investment agreements) with the mine.

PEC projects have included school renovations, enhanced water access, road improvements, bulk purchasing of fertilizer, and the construction of a communal assembly hall. According to interviews with the DDS, about 70 percent of PEC projects are infrastructure projects. The projects are run by, and accountable to, the communities. Marlin serves only as a partial financier (the company provides at least 50 percent of financing) and provides technical support as needed or requested.

According to the DDS, its financial support for these projects has been slowly decreasing since 2016, and all funding for community projects will end by 2019. The company told BSR that it believes it has taken on some of the responsibilities of a state actor, given the national government’s absence in the region. Consequently, community members are accustomed to coming to the mine to seek financial support and access to social services, instead of asking the government. The company has worked with local communities to build awareness about federal and state budget distribution and to increase local engagement with government agencies. BSR did not receive documentation of these efforts and therefore cannot speak to the regularity or scope of these capacity-building efforts.

The DDS is in the process of wrapping up all of its projects in the communities during closure, with the exception of the teacher-support program that will be transferred from DDS to the FSM. DDS currently pays teacher salaries in the area, given low government salaries that are insufficient to attract qualified, full-time staff. According to interviews with DDS staff, that program will be reduced but continued through the FSM, since it complements the foundation’s focus on education and its ongoing scholarship program.

The DDS had its first round of closure layoffs in March 2017, when the team was reduced from about 35 to 25 people. Additional layoffs are planned for May/June and December 2017, when the DDS staff will be reduced to five members until 2020.
In an attempt to address the vast health needs of the local population surrounding the mine, Montana financed the Centro de Atención Permanente (Permanent Attention [Health] Center [CAP]), in San Miguel Ixtahuacán, under an agreement among the Ministerio de Salud Pública y Asistencia Social (Ministry of Public Health and Social Assistance [MSPAS]), the Municipality of San Miguel Ixtahuacán, and Montana.

Construction began in 2009, and the center was inaugurated in 2012. Montana transitioned out of control over the CAP during a multiyear period as part of the initial agreement. Full responsibility for the center was transferred to the Ministry of Health in 2014. Total investment in the CAP by Goldcorp from 2009 to 2014 was approximately US$3.5 million. BSR visited the CAP in 2015 and in 2017.

Management of the CAP is now under the Ministry of Health’s control. During BSR’s visit, the CAP director reported that the center is now under-resourced. The director stated that the center is unable to offer salaries sufficient to attract qualified personnel, and low staff levels mean that services are greatly affected by staff rotations, vacation, and simple time off.

Another challenge for the CAP cited by the director is the need to transfer patients to hospitals during emergencies. Montana used to provide ambulances and service them, including fuel needs, but the CAP is no longer able to maintain a vehicle fleet. The nearest state hospital is about one hour distant by car.

The hospital is unable to maintain much of the equipment and infrastructure that was installed during construction. For example, the center has an oncology system but lacks an oncologist, so that function has been closed. It has an X-ray machine but no technician to run it. The hospital’s entire surgery wing is closed but for once a year, when an international medical brigade uses the facilities. Its medical air tanks and water-treatment plant have never been used—not even when the hospital was under Goldcorp’s control, prior to its handover to the Ministry of Health.

On a positive note, the director did report to BSR that the CAP has 93 percent of the medicine and prescriptions it needs to provide adequate service to its patients. The director also told BSR that the CAP serves 64 communities and approximately 4,200 people per year.

As was agreed from the outset, Goldcorp no longer provides any support for CAP and has not provided any significant support since 2014. In interviews, the company did report providing institutional support to strengthen the municipal government’s capacity to manage the CAP prior to transferring full ownership to the government. However, the company cited the government’s lack of capacity and accountability as a major barrier to this process.

During BSR’s visit, the CAP reported that it is “knocking on doors” in a search for potential donors. It has a partnership with an NGO, Helps International, which brings a surgical team to the center once a year. The CAP director told BSR that last year the international team treated 100 patients during its visit, mostly for such surgeries as appendectomies and hysterectomies.

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100 Company document: Convenio de Cooperación entre MSPAS, Municipalidad de San Miguel de Ixtahuacán y Montana.
FUNDACIÓN SIERRA MADRE

The FSM was formed by Montana in 2003. The FSM has for many years focused on the outlying communities, leaving the DDS to focus on the communities closest to the mine site. This, however, has changed during the closure period as the FSM’s budget has shrunk. The FSM has scaled back its activities in the outlying communities and refocused its efforts on the 10 communities closest to the mine in the lead-up to closure.

Despite the overlap in geographic focus over the last few years, the FSM and the DDS have worked on disparate projects, with no plans to transfer economic- and social-development projects between themselves, except for the aforementioned teacher-support program. Additionally, according to interviews, there is no anticipated transfer of staff from the DDS to the FSM. The FSM is not taking over responsibilities from the DDS during closure. The historic separation of the two entities will not change. BSR was told that this division has been intentional.

The FSM has, to date, received all of its operating funding from Montana and is very closely aligned with the company’s mission and goals for community development. The FSM’s board of directors is composed entirely of Montana staff. The FSM is currently staffed by four full-time employees and three part-time or contract employees. In 2013, the FSM had 22 employees.

Until 2013, the FSM had a fixed budget of approximately US$400,000 per year. In 2014, the budget was reduced to approximately US$100,000 per year, at which time the FSM began to focus its efforts on the communities closest to the mine. Both budgets include staff salaries. The budget decrease in 2014 corresponded with a concentration on two newly targeted focus areas: education and business development. Prior to this, the FSM had focused on economic development, health, education and training, and community and institutional strengthening.\(^{101}\) In interviews, the FSM leadership noted that it will continue to work on the two focus areas of education and business development. (Programming on environmental education, preventative health, and sexual education is included under the education theme.) According to interviews with the FSM, in addition to focusing on its own productive projects, under the business development theme it is also supporting local micro-business owners and working to connect them to export organizations. From 2017 to 2019, the FSM’s annual budget will be US$100,000. When the productive projects become profitable, they are intended to partially subsidize the FSM’s budget; exact timelines and revenue were not clear at the time of this report’s writing.\(^{102}\)

Through interviews, BSR learned that the long-term intention is for the FSM to grow in the post-closure period, once productive projects are established and turn profitable. Montana estimates that the productive projects will become profitable in 2020 and is projecting a profit of approximately US$350,000. At that time, such efforts will become the primary source of the FSM’s funding. While this projected growth entails the return of FSM attention to the outlying communities, the FSM’s primary focus is intended to be the 10 communities closest to the mine site. The FSM told BSR that it believes the communities have started to better understand the role of the FSM and its limitations.

The productive projects in question were started by—and are currently run by—Montana’s environment department, using investments made by the company. The projects will receive over US$4 million in direct investment from Montana from 2017 to 2019.\(^{103}\) Control over the projects will be handed over to the FSM at the

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101 Fundación Sierra Madre website.
end of 2017, along with employees currently working on the productive projects (approximately 15 people). The plan is for revenues from these projects to slowly start taking the place of the company funding. It is beyond the scope of this project to evaluate the economic potential of these projects. The details of the productive projects are outlined in the company closure plans. The productive projects are expected to take from seven to 10 years to become profitable and sustainable. During that time, Montana will continue to support the FSM.

No concrete plans currently exist for additional FSM office support to manage the increase and change in activities; however, the FSM leadership noted that they are considering adding a project coordinator and office coordinator.

**Productive Projects**

The Montana closure team is working on five different productive projects. The projects are aimed at providing a sustainable funding source to the FSM—one that does not compete with existing local businesses and farmers. While the productive projects will be handed over to the FSM at the end of 2017, Montana will continue to invest in the projects until 2019 and will support the FSM through connections with potential wholesale and international buyers. The projects are projected to reach profitability in 2020. As of January 2017, Montana predicted future revenues of approximately US$350,000. All of the projects are located on the Marlin Mine site.

1. **Dairy Products**: Dairy products are currently produced from a small dairy farm with a local staff of six that has been trained and certified by INTECAP in food sanitation and dairy and cheese production. Dairy products were sold to employees during operations, and the mine is currently exploring additional buyers for milk and cheese. The aim is to sell 1,200 liters of milk and 300 liters of cream per day.

2. **Gerbera Daisies**: A local staff of two currently manages two greenhouses of gerbera daisies, which will expand to four once the designated land is fully decommissioned. The flowers are sold locally, but there are plans to sell into the international flower market. The aim is to sell 500 dozen gerberas per month.

3. **Tomatoes and Jalapeño Chiles**: The greenhouse production of tomatoes and chilies for international export is run by four local staff. It aims to sell 340 boxes of tomatoes and 400 boxes of chilies a month.

4. **Pigs**: The pig farm is managed by three local staff. Once fully developed, the pig farm aims to sell 35 pigs per week.

5. **Chickens and eggs**: Chicken-and-egg production will be managed by four local staff with the aim of selling 1,000 chickens per week and 5,100 eggs daily.

**FACILITATING LONG-TERM INVESTMENT**

In interviews, Montana’s government affairs team reported that it is trying to facilitate relationships with government agencies and investors who could invest in the San Marcos region as Montana exits. The company noted that an educated workforce will be newly unemployed and looking for alternate employment opportunities. Moreover, new investors could potentially use some of Marlin’s existing infrastructure. The company has not

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104 Ibid.
made a formal commitment to attract new investors after it leaves, and this was not part of the 2010 HRA recommendations. However, it is notable that Goldcorp is making considerable efforts to attract new investment to the area.

The area is not an economic center of Guatemala, due to limited and poor access routes. However, Montana has noted that Marlin and the municipalities of San Miguel Ixtahuacán and Sipacapa are close to Mexico’s Port of Chiapas, which is about 150 kilometers away. The country also has a free trade agreement with Mexico that it could leverage to export goods via that port.

One example of Montana’s efforts to promote long-term investment in San Marcos is its ongoing discussions with the Ministry of Economy to discuss the possibility of establishing the former mine site as a free trade zone. Free trade zones are areas dedicated to the manufacturing of goods for export; companies operating in them do not have to pay export taxes, although they do pay other national taxes. Designating the mine area as a free trade zone could incentivize manufacturing or even entice textile companies to build factories in the area, which would also bring jobs. In particular, the company has been making an effort to attract textile companies because of the economic opportunities for women in that sector.

Another option Montana is exploring with the Ministry of Economy is to help the area become involved in the ministry’s initiative to invest in and promote cooperatives. Under this program, if the communities form cooperatives and meet certain requirements of the program, the ministry will provide capital and facilitate business connections.

In addition, the company is leveraging its political connections to promote San Miguel Ixtahuacán as a potential Ciudad Intermedia (Intermediate City), which is a government program to identify and invest in cities outside the capital that could become new economic centers. This program has been launched to direct internal migration to cities other than Guatemala City, which is struggling to support high levels of migration from rural areas.

Montana is also discussing the option of having the Defense Ministry use the Marlin infrastructure for its civil engineering branch, which manages highway maintenance and emergency response to natural disasters.

As of May 2017, these efforts are ongoing and in very early stages, but Montana employees told BSR that it was committed to using its business acumen and political relationships to bring new investment to the area.

**ROYALTY PAYMENTS**

During production, Montana paid royalties to the government equivalent to five percent of production revenue. Guatemala’s mining law stipulates that companies must pay one percent of revenue in royalties, but in 2012, Montana, together with such other extractive companies as Minera San Rafael (a subsidiary of Tahoe Resources) and cement companies, decided to add a voluntary four percent royalty. The mining law stipulates that 50 percent of royalties must go to the municipality in which the ore deposit is located; in the case of Marlin, this is San Miguel Ixtahuacán. However, because the operations of Marlin Mine span the municipalities of San Miguel Ixtahuacán and Sipacapa, Montana offered to pay a voluntary royalty payment to Sipacapa as well. The mayor of Sipacapa initially refused the payments, but Montana nevertheless started a fund for Sipacapa. Eventually the mayor decided that, even though he did not want the municipality to accept the money, he did want the

COCODEs to have the money, so an agreement was established whereby Sipacapa’s voluntary royalties went directly to the COCODEs.

Goldcorp discloses its royalty payments to the Guatemalan government as part of Canada’s Extractive Sector Transparency Measures Act and in its annual financial statements as part of its management discussion and analysis (MD&A). In 2016, Montana paid US$11.3 million to the federal government of Guatemala, US$7 million to the municipality of San Miguel Ixtahuacán, and US$1.3 million to the municipality of Sipacapa.106

As closure approached, mayors from San Miguel Ixtahuacán and Sipacapa expressed concerns to Montana employees over the loss of royalty payments, which will have a significant impact on the region and the country. Montana is Guatemala’s highest corporate tax contributor. Royalty payments will continue until Montana has shipped all refined minerals, but royalties have already started decreasing. As the mine enters closure, royalty payments will be negligible. Montana employees stated that they were doing some outreach with mayors to help plan for the loss of royalty payments, but there did not appear to be a systematic effort to prepare the respective governments for the change.

HRA Recommendation and Commitment Completion Status

6.1 STRENGTHEN FSM’S CAPACITY TO FULFILL A LONG-TERM ROLE AFTER CLOSURE

2010 HRA Recommendation: “Evaluate long-term funding, technical, and administrative support necessary to ensure that the Sierra Madre Foundation, or another appropriate institutional arrangement, has adequate resources to successfully manage post-closure challenges. … FSM should transition to be a community-based development foundation. … If the FSM is to provide ongoing programming after mine closure, it must evolve as a community-based development foundation. This requires strengthening the independence of the Board of Directors; ensuring an adequate and sustainable funding mechanism such as an endowment; improving the professional capacity of the staff; and ensuring appropriate evaluation and reporting standards.”107

Goldcorp Commitment: In 2010, Montana committed to strengthening the independence and capacity of the FSM’s board of directors and undertook that a portion of the FSM’s income would be dedicated to funding its endowment.

BSR Findings: Montana and the FSM have committed to working together to establish strategic alliances with other entities and thereby increase the capacity of the FSM. These include partnerships with export organizations to secure export markets for the productive projects and for agricultural products produced in the communities.

As of 2017, the FSM had confirmed partnerships and alliances with a number of organizations including:

» Instituto Técnico de Capacitación y Productividad (Technical Institute of Training and Productivity [INTECAP]), which is a national certification body that FSM worked with to certify the farmers working on the productive projects.

» Asociación Pro Familia Pro (Family Association [APROFAM]) is a family planning organization that has helped FSM design and implement some of its sexual health programming.

» Ministerio de Agricultura y Ganadería (Ministry of Agriculture and Livestock [MAGA]) has worked with FSM in supporting small farmers in the area.

» Ministerio de Educación (Ministry of Education [MINEDUC]) is a partner for FSM’s education programming.

» Asociación de Empresariado Rural (Rural Business Association [AGER]) has worked with FSM to provide support to small business owners and farmers in the area.

» The municipality of San Miguel Ixtahuacán and the Interamerican Agricultural Cooperative Institute have helped FSM conduct research as to the viability of cooperatives in the area.

In addition to these existing alliances, which the FSM plans to maintain, it also intends to build alliances with the Asociación Porcicultores de Guatemala (Guatemalan Pig Farmers Association [APOGUA]) and the Federación Nacional de Productores de Papa (National Federation of Potato Producers [FENAPAPA]), to support the productive projects, and with the Asociación Gremial de Exportadores (Association of Exporters [AGEXPORT]), to help export goods produced by the productive projects.

The FSM also aims to build alliances with INAB, Comision Nacional de Areas Protegidas (National Commission of Protected Areas [CONAP]), and Comision Nacional de Reducion de Desastres (National Commission for Disaster Reduction [CONRED]). These alliances will be largely related to the FSM’s role as a custodian of the Marlin Mine property post-closure, including productive projects and forested and protected areas.

The FSM’s board of directors continues to be entirely composed of Montana employees. Composition of the board has changed over the years, but has always been made up of Montana and Goldcorp leadership, with no real independence from the company. At one time, the FSM board was primarily composed of Goldcorp corporate staff; however, the majority of FSM board members currently consists of Montana staff from Guatemala.

In closure and post-closure, the composition of the board of directors may change, though—according to interviews—there are no clear plans for the FSM board at this time. It is likely that the board will continue to have a Goldcorp presence until 2026 and beyond. The company and the FSM have noted that they are exploring prospective options for the board but have highlighted the need to be careful in selecting new board members to safeguard the best interests of the FSM and the communities it serves. One idea shared in the interviews is to include new industry leaders on the board.

BSR Analysis: This commitment has not been fulfilled by the company, as the FSM’s board has not been strengthened as an independent entity, and there is little evidence of capacity-building activities for the board. Montana did not commit to evolving the FSM into a community-based development foundation, and it has remained, effectively, a branch of the company. Efforts to transform the FSM are now underway, and the company has the opportunity to implement some of the 2010 HRA recommendations in the closure and post-closure period. Specifically underway are the productive projects, which, when fully operational, should provide the FSM with the resources to continue operating in the future.

6.2 REVIEW THE EFFECTIVENESS, TRANSPARENCY, PARTICIPATION, AND ACCOUNTABILITY OF CURRENT MECHANISMS AND PROGRAMS, INCLUDING THE DIFFERENT ROLES FOR THE FSM AND THE DDS

2010 HRA Recommendation: “Direct SDD [DDS] programs should be focused on addressing the negative impacts of the mine, which is the company’s direct responsibility, while the FSM could contribute to building local
capacity and enhancing community-level impacts. FSM should not be an additional mechanism for Montana’s engagement and consultation ...

**Goldcorp Commitment:** In 2010, Montana committed to review the effectiveness, transparency, participation, and accountability of the DDS and the FSM. The company also noted it was undergoing a socioeconomic study conducted by CTA and it committed to consider the recommendations regarding the appropriate roles for the DDS and the FSM in the analysis of the results of the study. In 2011, Montana stated that the CTA study would be made available on its website. Additionally, the company stated in 2010 that Montana does not use, and commits not to use, the FSM as a mechanism for consultation by Montana.

**BSR Findings:** Following the HRA, the company appears to have established clear roles and responsibilities for the FSM and the DDS. The DDS has focused on engagement with communities, providing support for communities and mitigating the negative impacts of the mine. The FSM, on the other hand, has focused on strengthening the skills and education of community members, particularly those communities outside the direct area of influence of the mine (though this has changed since 2014). Prior to 2009, FSM activities were very linked to the mine’s direct interests.

According to interviews, the company and the FSM used the CTA study to inform their decision-making processes. The study, however, does not include recommendations on the appropriate roles for the DDS and the FSM.

**BSR Analysis:** The commitments made by Goldcorp in response to this recommendation have been partially fulfilled. Through observation and interviews with the DDS and the FSM, it is clear that the company has defined separate purposes and activities for the DDS and the FSM. It is unclear, however, to what degree the company formally reviewed the effectiveness, transparency, participation, and accountability of the two entities. The company has not, however, fulfilled its commitment to publicly share information. The Goldcorp Marlin Mine Reports webpage does not include a link to the CTA report, which it committed to sharing.

The company has fulfilled its commitment not to use the FSM as a mechanism for consultation by Montana. See Chapter 2 for details on the company’s consultation efforts.

**6.3 IDENTIFY AND SUPPORT FAMILIES IN NEED OR AT-RISK DUE TO POTENTIAL PROJECT IMPACTS; INVESTIGATE AND CREATE MEDIUM TO LONG-TERM SOLUTIONS**

**2010 HRA Recommendation:** “Identify and support families in need or at-risk due to potential project impacts. Investigate and create medium to long-term solutions.”

**Goldcorp Commitment:** In 2010, Montana committed to including the identification of specific at-risk and vulnerable groups in affected communities as specific issues to be considered in the socioeconomic assessment,  

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109 Goldcorp website, Marlin - Reports.
and it committed to using the findings of the socioeconomic study to adjust and improve the activities of the DDS and the FSM.

**BSR Findings:** Montana has conducted a number of socioeconomic studies of the communities surrounding the Marlin Mine. Documented studies have been conducted in 2003, 2011, and most recently in 2014. The 2011 CTA socioeconomic study was informed by the 2010 HRA and provided the company with specific information on the at-risk and vulnerable populations in the mine’s area of influence.

While interviews with Montana staff indicated that they believe all host communities are vulnerable and of importance, there are some examples of systematic ways in which the company prioritizes needs and investments for at-risk and vulnerable groups. For example, the DDS has a 2013 CSR Annual Plan\(^{111}\) that included a socio-demographic analysis of the zones of influence and an overview of the development projects it would execute from 2013 to 2017. The projects and priority areas are all aligned with the needs identified through the socio-demographic analysis. For example, the analysis detected high levels of poverty, malnutrition, poor housing, inadequate water supplies, and marginalization of women; consequently, the DDS prioritized income-generating projects, women, access to potable water and sanitation, health education and living, and capacity building for the Municipality of San Miguel Ixtahuacán.

As of May 2017, the DDS told BSR that it is working to conduct another baseline study in June 2017 to measure current community socioeconomic indicators. Since production stopped May 31, 2017, the study will not show the full social impact of closure on the communities, but it should complement studies that occurred at the beginning of operations and in mid-life cycle.

Additionally, the FSM noted in interviews that its interventions were based on the results of participatory diagnostic studies.\(^{112}\) The FSM has documented its projects, partners, and results from 2003 to 2016 in a report\(^{113}\) that outlines its approach and use of these studies to inform its work. In 2009, the FSM started doing participatory, rural diagnostic studies to help analyze the situation on the ground and to help communities prioritize their needs. These studies, done in concert with community leaders, are a way for the FSM to understand the needs of the population and respond through their programming. The most recent study took place in March 2017 in the community of Cancil. Participants in this study listed the following community problems: low quality of agricultural products; diseases and fungi in agricultural products; internal and external parasites in children; lung, intestinal, and urinary infections in adults; diseases in livestock; deforestation and forest fires; parents not sending their children to school; and child exploitation. While the study asked participants to prioritize the problems, participants responded that everything is of equal, high importance. The FSM told BSR that this sentiment has been common among all the communities. The inability to prioritize issues highlights the high level of needs that communities face, as well as the challenges of the concept of prioritization.

Another major focus area for the foundation is women and domestic violence. The foundation is trying to educate parents on domestic violence and young kids on sexual health programs to prevent teen pregnancies. While this

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\(^{111}\) Company document: Plan Strategic RSE Goldcorp - Marlin v1 1.


issue did not come through the participatory diagnostic studies, sexual and gender-based violence is prevalent in the area and has been found in the CTA socioeconomic studies.

**BSR Analysis:** Goldcorp has fulfilled its commitment to identify at-risk and vulnerable groups through the baseline and diagnostic studies conducted by both the DDS and the FSM. Each group’s focus reflects the findings and priority areas of these studies.

### 6.4 FINALIZE A LONG-TERM AND RIGHTS-BASED SUSTAINABLE DEVELOPMENT PLAN

**2010 HRA Recommendation:** “Adopt a rights-based framework and principles for the sustainable development plan currently being drafted at the Marlin Mine. Ensure that specific objectives and targeted programs are included to address the key areas of negative human rights impacts, as well as vulnerable segments of the project-affected communities. Ensure extensive consultation and participation as part of the development of the new sustainable development plan. Establish a comprehensive social baseline for effective monitoring and evaluation.”

**Goldcorp Commitment:** In 2010, Goldcorp committed to integrating respect for human rights explicitly in Goldcorp’s business management process, including sustainable development plans and programs. Montana committed to include the elements cited in the 2010 HRA recommendations in its sustainable development plan and socioeconomic studies, and it committed to make the plan rights-based at its core. Montana also committed to continuing to collaborate with local communities to identify needs and project prioritization. It also undertook to work with local communities on the early Indigenous People’s Development Plan.

**BSR Findings:** Goldcorp introduced its first Human Rights Policy in 2011, which has informed its business management process and development of plans and programs. In addition, Goldcorp’s SEMS, which is designed to integrate sustainability across the company’s business in a standardized and consistent way, requires sites to monitor, manage, and remediate their human rights impacts.

According to interviews, Montana’s sustainable development plans do not employ a specific rights-based methodology or framework, but DDS employees told BSR that all projects implicitly touch on and address human rights issues by focusing projects and planning on such fundamental human rights as education, water, and health. It is important to note that SEMS, Goldcorp’s overarching corporate sustainability-management framework, is aligned with international human rights standards.

Moreover, the community projects Montana supports are developed and chosen by the communities, and the company enters into agreement with COCODEs to support those projects. To ensure that the projects have the support of the full community and not just community leaders, DDS employees noted in interviews that they always request proof, in the form of the acta comunitaria (community minutes), which are signed by the community members present at the meetings. Montana’s deference to the community is an example of incorporating a rights-based methodology, as it respects the community’s right to self-determination by funding what community members deem important.

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Current DDS leadership was not aware of any recent Indigenous People's Development Plans and was not using any internal plans to guide the department's interactions with indigenous people. Leadership did, however, note that the DDS works within the plan of the Secretaría de Planificación y Programación de la Presidencia (Secretariat of Planning and Programming of the Presidency [SEGEPLAN]) for indigenous people and therefore is coordinating its efforts with the government of Guatemala. Montana did develop an Indigenous Peoples Development Plan in 2004 that was submitted to the International Finance Corporation (IFC). This plan makes no mention of including indigenous people in its formation, though it does make commitments to “consulting with local indigenous people and facilitating their informed participation in relevant aspects of project planning and decision making.”  

It should be noted that, according to interviews with DDS employees, the company does not differentiate its approach to indigenous people because more than 90 percent of the local population is indigenous. Consequently, the DDS does not believe that its approach is alienating or marginalizing any one group.

**BSR Analysis:** BSR considers this commitment partially fulfilled. Human rights have been integrated into the company's group-wide sustainability management system and Montana's DDS team focuses on projects that respect fundamental human rights. In addition, Montana works with communities to allow them to prioritize projects according to community needs. While Montana’s DDS team does not use an explicit human rights methodology outside of SEMS, there is evidence of a rights-based approach. However, this commitment is considered partially fulfilled because, although DDS states that its current approach inherently addresses indigenous peoples, BSR is unaware of any work with local communities on an early Indigenous People’s Development Plan.

### 6.5 ADOPT RESULTS-BASED MANAGEMENT

**2010 HRA Recommendation:** “Adopt clear objectives, monitoring, and evaluations in order to determine the effectiveness of the strategies chosen and the funds being spent.”  

**Goldcorp Commitment:** In 2010, the company committed to designing, monitoring, and evaluation mechanisms based on the results of the CTA socioeconomic study.

**BSR Findings:** In interviews with the DDS, it was clear that the department does not have a consistent monitoring and evaluation program in place. There is continual monitoring and tracking of project progress, especially with the CIDH water projects conducted by the company; however, no objective evaluation of the success or impact of projects takes place. It was noted in interviews that the DDS has found it to be much more effective to have suggestions for project improvements come from community members, rather than from Montana employees. BSR understood this to mean that the DDS does not systematically track projects through a standard monitoring and evaluation program and does not improve projects based on those results. That is not to say that projects are not improved upon, but the process seems to be more informal, qualitative, and relationship-driven and not part of a company-led strategy.

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Similarly, the FSM does not have an established monitoring and evaluation system in place. The FSM will, however, do informal monitoring of the beneficiaries of its projects, through visits and check-ins, and does report on its activities.\(^\text{117}\) With the student scholarship programs, there is a process to track the grades and progress of students that have received scholarships.\(^\text{118}\)

**BSR Analysis:** While the FSM and the DDS have tracked some basic indicators with their projects, such as their completion and investment levels, BSR does not consider the commitment fulfilled, as there has not been a demonstrable and documented approach to monitoring and evaluating projects’ impacts, nor has there been monitoring and evaluation against the results of the CTA socioeconomic study. This is not to say that the projects have not been successful, but a lack of formal monitoring and KPIs for the investments limits the company’s ability to measure its impacts in the community.

### 6.6 REVIEW WHETHER THERE ARE OUTSTANDING COMMITMENTS FOR SOCIAL INVESTMENT PROJECTS

**2010 HRA recommendation:** "Review whether there are outstanding commitments for social investment projects."\(^\text{119}\)

**Goldcorp Commitment:** In 2010, Montana committed to conducting ongoing reviews of its social investment commitments and to report the results of those reviews to the public annually.

**BSR Findings:** The DDS reported during interviews that it signs agreements for the social investment plans/projects and signs (by Marlin and the project partner) a formal “receipt of work” letter\(^\text{120}\) to confirm completion of a project. It also tracks all commitments in an Excel document that is updated monthly.\(^\text{121}\) The version of this document that BSR reviewed showed that Marlin has 23 community projects pending; the majority are planned to be finished by the end of 2017; three will not be completed until 2018 or 2019. Seven of the pending projects are PECs, whereby the company gives 50 percent of the budget and the community contributes the rest. All the outstanding seven PECs are planned to be completed by the end of June 2017. There are also three CIDH water projects still to be completed, which are discussed in greater detail in section 3.3.

According to interviews, the DDS has plans in place to complete all of the pending projects in closure. No contingency plan was mentioned for incomplete projects at the time of closure.

**BSR Analysis:** BSR considers this commitment partially fulfilled. Montana conducts ongoing reviews of its social investment commitments; it does not, however, make those reviews or its outstanding commitments public.

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\(^{120}\) Company document: recepción de Proyecto.

6.7 INCREASE TRANSPARENCY

2010 HRA Recommendation: “There are an outstanding set of environment-related issues about which stakeholders have significant concerns and which have not been adequately addressed. These require specific ongoing consultation and information disclosure, including collaboration with public health officials to investigate and resolve uncertainty about existing health concerns.”

Goldcorp Commitment: In 2010, Montana noted that it was committed to following up on the results of the health baseline and to participate in the implementation of a health monitoring system.

BSR Findings: Goldcorp reported in 2010 that “the Ministry of Health approved the protocol for the health baseline study that was carried out in 2005 and certified the results presented in the study in 2006. An agreement between Montana and the Ministry of Health in 2007 provided that the company would support the Ministry of Health in publicly communicating the results of the health baseline and participating in the implementation of a health monitoring system.”

Additionally, Montana supported a further health study in 2014 conducted by the MSPAS to measure health impacts in the communities within a five-kilometer radius surrounding the mine. The study concluded there is no negative impact from mining operations on the population’s health, and there is no contamination of the water sources of communities as a result of mining operations. According to interviews, the results of the health studies were shared with community members.

BSR Analysis: BSR considers this commitment partially fulfilled. Montana assisted in sharing the results of health studies in the area, but BSR is not aware of any community health-monitoring system currently in place, and the company committed to implementing one in 2010.

It should be noted that Goldcorp’s commitment in response to the 2010 HRA did not reference ongoing consultation and information disclosure, including collaboration with public health officials to investigate and resolve uncertainty about existing health concerns in its response to and commitments regarding the 2010 HRA recommendation.

6.8 BUILD UPON PROGRAMMING THAT ENHANCES HUMAN RIGHTS

2010 HRA Recommendation: “Improve community and worker health. Implement a program to improve the general health and well-being of the communities where workers and their families live, with the objective of addressing secondary health issues that also affect health and safety in the workplace.”

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124 The study revealed that the major findings were as follows: The water did not contain chemicals from the mine but did contain microbes that required chlorine in the system; houses were made of adobe, and contact with this and the dirt created illnesses; and community members suffered from illnesses such as skin diseases, gastrointestinal issues, and a small number of neurological problems due to lack of hygiene and from housing animals inside their living quarters.

**Goldcorp Commitment:** In 2010, Montana committed to continue to evaluate both on-site and community health indicators and issues. It also committed to support initiatives to positively impact quality of life through improved worker and resident health in a sustainable way. Montana noted that it was negotiating with the government of Guatemala and the Municipality of San Miguel Ixtahuacán to establish the basis on which the Ministry of Health would take formal possession of the CAP in a manner that would ensure its sustainability. In 2011, Goldcorp stated that it was also working with the Canadian government to increase human resource capacity at the CAP and surrounding areas. Later in 2011, Montana reported that it was also working with the Mesa de Diálogo on how to develop a long-term strategy for the sustainability of the CAP.

Further, Montana stated that the health of workers and host communities remains a priority and that it is working with the Ministry of Health to ensure continued support for capacity building and training at the CAP, which Montana built and equipped.

**BSR Findings:** Montana has supported access to health in a number of ways. It financed the CAP and a local clinic in San Jose Nueva Esperanza (see the description of the CAP in Overview). According to interviews, the company also worked closely with the local municipal government to build its capacity. In addition, Montana partnered with MSPAS to carry out the health studies (see section 6.7). BSR has not found any indication of current Canadian government support for CAP.

Montana withdrew from the Mesa de Diálogo in 2016. For additional details, see the Overview section of Chapter 3: Environment.

The FSM has also been active in promoting health. It has organized health fairs, immunization clinics, health education, and direct health care for local residents, as reported in Goldcorp’s June 2010 HRA update and interviews. The FSM also focuses on providing preventative health support through the training of youth in schools.

To the best of BSR’s knowledge, Montana has not conducted a worker-based study of health-care provision at the mine.

**BSR Analysis:** BSR considers this commitment partially fulfilled. While Goldcorp did invest in health infrastructure and health access, these investments, to date, have not been fully maintained by the government. BSR accepts that Goldcorp made a significant effort to provide medical service to the community by constructing, equipping, and, for a short time, running the CAP. While BSR understands that the Ministry of Health was deeply involved in the CAP planning process, it is difficult to ignore that the long-term outcome of the CAP has not been as planned. Given government capacity in Guatemala, the Ministry of Health’s potential institutional shortcomings should have been further considered in the planning process. (See the Economic and Social Investment Recommendations section for BSR’s recommendations.)

### 6.9 CONTINUE TO INVEST IN STATE AND MUNICIPAL CAPACITY AND SUPPORT REGULATORY AGENCIES

**2010 HRA Recommendation:** ‘Continue to strengthen municipal institutions’ capacity to administer revenues from mining. Continue and expand initiatives with the Ministry of Energy and Mines or other government departments and regulatory agencies to build capacity. … Montana should develop a strategy to reduce contentious proceedings with regulatory agencies, and to work to strengthen the capacity of regulatory agencies to proactively protect human rights, labor, and the environment. This will enhance the protection of human rights,
as well as the company’s compliance with the relevant international best practice standards. Respond to the need of relevant regulatory agencies for capacity building. Explore opportunities to collaborate with international development agencies and other actors and to leverage additional resources.”

**Goldcorp Commitment:** In 2010, the company committed to continue to invest in state and municipal capacity building and to support the strengthening of capacity within the regulatory agencies of the Government of Guatemala. In 2011, Montana committed to promote active involvement of government in Montana’s Voluntary Principles and human rights training sessions and the EITI implementation process. It also committed to support Guatemala’s initiative to adopt regulations to implement ILO Convention 169 and to collaborate with MEM, MARN, and AMAC on water quality issues—all of which support and strengthen regulatory processes.

**BSR Findings:** In interviews with Montana, it was reiterated repeatedly that the national government has a very limited presence in the region where the Marlin Mine operates and that it is generally ill-equipped to handle the severe challenges facing the region. This has created a number of challenges, some for the mine and many more for the communities in the region. Additionally, local governments in the region have historically lacked the capacity to meet the needs of their communities.

To help address these issues, Montana has worked both with the national government and the local governments (at the municipal and community level) in an effort to build institutional capacity.

In BSR interviews, Montana employees said that the company implemented a program known as Plan de Fortalecimiento Institucional (Institutional Reinforcement Plan), which aimed to improve management abilities at the municipalities and encourage good use of the royalties received from the mining operations. However, according to the Marlin Social Closure Plan 2016, there is no documented information on the investments made by the municipal governments using the royalties, paid by law or voluntary, that they have received in more than 10 years of mine operations.

Interviewees also reported that the company played a key role in developing the Planes de Desarrollo Municipales (Municipal Development Plans) with the local municipalities. These plans allow the municipal governments of San Miguel Ixtahuacán and Sipacapa to directly fund communities and projects in need. The FSM has also collaborated with the Secretaría de Planificación y Programación de la Presidencia (Secretariat of Planning and Programming of the Presidency [SEGEPLAN]) and the Municipality of San Miguel Ixtahuacán to create Planes de Desarrollo Municipal.

Another local government capacity building activity on which Montana employees commented in interviews is the support provided to the Consejos Municipales (Municipal Councils) on how to effectively request funds from the national government. A significant number (one interviewee claimed 90 percent) of municipal projects proposed to the Guatemalan government fail due to lack of compliance with the requirements outlined by SEGEPLAN.

Montana has also provided training on how to develop budgets and on skills in budgeting. However, in interviews, employees were careful to note that the company is very aware of its legal limits and has never involved itself in the management of municipal funds, further noting that the mayors are audited by the Controlaría General de Cuentas (Comptroller General of Accounts).

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According to interviews, Montana has also helped the municipalities connect with the Gremial de Exportadores (Exporter Trade Association), in order for the government to explore business opportunities for its communities.

Unfortunately, BSR is not aware of specific data on the acceptance rates of municipal projects that had Montana’s technical support or other indicators of municipal government improvement. However, anecdotally, the DDS reports that the municipalities are now able to better serve the communities and have widened their reach.

At a local and national level, the company has signed nearly 20 different agreements with government agencies, including specific commitments, interinstitutional cooperation and strategic alliances, and voluntary contributions.

Regarding many of the regulatory agencies, the company reported in interviews that it has played an important role in building the capacity of government to manage a project like Marlin, which was the first of its kind.

For findings and analysis on: the involvement of government in the Montana Voluntary Principles and human rights training sessions, see sections 7.5 and 7.9; support for Guatemala’s initiative to adopt regulations to implement ILO Convention 169, see section 2.1; the EITI implementation process, see section 6.10; collaboration between MEM, MARN, and AMAC on water quality issues, see section 3.1.

**BSR Analysis:** BSR considers this commitment fulfilled. The company has demonstrated its investment in state, municipal, and regulatory capacity building. In addition, the company’s intent to help the region attract new investment (addressed in the Overview of this section) and to continue to help the government pursue EITI compliance (section 6.10) and implement ILO 169 regulation (addressed in section 2.1) speak to its commitment to help local and national governments thrive long-term. It is possible that more could have been done to understand the relative impact of the various initiatives and to report transparently on efforts, but it is clear that the company has made a substantive effort to work with the government on this.

### 6.10 ENSURE TRANSPARENCY OF REVENUE FLOWS

**2010 HRA Recommendation:** “Work alongside government to ensure greater transparency in the way revenues and royalty payments from mining are invested in social programs to enhance the economic, social, and cultural rights of project-affected communities. Express support for the Extractive Industries Transparency Initiative (EITI) and encourage the Guatemalan government to participate as well.”127

**Goldcorp Commitment:** In 2010, Goldcorp and Montana committed to support Guatemala in its efforts to become EITI certified. In the 2011 update, the company reported that Goldcorp and Montana support and continue to support Guatemala’s initiative to implement EITI. Montana continues to transparently report Marlin Mine revenues and all payments to governments (not including salaries, services, and local supplier payments, or investments in sustainable community development projects).

**BSR Findings:** Montana, through its participation in the Gremial de Industrias Extractivas (Extractive Industry Trade Union), has supported Guatemala’s efforts to become EITI certified. For additional information on Montana’s participation in the Gremial, see section 2.1.

According to interviews, moving the EITI forward in Guatemala has been somewhat challenging, in part due to corruption scandals in the Guatemalan government and multiple changes in oversight of the EITI (from the vice-

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The process involves the participation of government, civil society, and extractive companies. Guatemala presented its interest in participating in EITI in 2010 and in 2011 was accepted as a candidate. However, the EITI International Board did not grant Guatemala certification until March 2014. Guatemala was then suspended from the board in 2015 due to delays in the delivery of the conciliation report for 2012 and 2013; it was listed as a "Compliant, suspended" country until it submitted the said report. As of May 2017, Guatemala was waiting for its assessment against the 2016 standard.

Goldcorp has continued to report on its revenues, taxes, and royalties in its MD&A. Now that the mine is in closure, these revenues will end this year. At that time, it will not have additional significant taxes or payments to the government to report.

**BSR Analysis:** BSR considers this commitment fulfilled, as Montana has made a clear and consistent effort to support the government’s participation in EITI, and it has regularly reported on revenue and royalty payments in a transparent manner consistent with EITI standards.

**Economic and Social Investment Recommendations**

» Given Goldcorp’s commitment to sustainability in its economic investments, the company should re-examine its investment in the CAP project to evaluate that project’s long-term sustainability and determine if additional company actions could enhance the center’s chances for sustainability (such as additional capacity building). It is beyond the scope of this project to fully understand the challenges facing the CAP, and therefore BSR is not able to provide specific recommendations. It is clear, however, that the investment has not had the level of impact Goldcorp planned for, and that its sustainability is in question.

» In the future, BSR recommends that Goldcorp carefully assess government capacity and commitment when it undertakes any shared commitment to provide medical care, or other social services to a local population. Additionally, Goldcorp should commit to reporting on lessons learned from this investment, as many companies in the sector face similar challenges around social investment decisions, and on how Goldcorp has changed its approach to community investments as a result.

» The FSM should undergo a strategic, long-term planning process to ensure that the organization is equipped to manage funding fluctuations and to maximize revenue from the productive projects. BSR suggests that Montana contract trained, external consultants to build the FSM’s capacity in areas of governance, monitoring and evaluation, and community involvement. The FSM should continue to report transparently on progress and continue its efforts to establish an independent board of directors.

» Montana and FSM should develop a robust monitoring and evaluation program for all of the FSM’s projects in closure and post-closure. Clear KPIs for the productive projects to ensure that their effectiveness is measured properly during closure will be important to understand their success. While revenue generated will be one important KPI, the projects should also be tracked for such success factors as jobs generated, given the significant investment Montana is providing. Similarly, the FSM and the DDS

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128 EITI Guatemala.
should develop KPIs and a monitoring and evaluation framework for the teacher support and scholarship program.

» Conduct a follow-up socioeconomic study to explore the socioeconomic impacts of the mine on former workers and the surrounding communities. This study would examine to what extent community members benefitted long-term from the economic stimulation provided by the mine and which groups in particular reaped those benefits.

» In addition to the Occupational Health Risk Assessment mentioned in the Labor section, Montana should commit to conducting a community health study during closure (from 2017 to 2020) and again in post-closure as a way to assess the effectiveness of its investments in community health over the years. The study should be aligned with the ICMM’s Good Practice Guidance on Health Impact Assessment.

» Goldcorp should develop an explicit human rights–based framework to support its community development efforts. This could include a standard or checklist that could be used by community development teams across the company to ensure that their projects are aligned with international human rights and should be accompanied by training on how to apply a human rights–based approach.
Chapter 7: Security

Overview
The security situation around the Marlin Mine has been relatively uneventful over the last few years. The last violent confrontation took place in 2013 near the mine site in La Hamaca, where armed community members threatened to burn drilling equipment. Montana staff stated that there have been no significant security incidents since then, and this was corroborated by searches of local media sources and country risk assessments commissioned by Goldcorp. In general, however, Guatemala faces high crime and homicide rates, political instability, and social unrest, necessitating elevated security management. The country faces security challenges with drug trafficking and mara gang activity, which has led to an *estado de sitio* (state of siege) in San Marcos (about 60 kilometers from the mine).\(^{129}\)

According to the Goldcorp 2016 Sustainability Report, the company conducted its own internal security review process and determined that the Marlin Mine is considered “high risk,” even though Guatemala is not considered as such by the Heidelberg Conflict Barometer, an external criterion used by the World Gold Council. Given the elevated local risk, the company has applied the World Gold Council’s Conflict-Free Gold Standard to the mine and states that it takes human rights and security very seriously.

BSR did not assess Montana’s compliance with the Voluntary Principles as part of this project. Full assessments have been conducted regularly by an external consultancy, Avanzar, since 2008, using a proprietary methodology. The latest Avanzar assessment, from 2015, reports that “overall the site demonstrated a strong performance for a baseline assessment, which the site should be commended for.”\(^{130}\) It also states that “Marlin has made visible efforts to promote the Voluntary Principles internally.” The report cites a few areas needing improvement and offers concrete recommendations and an action plan on how to improve compliance, which Montana employees say they have implemented.

SECURITY AT MARLIN MINE
Security at the mine is supervised by the Montana Security department with outsourced security guards provided by Grupo SIS. The Montana Security department coordinates closely with other departments. Montana stated that the mine’s security depends on its good working relationships among the Security department, other internal departments, and external stakeholders.

The Marlin Mine security team is made up of a small number of direct employees, with the main security operations provided by Grupo SIS. Within Grupo SIS, there are two types of security guards: armed executive security guards and uniformed guards. Montana reports that the majority of the security guards come from the surrounding local communities.

MINE CLOSURE
In interviews with BSR, Montana employees stated that security at the mine will be unchanged until August 2017, at which time the number of security guards will be reduced, reflecting the decrease in mine activity. Montana

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plans to maintain at least a minimal security presence at the mine site until 2026 to ensure ongoing safety at the sites during the environmental monitoring phase. According to interviews, the exact plans for reducing the security presence are not yet formalized and will depend on the closure timeline and local circumstances.

The Montana security team communicated to BSR that it keeps open lines of communication with its security contractor about the mine’s impending closure.

SECURITY AND COMMUNITIES
On matters relating to community relations, the Security department works particularly closely with the DDS, as reported by both departments in interviews with BSR.

Within Montana, the DDS is the department responsible for discussions with the communities. BSR was told that any negotiations or conversations on the part of the company go through the DDS, which has established relationships with community leaders and is committed to strengthening existing structures in the community. All company meetings are held within the structure of the legally elected community authorities in order to strengthen local governance and ensure a fair and transparent process. Any agreement with the mine, or response to a blockade or community conflict, is made within the community leadership structure, specifically the COCODEs and auxiliary mayors. If the leadership of the community is not present during a blockade or other community event, the DDS will contact the leadership before negotiating with community members.

In interviews with BSR, the DDS department said that it works in the communities to prevent conflict and will hold special meetings, as needed, with communities to mitigate concerns. While BSR did not receive documentation of specific conflict-prevention activities, the DDS’s grievance mechanism (discussed in section 8.2) can be seen as an example of the DDS approach to preventing and mitigating conflicts.

HRA Recommendation and Commitment Completion Status

7.1 CONTINUE EXTERNAL REVIEWS

2010 HRA Recommendation: “The practice of periodic external evaluations of the implementation of the Voluntary Principles, including the company’s interaction with public security forces, should be continued. Given the risks identified in previous VP assessments, as well as some of the gaps in current implementation, such assessments should be undertaken on a regular basis (e.g. every 18 months). The development of more formal plans to implement recommendations from assessments is also recommended.”

Goldcorp Commitment: In 2010, Montana committed to undergoing regularly scheduled external reviews of the implementation of the Voluntary Principles.

BSR Findings: Montana has continued the practice of obtaining external evaluations of the implementation of the Voluntary Principles regularly since 2008 (and, in some years, has conducted more than one assessment). The latest Voluntary Principles assessment was conducted by Avanzar in 2015. An additional Conflict-Free Gold Standard assurance was also conducted by Ernst & Young in 2015. Avanzar is scheduled to conduct a follow-up assessment.

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assessment in 2017. Montana also conducts its own internal SEMS Corporate Sustainability Audits, which include a review of security operations (last conducted in 2015).

According to Montana, the company will evaluate the need to conduct external assessments annually; however, it is planning additional and ongoing evaluations throughout mine closure.

**BSR Analysis:** Goldcorp and Montana have fulfilled their commitment to regularly engage in external reviews of their implementation of the Voluntary Principles, and there are plans to continue these reviews during mine closure.

### 7.2 UNDERTAKE PERIODIC RISK AND CONFLICT ASSESSMENTS

**2010 HRA Recommendation:** “Strengthen risk assessments in light of repeated use of public security forces. Strengthen and institutionalize an interdepartmental process of analyzing risk and conflict concerns in particular with decision-makers at the mine, including identification of internal and external strategies to manage and reduce risks and conflict. This should focus on expanding the number of managers involved, and deepening understanding and capacity to manage human rights and security risks. Include in risk assessments consultation with all relevant internal departments and managers, as well as the public security forces, community members, and other relevant stakeholders.”

**Goldcorp Commitment:** In June 2010, Montana committed that the management team would formally review the risk assessment on a quarterly basis or as required. It also committed to include risk assessments and their human rights implications in training for Montana managers.

**BSR Findings:** Montana employees confirmed that each department at Marlin Mine continuously updates its departmental risk assessments. These assessments are used to update Goldcorp’s enterprise risk-management system on a quarterly basis. BSR was told that, at Montana specifically, there is detailed internal communication among department managers, who meet three times a week to discuss interdepartmental issues, including security. Additional meetings are called when needed, including in response to community concerns.

Montana employees state that external stakeholders are involved, as needed, in issues of security—both in prevention of, and responding to, potential issues (see section 7.3 below).

The security situation at the mine is evolving with closure. Several Montana staff noted a risk of land invasions and theft during closure and post-closure; as such, the continued presence of security personnel is needed throughout the closure process.

For training, see section 7.9 below.

**BSR Analysis:** Montana has fulfilled its commitment to continue reviewing the risk assessments and has implemented strategies to manage and reduce risks and conflicts involving both internal and external stakeholders.

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7.3 ENSURE INDEPENDENT MONITORING

2010 HRA Recommendation: “If a situation requires the intervention of private security guards or public security forces, provide for independent monitoring as a deterrent for and witness of human rights infringements or violations. The recent example of including the PDH to monitor actions of the police is a positive step.”

Goldcorp Commitment: In June 2010, Montana committed to requesting the participation of representatives of the Attorney for Human Rights (PDH) when an incident arises that involves, or is anticipated to involve, public or private security intervention.

BSR Findings: In interviews with BSR, Montana employees expressed a clear commitment to the participation of independent monitoring bodies and reported having established relationships with human rights government agencies to call upon in cases of potential conflict.

According to Montana, in most engagements with communities, it is not necessary to have the participation of credible government human rights institutions present because Montana’s DDS and the community are able to resolve the conflict together. However, in cases where the company is unable to resolve the issues and the potential for conflict arises, the company has stated that it will call upon credible government human rights institutions. In the past, Montana has requested the presence of PDH. However, today the human rights agency that addresses conflict around large industrial projects is the Comisión Presidencial coordinadora de la Política del Ejecutivo en materia de Derechos Humanos (Presidential Commission coordinating the Executive Policy on Human Rights [COPREDEH]). According to Montana employees, COPREDEH and the municipalities, including the mayor and members of the municipal council, are asked to participate as observers in contentious cases with communities.

BSR Analysis: Montana has fulfilled its commitment to request the participation of external human rights representatives. The designated national agency has changed from the PDH to the COPREDEH; however, the commitment and utilization of the external third party is the same.

7.4 STRENGTHEN FOLLOW-UP OF PAST INCIDENTS

2010 HRA Recommendation: “As part of monitoring of the Voluntary Principles, pay particular attention to the follow-up and results of investigation into potential infringements by private security guards and/or violations by public security forces. Ensure that Montana is taking appropriate steps to investigate and discipline private security guards, and to press the Guatemalan government for investigation, prosecution, and remedy for violations by public security forces.”

Goldcorp Commitment: In June 2010, Montana committed to continue adhering to the Voluntary Principles and to investigate and discipline private security guards, and to encourage the Guatemala government to investigate, prosecute, and remedy violations by public security forces.

BSR Findings: Montana reports it has adhered to the Voluntary Principles without major incidents. In conversation with BSR, Montana stated that no incidents of potential infringements by private security guards or

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134 Ibid.
violations of human rights by public security forces were reported in relation to the Marlin Mine. This, however, contradicts the findings of the 2010 HRA, which alleges abuses by public security forces pre-2010.

Montana began implementing the Voluntary Principles in 2006 at the Marlin Mine.\(^{135}\)

Montana staff stated that all dismissal of security guards has been related to staff members not fulfilling their basic job requirements (such as arriving late, sleeping on the job, etc.) rather than due to any human rights–related concerns.

Goldcorp has stated that its goals with respect to human rights are clearly shared with public security forces when their support is sought in response to community actions or blockades. The company notes that the absence of complaints or abuses by the public security forces during their interventions is a testament to the success of this strategy.

**BSR Analysis:** According to information provided by Montana, the company has fulfilled its commitment to adhere to the Voluntary Principles. Given the recent security context, it has not found it necessary to investigate or discipline private security guards. Montana has not pressured the Guatemalan government to investigate, prosecute, and remedy violations by public security forces, given the company’s assertions that no claims of human rights abuses have been made against public security forces.

### 7.5 OBTAIN AN AGREEMENT WITH PUBLIC SECURITY FORCES

**2010 HRA Recommendation:** “Despite turnover of military and police personnel, the dialogue with the Guatemalan public security forces about security arrangements must continue with a view to obtaining a transparent agreement that security be provided in a manner consistent with human rights by personnel with adequate and effective training. Companies should encourage host governments to permit making security arrangements transparent and accessible to the public, subject to any overriding safety and security concerns.”\(^{136}\)

**Goldcorp Commitment:** In June 2010, Montana committed to continue dialogue with public officials on this issue. However, the company was told repeatedly that public security officials cannot formally sign agreements on this issue.

**BSR Findings:** Montana employees report that the company has continued to engage in regular dialogue with public officials on issues of human rights and security, but no progress has been made on signing a transparent agreement with the Guatemalan government, despite interest on the part of Montana.

Montana has made some progress on building public sector capacity. The national government, military, and national police have demonstrated an interest in exchanging ideas and participating in dialogue with the company on human rights issues. This regular dialogue includes sharing training materials and information on the Voluntary Principles and human rights with military and national police when they visit the mine, which occurs on a semi-regular basis (the police visit two to three times a month, whereas the military visits less frequently). These dialogues and their frequency are documented in the Security department logs. Montana reports that clear expectations for respecting human rights are shared with the Guatemalan government, military, and national

\(^{135}\) Goldcorp corporate website, Case Study: The Voluntary Principles at Marlin.

police. Montana reports that when the military or police forces have responded, it is clear that they understand Montana’s behavioral expectations.

**BSR Analysis:** Montana has fulfilled its commitment to continue to engage public officials in dialogue on human rights issues. It is clear that ongoing, sustained effort is required to promote human rights issues with the government, particularly the military and national police. Montana is involved in regular discussions with the military and police, especially when they visit the mine site.

### 7.6 ENGAGE STAKEHOLDERS ON SECURITY ISSUES

**2010 HRA Recommendation:** “Expand formal consultation with community members and other stakeholders about security-related matters. As the conduct of the public security forces and broader issues of public safety are shared concerns for the company and the community, there is an opportunity for engagement and dialogue with community members that can be expanded over time to other areas of mutual concern. Implement a more formal process to welcome and address concerns of community members, moving next to engagement and accountability with external stakeholders and critics.”

**Goldcorp Commitment:** In June 2010, Montana committed to expanding engagement with community members and other stakeholders about security issues. The company noted that on a biweekly basis, the Superintendent of Security is accompanied by the Sustainable Development Coordinator for Community on a visit to one of the communities in the area of influence of the Marlin Mine. The visits are part of the permanent goals and objectives for the Security Superintendent and will be included for supervisors as well. In 2011, the company committed to holding a Voluntary Principles/Human Rights workshop, on a semi-annual basis, that included local and national military, local police, Marlin’s private security provider, the local community leaders, the FSM, and an observer/participant from the Canadian embassy.

**BSR Findings:** Montana has reported continuing to engage external stakeholders on issues of security and human rights; however, the company has not continued with the Superintendent of Security meetings in communities or the semi-annual Voluntary Principles and human rights workshops.

The Security department stated that its visits to communities were discontinued after it became clear that the presence of Marlin security officers in the communities was a destabilizing influence, rather than contributing to improved dialogue with the company. Thereafter, the engagement with communities on issues of security has been covered by the community promoters from the DDS, with close internal communication between the DDS and the Security department. According to the DDS, engagement around security has included human rights and other issues and has not consisted of meetings solely dedicated to the topic.

The Security department does accompany key members of the DDS on visits to the community and has reportedly participated in informal conversations on security and human rights. The Montana team noted that the move toward informality and leadership made by the DDS has improved relationships between community and security personnel. In interviews, security employees noted a considerable warming over the years between communities and security.

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The multistakeholder security workshops Goldcorp committed to conducting on a semi-annual basis have not continued. (The last conference was held over five years ago, according to the Avanzar assessment.) However, the company does report engaging external stakeholders on issues of human rights and security.

**BSR Analysis:** Montana has partially fulfilled its commitment to expand engagement with community members and other stakeholders about security related matters; however, it has not done so in the manner it outlined in 2010 and 2011, albeit for valid reasons. As mentioned above, the Superintendent of Security’s visits to communities were suspended and reconfigured in order to more effectively build trust with communities. The multistakeholder security workshops have also been discontinued and do not appear to have been replaced with any formal training. Montana stated that the company does include issues of human rights, security, the use of force, and related issues in other discussions and training.

### 7.7 CONTINUE TO SCREEN PRIVATE GUARDS

**2010 HRA Recommendation:** “Focus primarily on in-depth reference checks for past human rights concerns rather than national databases. Complement screening mechanisms with ongoing supervision and evaluation for good human rights performance. Hire more female guards and improve gender balance in the security force by hiring and training more women.”

**Goldcorp Commitment:** In June 2010, Montana committed to continue to examine different options in terms of background checks and to continue its efforts to engage the NGO community on the issue. Montana also committed to continue efforts to hire female security employees.

**BSR Findings:** Montana employees stated that every security sub-contractor employed by the company undergoes a thorough background check that includes, and goes beyond, consulting the national database. Employee screening includes interviews with a job candidate and neighbors, a polygraph, and a psychological test. After onboarding, background checks are repeated every six months during employment.

Montana reports that its private security forces include five female guards. This is seen as an accomplishment for the mine, as finding women security guards is challenging.

**BSR Analysis:** Given the information available to BSR, Montana appears to fulfill its commitment to conduct background checks on guards that go beyond the national database. It also has fulfilled its commitment to promote the hiring of female guards.

### 7.8 STRENGTHEN INTERNAL PROCESSES

**2010 HRA Recommendation:** “Ensure that a clear protocol exists for convening all relevant managers and departments to discuss human rights risks associated with all situations that involve a threat of confrontation or violence.”

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139 Ibid.
**Goldcorp Commitment:** In June 2010, Montana committed to integrate a protocol for convening all relevant managers and departments to discuss human rights risks associated with all situations that involve a threat of confrontation or violence in the company’s crisis-management policy and training.

**BSR Findings:** As mentioned in section 7.2, the mine managers gather for a cross-departmental management team meeting three times a week. According to attendees, safety is the first standing agenda item. Other relevant issues are also discussed, and additional meetings are called when needed, including in response to community concerns. These emergency or ad hoc meetings include the General Manager, Superintendent of Security, Industrial Safety Manager, Manager of Mine Closure, and Development Manager (DDS). According to Montana, this group is connected via email, and initial investigation of threats is done virtually before calling an in-person meeting. Additionally, if an incident occurs, an alert report is sent to the General Manager and DDS.

**BSR Analysis:** Montana has fulfilled its commitment to integrate a protocol for convening all relevant managers and departments to discuss human rights and security issues. The company reports using established meetings and has a clear system in place for calling ad hoc meetings as needed.

### 7.9 EXPAND HUMAN RIGHTS TRAINING

**2010 HRA Recommendation:** “Reinforce and build upon early achievements in human rights training for public security forces and expand to include all relevant actors that may be involved in public security responses (e.g. unit responsible for carrying out arrest warrants). Build upon early achievements in human rights training for private security firms by strengthening and verifying training, with clear objectives and goals. Implement an appropriately designed evaluation program to measure effectiveness, and adapt as needed. Expand current training initiatives for security guards to management and then other staff and employees. Content on human rights and the Voluntary Principles should be expanded to cover risk areas such as intimidation, sexual harassment, and privacy rights of employees.”

**Goldcorp Commitment:** In June 2010 Goldcorp committed to develop a corporate human rights policy before the end of 2010. As part of the implementation of that policy, Goldcorp committed to provide training throughout the company and its subsidiaries with respect to human rights. In addition, Montana committed to include training regarding sexual harassment, intimidation, privacy rights of employees, and workplace violence as a part of new employee induction training.

**BSR Findings:** In July 2015, Goldcorp updated its Human Rights Policy. With the new Human Rights Policy, the company reports continuing with the human rights training.

According to Montana, employee orientation and onboarding for all new guards includes training on human rights, the Voluntary Principles, and Use of Force. Onboarding training is provided by both Grupo SIS and Montana; however, the responsibility for training on human rights is held by Montana. Montana employees stated in interviews that in 2010, human rights, Voluntary Principles, and Use of Force training was provided for executive security/body guards, and in 2015, the training was expanded to be a requirement for all guards. According to interviews with Marlin employees in 2015, the Voluntary Principles training is offered by external attorneys with

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141 Goldcorp Human Rights Policy v2.
human rights experience. Given recommendations from Avanzar, the company reports that human rights training now takes place once a month.

Avanzar reports that, “overall, the site demonstrates high levels of due diligence to ensure that private security are well versed in human rights and security issues prior to beginning work. The assessor also found that guards interviewed had a good understanding of human rights, the Use of Force and reporting procedures.”

Montana reports that the daily talks (charlas) for security guards—five minutes (though often more) set aside at the beginning of each shift to discuss relevant security and safety issues—include human rights and legal framework content. Employees noted that frequent topics include use of force, the importance of documentation, and the provision of medical support. The charlas have also included role playing where appropriate. Generally, the training provided to the security guards does not include pre- and post-tests to determine learning comprehension, because the company reports it makes people nervous. According to Montana interviews, the company instead focuses on applied learning and reinforcement in the daily charlas to ascertain comprehension of materials.

Human rights training is also given to Montana staff. Training sessions include an online course in how to recognize human rights risks and violations and how to report them. Montana personnel also receive training regarding sexual harassment, intimidation, privacy rights of employees, and workplace violence as part of new-employee induction training and as part of the Annual Code of Conduct refresher training.

The next human rights training is scheduled for September 2017 and will be conducted by Avanzar.

According to the company, information sharing on human rights, Voluntary Principles, and Use of Force are extended to conversations with the military and the police when they visit the mine (see section 7.5).

It is required by law that the military protect the explosives on the mine site, and the military receives training from the government. Montana noted that the relevant commanding officer is invited to attend Marlin’s training and can disseminate it to the guards.

According to Montana, the current cadence and content of training will continue through the foreseeable future, with training occurring every month on the Voluntary Principles and Use of Force. Montana states that given natural turnover in the ranks, it is necessary to continuously provide new hires with training, in addition to the regularly scheduled training.

**BSR Analysis:** Goldcorp has fulfilled its commitment to publish a corporate human rights policy, and it published an updated version in 2015. Montana provides regular human rights, Voluntary Principles, and Use of Force training and refreshers to security guards and human rights training to employees. It is, however, not clear that the company is effectively measuring training effectiveness and adapting the training, as needed.

**Security Recommendations**

» Given its future role as custodian of the Marlin Mine site, the FSM leadership should immediately begin to participate as an active member in the regularly scheduled manager meetings at which critical closure

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issues, including security concerns, are addressed. Direct lines of communication should also be established between the FSM and the Montana security team (as exists among the internal departments within Marlin Mine).

» Montana should make a formal commitment to continue regular assessments of the implementation of the Voluntary Principles during closure and post-closure.

» Montana should commit to continuing regular training in human rights, Voluntary Principles, and Use of Force as long as private security guards are present at the Marlin Mine, including in closure and post-closure.
Chapter 8: Access to Remedy

Overview
In Guatemala, Goldcorp has two grievance- and incident-reporting mechanisms: one targeting employees and contractors, called “Ethics from the Ground Up,” and another for local communities and other external stakeholders, called “Community Response Mechanisms.”

The company reports, in its 2016 Sustainability Report, that it is “committed to not tolerating any form of retaliation against a party who makes, in good faith, a report of a Code of Conduct violation or a report to any of our channels of complaints and grievances.”

Goldcorp discloses data about the practical operation of the channels; however, it does not disclose whether it has evaluated the effectiveness of the mechanisms.

The scope of BSR’s assessment did not include a thorough review of the grievance-mechanism system, including an assessment against the UN Effectiveness Criteria.

WORKER GRIEVANCE MECHANISM
Workers and contractors can access the “Ethics from the Ground Up” channels through a toll-free telephone hotline, email, and mailing address. Employees and contractors are informed of the grievance system during the onboarding process and via banners posted throughout the mine site.

Goldcorp reports in its 2016 Sustainability Report that the “[i]nitial complaint is received (in confidence, if through our ethics and compliance hotline) by an external third party, and the cases are investigated and resolved by the corporate Ethics Committee with local site support as necessary.” The Code of Conduct further outlines the actions the Ethics Committee will undertake upon receiving a complaint: “Report received and preliminarily accessed, including report receipt notification; notify applicable members of senior management or audit committee; scoping of investigation plan; assessment/investigation is conducted followed by validation of assessment/investigation results; implementation of corrective action if required, and follow up on implementation of corrective actions if recommended,” including a notification of case closure. Goldcorp does not, however, disclose timelines for expected responses at each stage. (It receives a notification at the beginning and at the end.)

In addition to the “Ethics from the Ground Up” system, Montana has an “open door policy” whereby complaints or concerns can be brought directly to a supervisor or to the HR Director or Mine General Manager (MGM). According to interviews with employees, the site-level open door policy does not use a standard form to document all grievances. Instead, grievances are received by managers or HR representatives and escalated as appropriate, including to the MGM when necessary. If the grievance is related to the Code of Ethics, the issue is

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143 Goldcorp 2016 Sustainability Report DRAFT.
144 Ibid.
145 Goldcorp Code of Conduct.
reported to the corporate Ethics officer. According to interviews with HR, the response to the issues is given in-person, on average, within one to two months.

The Ethics system allows for anonymous complaints, but anonymous complaints do not allow for a response or follow-up; they trigger only further investigation.

Typical issues addressed through the ethics line are related to theft, fraud, discrimination, harassment, employee relations, labor, health and safety, and human rights.

There is no final recourse to an external, independent third party for complaints filed through the ethics line, and the mechanisms do not appear to allow for concerns to be expressed in the majority of workers’ native languages (Mam and Sipakapense). The Ethics line is available in English, French, and Spanish.

Montana confirmed that the worker grievance system will remain in place as long as Goldcorp (through Montana) has a presence in Guatemala.

According to Goldcorp’s 2016 Sustainability Report, the company received 39 human rights–related complaints through its Ethics From the Ground Up hotline in 2015 and 46 in 2016. The company does not publicly break these numbers down by region or site.

COMMUNITY GRIEVANCE MECHANISM

Goldcorp reports that the Community Response Mechanism at Marlin is designed with the local context in mind and that it complies with the Goldcorp Grievance Mechanism Framework.

According to Montana employees, there are a number of ways to use the Community Response Mechanism. Employees noted that all the complaints received are tracked, and BSR received reports documenting this tracking.

According to documents received by BSR from Goldcorp, in 2015, the company reported 67 community grievances, primarily related to damaged houses and reclamos de garantias de vivienda (damaged houses warranty claims). (See section 8.3.) In 2016, the number of grievances recorded jumped to 127. The majority of grievances in 2016 were also related to damaged lands or homes, requesting that the mine buy land or applying for reclaiming or requesting garantias de vivienda. As of May 2017, 11 of those grievances have been investigated, closed, or discarded, and the remainder were in progress.

As of May 2017, the company had recorded only one community grievance. The grievance was related to a small blockade (approximately eight people) that occurred in April 2017 at the site’s main entrance. The blockade was related to allegedly damaged houses and requests that the mine buy those lands or houses.

Goldcorp noted that the high number of unresolved or open grievances at Marlin Mine was due to a number of factors, including. One is Montana’s policy of not declaring a grievance closed or resolved until there is a formal, signed agreement between the person who filed the grievance and the company, a process that can often take months. In addition, turnover of site personnel within the DDS created a gap in closing grievances in the corporate tracking system, Enablon. Goldcorp also noted that the most recent grievances, the bulk of which are related to

146 Goldcorp 2016 Sustainability Report DRAFT.
garantías de vivienda, will not be paid out until closure and will remain open meanwhile. The DDS has continued to implement its internal processes, including all field investigations; however, this information has not been systematically updated into Enablon. Goldcorp has indicated to BSR that before this assessment, the company was unaware of this issue and is working closely with the DDS to update the centralized system in order to ensure accurate and reliable data on community grievances.

BSR was told by Goldcorp staff that all outstanding claims will be resolved throughout the closure process.

One of the ways to file a grievance involves filling out a form and signing the complaint. According to Montana employees, over the course of the mine life very few of these complaints have been lodged.

In 2013, Marlin Mine reported that it introduced a new way to receive grievances, the cards, which is a shorter form that does not require a signature. This entry point was added in response to feedback from the community expressing an interest in an additional method of lodging a complaint that does not involve a signature, as community members are hesitant to include their signatures. Marlin Mine reported during the interviews that after introducing the cards, it has received more submissions/grievances, and people are now more confident that the grievance-mechanism system will deliver a response/resolution. Community development employees noted a notable uptick in community use of the system since 2010, and even more recently with the cards.

A further method of using the Community Response Mechanism is for community members to make a complaint to a member of the DDS team either at the mine or during a mine visit, or to DDS community promoters when they are in the communities. Interviews indicate that this is a more appealing option for community members who do not want to fill out a form or sign documentation. According to Montana staff, most complaints received are logged in this way.

There is no anonymous reporting system for community grievances unless the individual opts to use the Ethics From the Ground Up hotline. In interviews, BSR was informed that the Community Response Mechanism is designed to provide investigation, response, and resolution to the person affected, which cannot be done anonymously.

Marlin Mine reported that formally submitted grievances are “public”; a judge or Minister could request to see them, which may discourage individuals from submitting grievances.

Marlin’s DDS team includes Mam speakers, who can receive and resolve grievances in Mam.

According to employees the mine has 30 to 60 days to respond through the formal grievance mechanisms. Depending on the type of complaint, Montana involves third parties. (See below in section 8.3.) When there is a resolution, a community member must sign an agreement acknowledging that the complaint was resolved. A person who is not in agreement with the resolution can refile the complaint.

According to interviews with Montana employees, the community grievance system will remain operable until at least 2019. As of the writing of this report, it is unclear if the system will remain in the post-closure period, from 2020 to 2026.

BSR was told that communities have been informed that the complaints system will remain in effect through closure and that the company is working to resolve outstanding complaints. Additionally, the DDS noted that it
anticipates additional grievances related to closure, due to the increase in activity at the mine and surrounding roads during the dismantling process.

HRA Recommendation and Commitment Completion Status

8.1 ESTABLISH A WORKERS’ GRIEVANCE MECHANISM

2010 HRA Recommendation: “Provide an internal grievance mechanism as part of the proactive management of labor rights issues, with final recourse to an external or third-party review considered legitimate by employees. Ensure confidential means for making and pursuing complaints.”

Goldcorp Commitment: In June 2010, Goldcorp was in the process of developing a corporate framework regarding the implementation of effective internal and external grievance mechanisms.

BSR Findings: As described above, Montana has a worker grievance mechanism in place that is part of the formal Goldcorp corporate framework for managing worker and contractor grievances and ethics concerns. Additionally, there are informal mechanisms in place that workers can use to lodge complaints.

Montana employees report that confidentiality is provided to those making complaints, though in many cases, true resolution requires that complaints not remain anonymous.

BSR Analysis: Goldcorp has fulfilled its commitment to establish an internal grievance mechanism. It has not undertaken all aspects of the OCG recommendation, as it has not established a system whereby final recourse is provided by an external or third party. However, workers may file complaints with the Ministry of Labor. Additionally, workers are not able to lodge complaints in their native languages (Mam and Sipakapense). BSR's understanding is that all workers have knowledge of Spanish, though they may feel more comfortable using their native language.

8.2 REVIEW CURRENT GRIEVANCE MECHANISM

2010 HRA Recommendation: “Develop an effective grievance procedure to address the problems of social protest. … There is considerable guidance on international standards for rights-compatible, company-based grievance mechanisms that Montana can draw upon to improve access to remedies. The company should re-evaluate and redesign the existing grievance mechanism, according to the key principles of legitimacy, accessibility, predictability, equitability, rights-compatibility, transparency, and dialogue or mediation. Final resolution should be by an independent third party or commission rather than a unilateral decision by the company. It is critical to involve representatives of the local communities and independent third parties in the (re)design, operation, and evaluation of the grievance mechanism. This step could be an opportunity to signal a new approach to community engagement and dispute resolution around the mine.”

Goldcorp Commitment: In June 2010, the company stated that it will use input from the review of its existing grievance mechanism and recommendations from the HRA to develop a corporate grievance framework and to

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148 Ibid.
continually review and improve Montana’s grievance mechanism. Montana committed to seek and encourage the participation of community representatives directly in the company grievance mechanism.

**BSR Findings:** As noted above, Montana has in place a community grievance system, managed through the DDS.

In addition to the Community Response Mechanism, Montana employees report that community members are also aware of the Ethics system. While the primary audience for the Ethics system consists of workers and contractors, community members can—and have, on a few occasions—used it. As noted above, this system allows for confidential grievances to be filed.

According to Montana employees, the company has made continual improvements to the Community Response Mechanism (most recently, instituting the cards) to make it more accessible and acceptable to the local population.

**BSR Analysis:** Goldcorp has fulfilled the commitment it made by creating a community grievance mechanism. The Goldcorp commitment, however, made no mention of final resolution being made by an independent third party or commission, rather than a unilateral decision by the company, as recommended in the 2010 HRA. In the case of some types of grievances, third-party participation is requested. (See section 8.3 for additional details.) BSR has not evaluated the Community Response Mechanism against the UN Effectiveness Criteria, which looks at legitimacy, accessibility, predictability, equitability, transparency, if it is rights-compatible, if it is a source of continuous learning, and if stakeholder groups are consulted and dialogue is used as a means to address grievances; therefore, BSR cannot rate the current system against good practice.

**8.3 ESTABLISH A ‘COMMISSION’ TO ADDRESS OUTSTANDING GRIEVANCES**

2010 HRA Recommendation: “While Montana is reviewing and revising its grievance mechanism, consider and consult upon options for the establishment of a commission of independent and credible individuals or officials (e.g. PDH, Justices of the Peace, President of the Auxiliary Mayors) who can receive, review, and resolve outstanding grievances through a process of dialogue and mediation.”

Recommendation on land acquisition: “Ensure appropriate documentation and follow-up on all commitments made in the land acquisition process.”

Recommendation on cracked houses: “Develop a plan to repair, rebuild, or compensate for cracked houses. Consult with affected families about the plan and implement immediately where there is agreement.”

**Goldcorp Commitment:** In June 2010, Montana agreed to comply with the recommendations of a study to determine the causes of damage to houses in communities located near the Marlin Mine that was conducted by the Inter-Institutional Commission formed at the behest of the Transparency Commission of the Guatemalan

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150 Ibid.

151 Ibid.
Congress. While the technical report concluded that the Marlin Mine was not responsible for damages to the houses, Montana and the Government of Guatemala entered into an agreement to construct and repair houses.

In October 2010, Goldcorp and Marlin committed to review the issue of outstanding grievances and to work to see how dialogue and mediation can best be achieved through existing institutional frameworks.

**BSR Findings:** In two specific cases, Montana involves third parties to investigate, collect data, and resolve grievances: in the case of cracked houses and in relation to water concerns.

For complaints regarding cracked houses, Montana involves the Transparency Commission, CONRED, MEM, MARN, and Ministerio de Comunicaciones Infraestructura y Vivienda (Ministry of Communications, Infrastructure and Housing [CIV]). Montana, in coordination with the third parties, established a garantias de vivienda (housing warranties program) whereby the company agrees to repair a dwelling if the home is damaged during operations. Upon closure of the mine, these garantias will need to be revisited and any repairs completed.

For issues around water, Montana involves the participatory water monitoring group, AMAC.

According to documents received by BSR, 165 of 195 grievances received by Marlin’s DDS group from 2015 to 2017 are still under investigation and are in the process of being closed. According to Goldcorp, the number of outstanding grievances is exacerbated by staff turnover and the slow response times of the PDH. Montana works with the PDH as a third party on certain grievances that cannot be resolved between the company and an individual; sometimes, however, the individual does not agree with the PDH decision, and this lengthens the process because it requires more back and forth among all actors. Further, as part of its resolution process, Montana requires that in order for a grievance to be considered closed, Montana must obtain a signature from the individual who filed the grievance, indicating agreement with the resolution and considering the case closed as well. However, Montana often has trouble arranging a time with the individual to get a signature, and therefore grievances are marked as open in the tracking system, even if they have been addressed substantively.

**BSR Analysis:** Goldcorp was not found at fault by the Inter-Institutional Commission and, despite this, has worked to provide remedies for many of the cracked houses. In closure, the company will need to settle all of the outstanding warranties with the homeowners to fulfill its commitment.

The company has involved a number of third parties to help resolve outstanding grievances to fulfill its commitment.

Throughout closure, all remaining grievances will need to be resolved. The full completion of this commitment is pending the resolution of outstanding grievances. Therefore, it is currently considered partially fulfilled.

**Access to Remedy Recommendations**

» Continue to work toward resolution of all grievances in a timely manner and, where appropriate, continue to use independent third parties to investigate and resolve grievances. Given the number of grievances related to damaged lands or homes, and the reclamos de garantia de vivienda, the company should consider involving a third party in assessing potential damage and settling any claims.
» Improve record-keeping and data entry at site to ensure up-to-date information in the corporate Enablon database. BSR suggests that Goldcorp regularly check in with its sites to reconcile the number of grievances found in its Enablon database and those recorded at site. If Goldcorp finds widespread discrepancies between other sites’ tracking systems and Enablon, BSR recommends it revisit the current data entry system and find an approach that is better suited to the needs of community relations staff.

» Consider maintaining the Community Response Mechanisms beyond the closure phase (through 2019) and into the post-closure phase, with community access to the existing system through 2026 to allow for systematic documentation of all community grievances throughout the full life cycle of the mine. A simplified grievance mechanism should be implemented upon termination of the Community Response Mechanism to allow for community members to contact Goldcorp, if necessary. The company would need to determine, through engagement with the community, the best mechanism, taking into account local and cultural conditions. The system could be an adapted and rebranded Ethics Line, made available to community members, or another more culturally appropriate system. A system called an “Ethics Line” may discourage community members from using this channel to discuss issues related to human rights or other grievances, as ethics is commonly understood to relate to issues of corruption and compliance with policies; a new name might better encourage more community use of this process for general grievances. Consultation with community members is the best way to determine an appropriate mechanism for grievances during post-closure.

» In closure, Montana should consider publishing a report that discloses the community grievances received during the mine’s operation and the steps taken to resolve the grievances. Such a report would help stakeholders understand the approach taken by the company and confirm that the company has resolved all outstanding grievances before it fully exits the area.
Conclusion

Mine closure is an obvious time to take stock of the transformative impacts the presence of a mine has had on host communities, and to reflect on the life and legacy of a mine. The human rights, social, and environmental challenges Marlin Mine has faced speak to many of the larger challenges facing Goldcorp and Guatemala. Moreover, Goldcorp’s experiences during the closure process of Marlin also shed light on the systemic challenges that the extractives industry faces.

Goldcorp’s decision to assess its level of compliance against the commitments and recommendations of the 2010 HRA, through the lens of closure, speaks to the company’s recognition of the important, and at times difficult, role the mine has played in Guatemala’s overall trajectory. It also speaks to the company’s commitment to transparency and continuous improvement.

Thanks to its robust CSR management systems and transparent CSR reporting, Goldcorp is considered a leader in the mining industry, and a large part of its leadership was borne out of the 2008 shareholder resolution that led to the 2010 HRA of the Marlin Mine. Goldcorp’s acceptance of the resolution and commitment to conduct an independent HRA was innovative at the time and continues to be an example of best practice. The HRA also thrust Goldcorp into the media spotlight in Guatemala and internationally, and the Marlin Mine became a prominent case study for human rights management in the industry. Goldcorp demonstrated its commitment to improving the situation around the Marlin Mine—and the company’s overall management systems—in response to the HRA. The HRA and Goldcorp’s response initiated changes at the site and spurred a commitment to continuous improvement across the company. The HRA also revealed and reinforced important lessons for the industry, such as the importance of community engagement and information sharing, respect for indigenous people’s rights, and respect for fundamental human rights that include access to water.

As explained in this report, BSR found that Goldcorp fulfilled the majority of the commitments it made in response to the HRA as they pertain to mine closure. The areas in which Goldcorp did not meet its commitments, in part or in full, highlight in many cases areas that require ongoing attention from the company not only at Marlin, but likely across the industry as a whole. Many of the recommendations presented in this report are not exclusive to Marlin Mine or to Goldcorp and can be applied to other sites. BSR’s recommendations should be used to improve the closure process at Marlin and at other mines, and they should inform Goldcorp’s overall approach to human rights due diligence across the company.

Finally, BSR urges Goldcorp and its peers to heed the lessons learned from the Marlin Mine experience at current and future operations and to continue to prioritize human rights. While outside the scope of this project, BSR also strongly recommends that Goldcorp and peer companies continue with efforts to directly engage stakeholders in order to develop a deeper understanding of the impact of its initiatives, and to incorporate these findings into future improvement efforts.
## Appendices

### Appendix I: 2017 Internal Interviewees

BSR spoke with the following Marlin Mine, Montana, and Goldcorp employees as part of the 2017 assessment:

<table>
<thead>
<tr>
<th>Name(s)</th>
<th>Title and/or Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>Christian Roldan</td>
<td>General Manager, Marlin Mine</td>
</tr>
<tr>
<td>Alfredo Galvez</td>
<td>Country Manager, Montana</td>
</tr>
<tr>
<td>Gustavo Gomez</td>
<td>Manager, Mine Closure/Environment</td>
</tr>
<tr>
<td>Jose Carlos Quezada</td>
<td>Lead, Environment</td>
</tr>
<tr>
<td>Elda Martinez</td>
<td>Senior Analyst, Human Resources Marlin Mine</td>
</tr>
<tr>
<td>Luis Gonzales and Jay Martin</td>
<td>Security Superintendent for Marlin Mine and Security Manager for Latin America, Goldcorp</td>
</tr>
<tr>
<td>Rene Perez</td>
<td>Manager, Sustainable Development Department</td>
</tr>
<tr>
<td>Jorge Mario Sandoval</td>
<td>Legal Manager, Montana</td>
</tr>
<tr>
<td>Francisco Ancheyta</td>
<td>Lead, Communications Department</td>
</tr>
<tr>
<td>Carlos Chiquin</td>
<td>Manager, Industrial Safety</td>
</tr>
<tr>
<td>Eduardo Calderon</td>
<td>Fundación Sierra Madre, Director</td>
</tr>
<tr>
<td>Dr. Jose David Rodriguez</td>
<td>Medical Doctor, Marlin Mine</td>
</tr>
<tr>
<td>Carlos Andrino</td>
<td>Manager, Purchasing Marlin Mine</td>
</tr>
<tr>
<td>Flora Macario</td>
<td>Sustainable Development Department</td>
</tr>
<tr>
<td>Sandra Ramirez and Felix Lopez</td>
<td>Community Promoters, Sustainable Development Department</td>
</tr>
<tr>
<td>Dominique Ramirez</td>
<td>Director, Corporate Social Responsibility, Goldcorp</td>
</tr>
<tr>
<td>Chris Cormier</td>
<td>VP Reclamations &amp; Closure</td>
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</tbody>
</table>
Appendix II: 2015 Internal Interviewees

BSR spoke with the following Marlin Mine, Montana, and Goldcorp employees as part of the 2015 assessment:

<table>
<thead>
<tr>
<th>Name(s)</th>
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<tbody>
<tr>
<td>Christian Roldan</td>
<td>General Manager, Marlin Mine</td>
</tr>
<tr>
<td>Jorge Mario Sandoval</td>
<td>Legal Manager, Montana</td>
</tr>
<tr>
<td>Julio Merida</td>
<td>General Manager, Montana</td>
</tr>
<tr>
<td>Jesus Cordova, Pablo Amezquita, Pablo, and Carlos Chiquin</td>
<td>Industrial Health Department, Marlin Mine</td>
</tr>
<tr>
<td>Jose Carlos Quezada, Oliver Cano</td>
<td>Environment Department, Marlin Mine</td>
</tr>
<tr>
<td>Silvana Lossi</td>
<td>Human Resource Department, Marlin Mine</td>
</tr>
<tr>
<td>Werner Tanchez, Rudy Orozco, Flora Macario, Fausto Rodriguez</td>
<td>Sustainable Development Department (DDS), Marlin Mine</td>
</tr>
<tr>
<td>Eduardo Calderón</td>
<td>Director, Fundación Sierra Madre (FSM)</td>
</tr>
<tr>
<td>Francisco Ancheyta, Claudia Flores Morales, and Filogonio Gomez</td>
<td>Communications Department</td>
</tr>
<tr>
<td>Pavel Montenegro</td>
<td>Security Manager, Marlin Mine</td>
</tr>
<tr>
<td>Participated anonymously</td>
<td>Workers, Marlin Mine</td>
</tr>
<tr>
<td>Dr. Aristides Flores</td>
<td>President of the Workers Association, Marlin Mine</td>
</tr>
<tr>
<td>Mario Marroquin</td>
<td>Country Manager, Montana Exploradora</td>
</tr>
<tr>
<td>Dominique Ramirez</td>
<td>Director, Corporate Social Responsibility, Central &amp; South America, Goldcorp</td>
</tr>
</tbody>
</table>
## Appendix III: Complete 2010 HRA Recommendations and Goldcorp Commitments

<table>
<thead>
<tr>
<th>Title</th>
<th>HRA Recommendation</th>
<th>Goldcorp Commitment Summary</th>
<th>Included in BSR Report</th>
<th>Report Section Number</th>
</tr>
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<tbody>
<tr>
<td>Consultation (C)</td>
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| **C.1** Ensure effective government involvement                      | While respecting the appropriate role of companies in interacting with governments, encourage the Guatemalan government to implement an appropriate framework for consultation with indigenous peoples under ILO 169.            | - We will work with the Government, as appropriate, to assure that indigenous peoples are consulted with respect to our operations (June 2010).  
- Goldcorp and Montana actively support the Government of Guatemala's adoption and implementation of legislation or administrative rules that establish clear, transparent, and inclusive procedures to eliminate ambiguity with respect to consultation and ILO 169 (April 2011). | Yes                                                                  | 2.1                    |
| **C.2** Consult about establishment of a multi-stakeholder dialogue process | The recent recommendation of the Congressional Transparency Commission presents an opportunity for Montana to participate in a renewed consultation with affected communities, local authorities, and government representatives. The company should clearly signal its willingness to participate in good faith to all stakeholders and accept that it cannot control the result of such an attempt at dialogue and consultation. | - Montana is cooperating with the Transparency Commission in implementing its recommendations (June 2010).  
- Montana commits to encourage opportunities for and to actively participate in multi-stakeholder processes with all interested and willing participants.  
- Montana will communicate its commitment in writing to the Municipalities of San Miguel Ixtahuacán and Sipacapa, to the national government, and to representatives of civil society (June 2010). | No                                                                 |                        |
| **C.3** Fully disclose and consult on projects                       | Montana should fully disclose documents related to past and current projects, including the full ESIA for the Marlin 1 Mine which is not currently available                                           | - Montana will post the complete ESIA for the Marlin Mine and other ESIs that have been submitted to the Government (e.g., La Hamaca) on the internet before July 31, 2010 (June 2010).  
- Goldcorp will initiate immediately the work necessary to | Yes                                                                  | 2.4                    |
<table>
<thead>
<tr>
<th>Title</th>
<th>HRA Recommendation</th>
<th>Goldcorp Commitment Summary</th>
<th>Included in BSR Report</th>
<th>Report Section Number</th>
</tr>
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<tbody>
<tr>
<td>2.2</td>
<td>C.4 Revise plans and procedures for consultation and information disclosure</td>
<td>Revise Marlin and Montana’s overall approach to consultation. Develop a new public consultation approach, with particular focus on increased information disclosure and formalized feedback processes. Involve affected communities and their representatives in review/redesign of ongoing consultation and information disclosure mechanisms. Ensure compliance with the requirements of Guatemalan access to information legislation. Include objectives and performance indicators that are measurable.</td>
<td>Yes</td>
<td>2.2</td>
</tr>
<tr>
<td>2.3</td>
<td>C.5 Expand consultation efforts about operational issues</td>
<td>Effective consultation is required about land acquisition; environmental performance, including closure and post-closure issues; social investment; and security issues.</td>
<td>Yes</td>
<td>2.3</td>
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| C.6   | Provide training on ILO 169 and indigenous peoples’ rights | Further training is required for Montana’s management and relevant staff on these issues, with a focus on the importance of consultation to respect indigenous people’s rights under ILO 169. | • Goldcorp commits to provide training with respect to human rights and specifically with respect to ILO 169 and the rights of indigenous peoples throughout the company and its subsidiaries as part of management and key staff core training (June 2010).  
• Following review by the Health and Safety Committee of the Board of Directors, the Human Rights Policy will be posted on the company’s website. Training programs regarding the Human Rights Policy are being developed and will be implemented in conjunction with the implementation of Goldcorp’s Corporate Social Responsibility Strategy (October 2010). | Yes | 2.7 |
| C.7   | Improve record-keeping and documentation-tracking systems | Implement procedures to carefully document all interactions with community members and other stakeholders, ensuring that all concerns are recorded and information is provided back to stakeholders in transparent and predictable ways, on actions taken to address these concerns. | • As a member of the International Council on Mining and Metals, Goldcorp has committed to report its performance against the ICMM’s 10 Principles for sustainable development. Goldcorp is also a member of the United Nations Global Compact and has committed to its 10 principles and annual reporting of Communication on Progress (June 2010).  
• In order to comply with these obligations, Goldcorp will develop corporate practices for documenting and tracking its sustainable development efforts, including interactions with community members and other stakeholders (June 2010).  
• Following review by the Committee, the Corporate Social Responsibility Policy will be posted on the company’s website (October 2010).  
• Goldcorp will retain a contractor to assist with implementing a company-wide system for managing and tracking all interactions with community members and other stakeholders. This system will be integrated with the Goldcorp Operations Leadership Dashboard, which is used by management throughout the company (April 2011).  

*It is unclear if Goldcorp explicitly committed to providing information back to stakeholders in transparent and predictable ways; however, the intent of commitment appears aligned with recommendation.* | Yes | 2.5 |
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| C.8   | Ensure ongoing review of consultation and information disclosure practices | Undertake periodic reviews and ensure feedback from project-affected communities and stakeholders is incorporated into revised policies, procedures, and practices. | • Goldcorp and Montana commit to undertake periodic reviews of information disclosure and stakeholder dialogue policies, procedures, and practices. It also committed to ensure that feedback from communities near the companies’ mines, and stakeholders, is considered in revising those policies, procedures, and practices (June 2010).  
• (After consulting employees on the HRA and its commitments) Montana will then proceed to fully engage local government and civil society per the June 2010 commitment (October 2010).  
• Montana is fully engaged in two-way consultations with employees at Marlin and will revise policies, procedures, and practices to reflect the outcomes of those consultations. Goldcorp and Montana will also fully take into account the outcomes of the Mesa de Diálogo as they reflect on stakeholder dialogue (see full discussion of the Mesa de Diálogo in the first recommendation above). Both of these activities will guide and inform the broader and inclusive outreach to local communities (April 2011). | Yes | 2.6 |
| Environment (E) | | | | |
| E1    | Provide adequate financial assurance for unanticipated closure | Post a bond to adequately cover closure cost or provide other mechanism of financial assurance for the full cost of closure. | • Montana is committed to pay the costs of closing the Marlin Mine (June 2010).  
• Montana and Goldcorp commit to discuss with the Ministry of Energy and Mines (MEM) other mechanisms to provide financial assurance to the Government of Guatemala sufficient to cover the full estimated cost of implementing the closure plan for the Marlin Mine. The amount of the financial assurance will be reviewed with the Ministry of Energy and Mines on a regular basis and upon any changes in mine operations that would be expected to have a significant effect on the estimated cost of closure (June 2010). | Yes | 1.2 |
<p>| E2    | Repair cracked houses | Develop a plan to repair, rebuild or compensate for the cracked houses. Consult with affected families about the plan and | • An Inter-institutional Commission formed at the behest of the Transparency Commission of the Guatemalan Congress is completing a study to determine the causes of damage to houses in communities located near the | Yes | 8.3 |</p>
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<td>E.3</td>
<td><strong>Complete a full water census</strong></td>
<td>Complete the hydrocensus of current communities in AMAC, and include other communities potentially affected by planned or potential expansion areas. Address community concerns about participating in the study, and develop a strategy with communities that addresses those concerns and allows collection of the required data. This may involve AMAC and the regulatory authorities carrying out such a study.</td>
<td>Marlin Mine. Montana will comply with the final recommendations of this study (June 2010). <em>It is unclear if Goldcorp committed to consulting affected families about the plan and timeline.</em></td>
<td>No</td>
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<td>E.4</td>
<td><strong>Develop a contingency plan for Txeshiwe Spring</strong></td>
<td>To ensure Txeshiwe Spring water users have access to water as a priority, complete a contingency plan in consultation with the users to supplement or replace the water source in case of impacts to quality or quantity.</td>
<td></td>
<td>Yes</td>
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<td>E.5</td>
<td><strong>Increase transparency</strong></td>
<td>There are an outstanding set of environment-related issues about which stakeholders have significant concerns and which have not been adequately addressed. These require specific ongoing consultation and information disclosure, including collaboration with public health officials to</td>
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<td>E.6</td>
<td>Improve government capacity for water monitoring</td>
<td>Work with the government to establish an independent audit/monitoring function to provide reliable and credible information for regulators on issues related to water, including water quality measurements, flows, and a basin-wide monitoring of contamination sources. Consult in an ongoing way with communities about monitoring results. The recent agreement with MEM could provide a vehicle to accomplish this objective.</td>
<td>• Montana is committed to supporting the independent monitoring efforts conducted by both MEM and AMAC and we will continue this practice. Montana will continue to support AMAC’s efforts to conduct public information meetings and will work with MEM to undertake public information meetings, if MEM chooses to do so. If MEM and/or AMAC express interest in additional work such as flow measuring and a basin-wide monitoring program, Montana will support this effort (June 2010). • The regular monitoring data is provided to MEM and MARN and will be published by Montana on its website, <a href="http://www.goldcorpguatemala.com">www.goldcorpguatemala.com</a>, as part of the Annual Monitoring Report (October 2010). Goldcorp’s commitments made no reference to consultation, just information sharing; however, intent of recommendation appears to be met.</td>
<td>Yes</td>
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<td>E.7</td>
<td>Support greater independence for AMAC</td>
<td>Increase support for AMAC to become a more recognized independent community-based monitoring committee, including support for other institutions to work with AMAC, further training, and autonomy to determine scope and breadth of their work.</td>
<td>• Montana is fully supportive of independent institutional support for AMAC, such as that provided in the past by the International Finance Corporation and the Canadian Embassy (June 2010). • Montana continues to support and seek independent funding sources for AMAC (October 2010). • International and regional NGOs, universities, and governments have and will continue to be solicited to support greater economic security and ongoing training for AMAC. Goldcorp and Montana intend to aggressively support AMAC to become an independent and widely recognized monitoring committee.</td>
<td>Yes</td>
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<td>E.8</td>
<td>Review mine closure timeframe and costs</td>
<td>Support efforts to expand to other communities in the watershed and to address other community concerns related to environmental issues. The recent agreement with MEM could provide a vehicle to accomplish this objective.</td>
<td>accepted community-based monitoring committee (April 2011).</td>
<td>No</td>
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<td>Conduct an internal review of post-closure management plans incorporating international good practice.</td>
<td>No commitment was made to expand to other communities.</td>
<td>Yes</td>
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<td>Evaluate long-term funding, technical, and administrative support necessary to ensure that the Sierra Madre Foundation, or another appropriate institutional arrangement, has adequate resources to successfully manage post-closure challenges.</td>
<td>Not addressed.</td>
<td>Yes</td>
<td>6.1</td>
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|       | Consult with communities about closure and ensure substantial and sustainable funding, depending on the communities’ interests, capabilities, and long-term commitments. | • Montana regularly reviews and updates the closure plan for the Marlin Mine and will do so during 2010 (June 2010).  
• A full review of the closure plan and associated costs will be undertaken every three years (October 2010). | Yes | 2.3 |
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| E9 Support regional watershed management | Provide leadership and funding to assist government to develop a multi-stakeholder initiative for basin-wide water management. Upstream sources of contamination should be identified and progress made on returning the river basin to a more healthy state that supports multiple uses. | • Montana actively supports the San Miguel Ixtahuacán Municipal government’s efforts to protect and improve watersheds throughout the Municipality, such as its reforestation efforts (June 2010).  
• Montana commits to support governmental efforts to develop a multi-stakeholder process for regional watershed management. To the extent necessary to implement such an initiative, Montana will support the enactment of legislation in Guatemala (June 2010).  
• In October 2010, Goldcorp made an agreement with the WWF to support a North American Water Footprint Study. Goldcorp will work with the WWF to define the scope of study, which could include issues related to Marlin.  

*Goldcorp’s commitments did not mention identifying upstream sources of contamination; however, these were identified and reported on by the company.* | Yes | 3.4 |

### Labor (L)

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| L1 Address four urgent areas of concern for labour rights | The following four issues [addressed individually after the response to this general recommendation] require a serious review of labour relations at the Marlin Mine, and must be carried out by creating an environment of open dialogue and non-retaliation of workers who bring problems forward. Specific protections and assurances, and a corporate commitment to transparent and ongoing dialogue to address workers’ concerns and complaints, will need to be put in place. The assessors conclude that given the current environment, these internal labour issues require | • Goldcorp and Montana commit to transparent and open dialogue with its employees (June 2010).  
• See Goldcorp Code of Conduct update on harassment and on reporting and investigation of suspected violations for its formal commitments on this (June 2010).  
• Goldcorp will start training employees on code of conduct in 2011 (October 2010). | No | |
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| **L.2** Address industrial health problems in the workforce | Address immediately the situation of any employees with blood tests indicating heavy metals at problematic levels, or any other indicator of industrial health problems. Provide them with access to support and independent second opinions from health care specialists. Review the deaths that have taken place in the labour force to establish that no industrial exposure could have been the cause. | • Montana will review the health monitoring process to make sure it is consistent with international best practice and publicly certify or implement changes before the end of 2010 (June 2010).  
• Montana commits to engage an independent medical expert to review these reports and other information regarding these deaths to evaluate whether there is a causal link between the deaths and industrial exposure. Montana will publish the results of that review (June 2010). | Yes | 4.4 |
| **L.3** Address workplace issues | Take immediate action and problem-solve with employees on issues of concern, workplace logistics, and access to basic facilities. The dialogue on specific issues can evolve into a more formal structure for collective bargaining in the medium term. | • Montana commits to reviewing its internal communication processes and to respond with a report of the results of this assessment and all recommended actions prior to the end of 2010 (June 2010).  
*Goldcorp’s commitments did not mention a formal structure for collective bargaining in the medium term.* | No | |
| **L.4** Support freedom of association and collective bargaining | Support development of an employee-based workers’ association (not management run) to promote and address workers’ rights on an ongoing basis. Facilitate external advice and resources to educate workers on labour rights and collective bargaining processes. Ensure effective measures to prevent management taking retaliatory action against workers that exercise those rights. Train and raise awareness at all levels of | • Montana will conduct a review of different structures for an employee-based workers’ association and report to the employees and the public on the results of this assessment before the end of 2010 (June 2010).  
• The company will address information it received on other forms of employee-based workers’ associations previously adopted in Guatemala with employees (October 2010).  
*Goldcorp’s commitments did not mention collective bargaining processes or preventing retaliatory action against workers.* | No | |
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<td>L5</td>
<td>Establish a workers’ grievance mechanism</td>
<td>Provide an internal grievance mechanism as part of the proactive management of labour rights issues, with final recourse to an external or third party review considered legitimate by employees. Ensure confidential means for making and pursuing complaints.</td>
<td>• Goldcorp is in the process of developing a corporate framework regarding the implementation of effective internal and external grievance mechanisms and will complete the framework and implement it prior to the end of 2010 and will report to the public on the adoption mechanisms (June 2010).</td>
<td>Yes</td>
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<td>L6</td>
<td>Conduct an independent review of firings</td>
<td>Establish an independent review panel with credible third parties to review the files of employees that have been fired by Montana. Where there is inadequate evidence to establish that due process was followed in firing, provide alternatives to restore employment or compensate for damages.</td>
<td>• Goldcorp does not believe that an independent review of all employment terminations is warranted (April 2011).</td>
<td>No</td>
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<td>L7</td>
<td>Complete a review of wages</td>
<td>Undertake a thorough review of existing wage structures and identify problems in equity of pay for equivalent jobs. Develop a plan to respond to the need for employees to have a living wage. Commit to and implement pay equity for the same or equivalent job. Review wages paid to contractors.</td>
<td>• Goldcorp and Montana commit to conduct a review and alignment of current wages and salaries relative to competitive local wage and salary levels and to implement the corporate programs at the Marlin Mine prior to the end of 2010 (June 2010). • As of April 2011 it was still Goldcorp’s objective to conduct a company-wide review once acquisitions in Chile and Argentina were more advanced. Their acquisition delayed the review process because the company wanted to apply it uniformly across Central and South America. Goldcorp’s commitments made no mention of a living wage study, but otherwise Goldcorp’s response meets the intent of the recommendation.</td>
<td>No</td>
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<td>L.8</td>
<td>Implement human resources procedures that promote non-discrimination and diversity</td>
<td>Implement objective, transparent procedures for hiring, promotion, discipline, and firing to address the risk of bias, discrimination, or favouritism/nepotism. Ensure due process for all decisions, and integrate the objectives of the new strategy across all departments. Pay particular attention to policies and procedures related to respecting the rights of women and indigenous peoples in the workplace. Develop disaggregated tracking of indigenous and female hiring, firing, promotion, pay status, and raises, to report on effectiveness of indigenous and female employment commitments. Support management to implement these in practice through training, monitoring, evaluation, and incentives.</td>
<td>• Goldcorp commits to ensure training regarding, implementation of, and compliance with the corporate Code of Conduct at Montana and the Marlin Mine (June 2010). • Montana commits to develop disaggregated tracking of indigenous and female hiring, firing, promotion, pay status, and raises, to report on effectiveness of indigenous and female employment commitments. Training, monitoring, and evaluation will be developed to support implementation of these commitments (June 2010). • Goldcorp has selected a contractor to assist the company in developing its program for training and compliance assurance with respect to the Code. Goldcorp anticipates that this process will be initiated in 2011 (October 2010).</td>
<td>No</td>
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<td>L.9</td>
<td>Maintain and formalize commitment to hire locally</td>
<td>Identify current barriers to female and indigenous employment and advancement and initiate programs to address these. Develop specific educational strategies and processes for people with low literacy levels. Training is one of the keys for employment and advancement of local, indigenous men and women. Ensure that training materials are culturally appropriate and supported by translation in local languages (an indigenous and</td>
<td>• Montana has publicly stated that its preference is to hire locally and will reaffirm this in this process as it reviews and aligns job descriptions, salary classifications, and organizational structure (June 2010). • Montana also will ensure that training material will be culturally and language appropriate. Spanish is the primary operating language of the Marlin Mine. Where appropriate, training may take place in Mam and Sipakapense (June 2010). • Goldcorp and Montana confirm their commitment to value cultural diversity. Training on history and culture will be mandatory for managers and supervisors at the Marlin Mine as appropriate (June 2010). • As of April 2011 Montana had an obligation to hire locally, as embodied in the EIS (local employment levels</td>
<td>No</td>
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<td>L.10 Improve workers’ access to health care</td>
<td>Review employee perceptions and satisfaction with health care at the on-site clinic, and identify barriers to providing effective care and treatment for workers. Investigate the appropriateness and accessibility of the private health insurance with a Q.300 (US$38) deductible. Determine who has been using it, for what kinds of treatment, and develop adjusted insurance coverage as required, considering the results of the investigation into employee deaths. Engage and collaborate with local health care providers to determine the reason for ongoing use of the public system by mine employees. Review social investment commitments to community health as a contribution to employee health.</td>
<td>• Montana is working to improve local access to health care for all people in the area in conjunction with the local and national health authorities. Montana commits to reviewing the private health insurance, its coverage, and access. The review will include engagement with employees to identify concerns about or barriers to the use of the on-site clinic and the care available through the private health insurance. Montana will report on the results of this assessment prior to the end of 2010 (June 2010).</td>
<td>No</td>
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<td>L.11 Conduct unscheduled audits for safety and health issues</td>
<td>Contract a qualified external company or specialist to undertake unscheduled, documented, third-party audits.</td>
<td>• Goldcorp considered use of “unscheduled audits,” but has not included them in the safety program. “In our experience, a scheduled audit can determine if there is an effective safety culture and unscheduled audits are no more effective than well performed scheduled audits.</td>
<td>Yes</td>
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<td><strong>L.12 Ensure contractors respect labour rights</strong></td>
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<td><strong>L.13 Retrain the workforce</strong></td>
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<td><strong>L.14 Review occupational health and safety policies, procedures, and practices</strong></td>
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<td>Extend improvements in labour standards to contractors and their employees, including wages, and include these standards in contracts. Provide support and training to help local contractors respect these standards. Conduct periodic inspections of contractors to ensure respect for human rights.</td>
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<td>Anticipate the end of the mine life through training opportunities that provide transferable skills that will provide further opportunities to exercise the right to work and to maintain an adequate standard of living after the mine closes. Develop a strategy for how to support contractors to prepare for mine closure and reduce dependency on mine economy over upcoming years.</td>
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<td>Ensure that international standards are being met across the board, not just with respect to the International Cyanide Management Code. Undertake an operation-wide health risk assessment, including a review of potential health exposure risks incurred by employees since initiating operation.</td>
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<td>Also, unscheduled audits have the potential to undermine the trust between the various levels of the company (line employee, supervisors, management) that is essential in an effective safety culture” (June 2010).</td>
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| • Montana provides and will continue to provide training for local contractors, especially in construction (June 2010).  
• Montana has revised its contracts to include a clause requiring compliance with applicable labor standards and the company’s safety and other policies (October 2010). |
| • Goldcorp commits to regularly reviewing its corporate occupational health and safety policies, procedures, and practices (June 2010).  
• Goldcorp commits to work with Montana to undertake a review of the health risks at the Marlin Mine since inception of operations. Goldcorp and Montana will report the results of this assessment prior to the end of 2010 (June 2010). |

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<td>Yes 4.2</td>
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*Note: Title and HRA Recommendations text is a direct quote from the 2010 HRA*  
*Note: Text in italics highlights difference in Goldcorp commitment to HRA Recommendation*
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<td>L.15 Review labour relations</td>
<td>Put in place a comprehensive review of labour relations and compliance with corporate policies, led by an internal Goldcorp champion reporting directly to either the CEO or Board of Directors. Set a timetable for a review.</td>
<td>• In April 2011, Goldcorp determined that an ‘internal champion’ reporting to the CEO and board would be redundant to the current management makeup.</td>
<td>No</td>
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| L.16 Strengthen industrial health program  | Establish a best practice preventive health maintenance program for all workers, including scheduled monitoring for exposure to any measurable risks, an approved action plan for responding to any identified issues, and an annual public disclosure and reporting process upward to Goldcorp’s CEO or Board of Directors. | • Goldcorp is engaged in strengthening its industrial health program and commits to integrate this recommendation into that effort. Goldcorp will report on the status of this effort in its 2010 and subsequent sustainability reports (June 2010).  
  • Information on health initiatives across the company’s operations, including Marlin, will be used to develop a health and wellness program at Goldcorp (April 2011). | No                     |                       |

### Land Acquisition (LA)

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| LA.1 Adopt a moratorium on land acquisition| Halt all land acquisition, exploration activities, mine expansion projects, or conversion of exploration to exploitation licenses, pending effective State involvement in consultation with local communities, and agreements put in place with communities to structure future land acquisitions. This would particularly include any project that requires an ESIA, such as La Hamaca. | • Montana agrees to review and update the Land Acquisition Procedures published as an appendix to the 2004 Annual Monitoring Report and to engage with the public on the issue of land acquisition. Montana will provide regular updates on the status of this process (June 2010).  
  • Goldcorp has a Land Acquisition and Compensation Guideline, that states that prior to acquiring land in an area that does not have an established transparent market for real property, Goldcorp and its subsidiaries will develop a public compensation framework to ensure that people affected by our acquisition of land understand the land acquisition procedures, know what to expect at the various stages of the transaction, and have access to transparent reporting of the process (October 2010).  
  • As of April 2011, Goldcorp was working with RePlan on its Land Acquisition and Compensation guidelines. When | No                     |                       |
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<td><strong>LA.2</strong> Adopt a moratorium on using the <em>titulacion supletorio</em> process</td>
<td>This process risks extinguishing collective land titles of the indigenous communities around the mine, and should not be used until individual and collective land usage and rights are thoroughly understood and documented, including any differences between San Miguel Ixtahuacán and Sipacapa.</td>
<td>• As of April 2011, Montana was acquiring land, but the <em>titulacion supletorio</em> process had been suspended pending the results of the land acquisition study and the investigation into the issue of individual and collective land usage rights in San Miguel Ixtahuacán and Sipacapa. When those processes were completed, Montana was going to post a summary on its website.</td>
<td>No</td>
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<td><strong>LA.3</strong> Identify and support at-risk families</td>
<td>Identify as a priority any land sellers and their dependents considered “at risk” and address immediate subsistence and basic service gaps.</td>
<td>• Montana commits to undertake a comprehensive socio-economic study of the communities in the vicinity of the Marlin Mine. Land sellers and “at risk” families and individuals will be specifically considered in the design of the socio-economic study. The assessment is anticipated to be completed by the end of 2010 (June 2010). • As of April 2011, a socio-economic and land sales study by Consultoria Tecnologia Ambiental S.A. (CTA) was underway and well-advanced. The study was to undergo a rigorous review by <em>El Centro de Investigaciones Economicas Nacionales</em> to validate the final product and methodology. At that point, Montana was going to begin utilizing the data to address a number of the recommendations in the overall EIA. Once the socio-economic report was finalized, a summary was to be posted on Montana’s website along with a summary of the land sellers study.</td>
<td>No</td>
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<td><strong>LA.4</strong> Convene an independent review of historical land acquisition</td>
<td>Develop an independent review process to resolve complaints about land sales (e.g. inequitable payments for improvements, unfulfilled</td>
<td>• As of October 2010, Montana said that if the CTA identified issues related to prior transactions, then Montana would address them. In addition, Montana would ensure that land acquisition is identified as an issue to consider for all participants in the multi-</td>
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<td><strong>LA.5</strong> Implement a revised land seller follow-up program</td>
<td>commitments related to employment, and allegations of coercion); recommended would be a three-member commission including PDH representation, Peace Judge from the local area, President of the Alcaldes Auxiliares, or other authorities of importance. The commission may require additional technical expertise or advisors.</td>
<td>stakeholder consultation process. • As of April 2011, Goldcorp stated that the CTA land seller study would be utilized to move forward on any modifications to the Land Acquisition Policy and improve stakeholder consultation on land acquisition. It also stated that a summary of the land seller study would be posted on the Montana website along with further information regarding the implementation of the findings.</td>
<td>No</td>
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<td><strong>LA.6</strong> Develop a program to ensure access to wood</td>
<td>Develop and implement a land seller support program that assesses impacts of land sales on sellers and provides for targeted income restoration programs. Allocate adequate resources to the Community Relations Group (“new associates” position) to implement such a program.</td>
<td>• Montana commits to include assessment of the land seller follow-up and support program in the socio-economic study under design. In particular, the socio-economic study will evaluate the function, needs, and opportunities for more effective land seller support through the “new associates” program and other programs operated by the Sustainable Development Department. The assessment is anticipated to be completed by the end of 2010. • As of April 2011, the CTA land seller assessment was nearing completion and planned to be utilized as a tool to revise a land seller follow-up program. A summary of the report was to be posted on Montana’s website.</td>
<td>Yes</td>
<td>3.5</td>
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<tr>
<td><strong>LA.7</strong> Implement a land acquisition policy with reference to</td>
<td>Ensure comprehensive due diligence on indigenous peoples’ land rights issues, including</td>
<td>• Montana commits to revise the existing Land Acquisition Procedure with reference to international best practices. This revision will be completed by the end of 2010 (June 2010).</td>
<td>No</td>
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<tr>
<td>1. <strong>international best practice</strong></td>
<td>Inheritance and collective resource issues. Ensure appropriate documentation and follow-up on all commitments made in the land acquisition process.</td>
<td>• The Montana Land Acquisition Procedure will be revised during the first quarter of 2011 based on the results of the land seller study’s assessment of the land seller follow-up and support program and Goldcorp’s land acquisition guidelines (October 2010). • As of April 2011 the study was underway and a summary was to be posted on Montana’s website. <em>Goldcorp made no specific mention of documentation.</em></td>
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<td>2. <strong>Adjust land prices</strong></td>
<td>Adjust future land compensation from the previously paid standard above market price of Q.4,000 per cuerda to take into account inflation in the local land market.</td>
<td>• Montana commits to include assessment of historical and current land prices in the socio-economic study under design (CTA study). Montana will include land prices in its engagement with the public. The assessment is anticipated to be completed by the end of 2010 (June 2010). • As of April 2011, the CTA study had been delayed, but the June 2010 commitment still stood and a summary of the report and further information on its implementation would be posted on Montana’s website.</td>
<td>No</td>
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<td>3. <strong>Ensure fairness in valuations of improvements</strong></td>
<td>Review current land acquisition procedures ensuring that all forms of compensation for land acquisition respond to clear and transparent criteria for evaluation and compensation. Establish a transparent and independent mechanism for valuation of improvements on land to be purchased.</td>
<td>• Montana commits to include procedures for valuation of improvements in the review of the Land Acquisition Procedure. Montana will engage with the public on this issue (June 2010). • The Montana Land Acquisition Procedure will be revised during the first quarter of 2011 based on the results of the land seller study’s assessment of the land seller follow-up and support program and Goldcorp’s land acquisition guidelines (October 2010). • As of April 2011, the land study had been delayed but the above remained true and a summary was to be posted on the Montana website when it was done.</td>
<td>No</td>
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<td>4. <strong>Provide access to independent advisors</strong></td>
<td>Facilitate access of potential land sellers to independent representation and advice during land negotiations to enhance the integrity of the process, protect the rights of the land sellers, and protect the</td>
<td>• Montana commits to include land negotiation procedures in the review of the Land Acquisition Procedure. Montana will engage with the public on this issue. Montana commits to undertake further efforts to strengthen alliances with national consulting groups that have experience working in Guatemala at the grassroots level in investment and development processes.</td>
<td>No</td>
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| HRA Recommendation                                                  | company against any allegations of coercion or pressure on the land sellers, as well as undocumented verbal commitments. Goldcorp should adopt this as a matter of standard practice for future land sales.                                                                                                               | Goldcorp commits to use the revised Land Acquisition Procedure adopted by Montana as the basis for the development of a corporate land acquisition policy (June 2010).  
• The Montana Land Acquisition Procedure will be revised during the first quarter of 2011 based on the results of the land seller study’s assessment of the land seller follow-up and support program and Goldcorp’s land acquisition guidelines (October 2010).  
• As of April 2011, the land study was delayed, but the commitments above remained true and Montana would post a summary of the report on its website once it was completed.  

*Goldcorp’s commitments made no mention of facilitating access of potential land sellers to independent representation.* | Yes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 5.1                                                                                                                     |
| Economic and Social Investment (ESI)                                 |                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Yes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 6.3                                                                 |
| ESI.1 Identify and support families in need or at risk due to potential project impacts. Investigate and create |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | • Montana will include identification of specific at-risk and vulnerable groups in affected communities as specific issues to be considered in the socio-economic assessment currently under design. The assessment is anticipated to be completed by the end of 2010 (June 2010).  
• Montana commits to use the findings of the socio- | Yes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 6.3                                                                 |
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| medium to long-term solutions                                        | economic study to adjust and improve the activities of the Sustainable Development Group and the Fundación Sierra Madre (June 2010).  
- The fundamental objective of the CTA socio-economic study that Montana contracted is to obtain socio-economic indicators that will provide a baseline against which changes in the indicators can be evaluated over time to assess the socio-economic impact of the Marlin Mine. The study will be designed by the Centro de Investigaciones Economics Nacionales de Guatemala who will prepare the terms of reference, supervise the preparation of the study, and certify the quality of the data collected (October 2010). |                                                                                             |                        |                       |
| Delink social development investment from social license             | Montana’s commitment to social development programs should not be contingent upon social acceptance by all segments of the population.  
- Goldcorp and Montana agree that commitments to specific, previously defined social development initiatives, such as scholarships, will be made on the basis that the commitment is not contingent on continued operation of the mine. However, Goldcorp and Montana disagree that there should or can be no link between operation of the mine and the companies’ commitment to social development programs (June 2010).  
  Goldcorp expressed disagreement on its ability to totally delink, and the value in totally delinking, social development investment from social license. |                                                                                             | No                      |                       |
| Review whether there are outstanding commitments for social investment projects | Develop an effective grievance procedure to address the problems of social protest.  
- As of June 2010, Goldcorp was in the process of developing a corporate framework regarding the development and implementation of effective internal and external grievance mechanisms. Goldcorp planned to complete that framework and implement it prior to the end of 2010 and will report to the public upon the adoption of the mechanisms. |                                                                                             | Yes                     | 8.2                   |
<p>| ESI.3 Review whether there are outstanding commitments for social investment projects | Montanta commits to conduct ongoing reviews of its social investment commitments and to report the results of those reviews to the public annually (June 2010). |                                                                                             | Yes                     | 6.6                   |</p>
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<td><strong>ESI.4</strong></td>
<td><strong>Finalize a long-term and rights-based sustainable development plan</strong></td>
<td>Adopt a rights-based framework and principles for the sustainable development plan currently being drafted at the Marlin Mine. Ensure that specific objectives and targeted programs are included to address the key areas of negative human rights impacts, as well as vulnerable segments of the project-affected communities. Ensure extensive consultation and participation as part of the development of the new sustainable development plan. Establish a comprehensive social baseline for effective monitoring and evaluation.</td>
<td>• Goldcorp commits to integrate respect for human rights explicitly in Goldcorp’s business management process. This commitment includes sustainable development plans and programs (June 2010). • Montana commits to address each of the elements of this recommendation in the sustainable development plan being developed and the new socio-economic study currently under design for the Marlin Mine (June 2010). • Marlin also commits to continuing to collaborate with local communities in needs identification and project prioritization sessions. It is also committed to working with local communities on the early Indigenous People’s Development Plan (June 2010). • As of October 2010, Goldcorp was developing training programs regarding its new Human Rights Policy and planned to implement them in conjunction with the implementation of its corporate social responsibility strategy. • As of April 2011, Montana was waiting for the results of the CTA study to make improvements to its sustainable development plan, but it continued to believe that any sustainable development plan and strategy should be rights-based at its core.</td>
<td>Yes</td>
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<td><strong>ESI.5</strong></td>
<td><strong>Build upon programming that enhances human rights</strong></td>
<td>Improve community and worker health. Implement a program to improve the general health and well-being of the communities where workers and their families live, with the objective of addressing secondary health issues that also affect health and safety in the workplace.</td>
<td>• Montana commits to continue to evaluate both on-site and community health indicators and issues and to support initiatives to positively impact quality of life through improved worker and resident health in a sustainable way (June 2010). • Montana also stated that the health of workers and host communities remains a priority and that it is working with the Ministry of Health to ensure continued support for capacity building and training at the Permanent Attention Center, which Montana built and equipped.</td>
<td>Yes</td>
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<td><strong>ESI.6</strong></td>
<td><strong>Expand teacher training</strong></td>
<td></td>
<td>• As of June 2010, Montana stated that it commits to continue working with local communities, teachers, and the Ministry of Education to support local education. Goldcorp made no specific mention of teacher training; however, it is implied in its response.</td>
<td>No</td>
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Note: Title and HRA Recommendations text is a direct quote from the 2010 HRA.

Note: Text in italics highlights difference in Goldcorp commitment to HRA Recommendation.
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| **ESI.7** | Expand scholarship programs to support leadership | • Montana commits to expand scholarship programs and to support leadership (June 2010).  
• Montana will continue supporting leadership strengthening both within Marlin Mine as well as in the communities (June 2010). | No | and Social Investment |
| **ESI.8** | Support programs that enhance access to water | • Montana commits to continue to support programs that enhance access to water. For example, planning processes are currently underway in the town of San Miguel Ixtahuacán, communities near the Marlin Mine, and communities farther away to expand support for access to water (June 2010).  
• In conjunction with the water census in the six communities around the Marlin Mine, Montana agreed to provide financial and technical assistance to improve the water systems in those communities (October 2010). | Yes | 3.3 |
| **ESI.9** | Review the effectiveness, transparency, participation, and accountability of current mechanisms and programs, including the different roles for the FSM and DDS | Direct DDS programs should be focused on addressing the negative impacts of the mine, which is the company’s direct responsibility, while the FSM could contribute to building local capacity and enhancing community-level impacts. FSM should not be an additional mechanism for Montana’s engagement and consultation, and should transition to be a community-based development foundation.  
• Montana commits to review the effectiveness, transparency, participation, and accountability of the Sustainable Development Department and the Fundación Sierra Madre. Montana will report the results of this review publicly by the end of 2010 (June 2010).  
• Montana commits to consider the recommendation regarding the appropriate roles for the Sustainable Development Department and the Fundación Sierra Madre in the analysis of the results of the socio-economic study (June 2010).  
• As of April 2011, Montana was waiting on the results of the CTA study to serve as the basis for the assessment of the Sustainable Development Department and the Fundación Sierra Madre.  
• Montana does not use and commits not to use the Fundación Sierra Madre as a mechanism for consultation by Montana (June 2010). | Yes | 6.2 |
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| **ESI.10** Strengthen FSM’s capacity to fulfill a long-term role after closure | If the FSM is to provide ongoing programming after mine closure, it must evolve as a community-based development foundation. This requires strengthening the independence of the Board of Directors; ensuring an adequate and sustainable funding mechanism, such as an endowment; improving the professional capacity of the staff; and ensuring appropriate evaluation and reporting standards. | • Montana commits to strengthening the independence and capacity of the Fundación Sierra Madre’s Board of Directors (June 2010).  
• Further, Montana continues to work with the Ministry of Education and has hired a teacher training consultant (April 2011).  

*Goldcorp’s commitment made no mention of helping FSM evolve as a community-based development foundation; however, the commitment appears to meet the intent of the recommendation.* | Yes | 6.1 |
| **ESI.11** Develop a clear rationale for investment levels | Ensure the amount of investment is sufficient to create sustainable impacts and is commensurate with a reasonable level of expectation of the communities to have benefits from the success of the mine. Include factors such as industry best practice, mine profitability, current tax and royalty contributions, and other indirect forms of social investment. A more clearly articulated strategy would also foster more effective management of community expectations. | • Each site is expected to develop a Social Responsibility Development Plan that is consistent with the corporate policy and strategy. Site-driven development plans are consistent with Goldcorp’s decentralized management structure and recognize that social investment decisions should be made locally. This is an area that will continue to receive considerable attention in 2011 (April 2011).  

*Goldcorp did not address all elements of the recommendation; however, the overall intent of the commitment is aligned with the recommendation.* | No | |
| **ESI.12** Adopt results-based management | Adopt clear objectives, monitoring, and evaluations in order to determine the effectiveness of the strategies chosen and the funds being spent. | • As stated above, monitoring and evaluation mechanisms will be designed based on the results of the planned socio-economic study (June 2010).  
• The Corporate Social Responsibility Policy and Strategy include development of a Corporate Social Responsibility Development Plan at each Goldcorp site based in part on a socio-economic baseline study. The key indicators established in the Plan will be used to assess the | Yes | 6.5 |
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<td><strong>ESI.13</strong></td>
<td>Continue to invest in state and municipal capacity</td>
<td>Continue to strengthen municipal institutions’ capacity to administer revenues from mining. Continue and expand initiatives with Ministry of Energy and Mines or other government departments and regulatory agencies to build capacity.</td>
<td>• Montana commits to continue to invest in state and municipal capacity building (June 2010).</td>
<td>Yes</td>
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<td><strong>ESI.14</strong></td>
<td>Ensure transparency of revenue flows</td>
<td>Work alongside government to ensure greater transparency in the way revenues and royalty payments from mining are invested in social programs to enhance the economic, social, and cultural rights of project-affected communities. Express support for the Extractive Industries Transparency Initiative (EITI) and encourage the Guatemalan government to participate as well.</td>
<td>• Goldcorp and Montana support the EITI and efforts to promote transparency. Goldcorp and Montana commit to support Guatemala in its efforts to become EITI certified (June 2010).&lt;br&gt;• As of April 2011, Goldcorp and Montana support and continue to support Guatemala’s initiative to implement EITI. Montana continues to transparently report Marlin Mine revenues and publish all funds provided to governments (not including salaries, services, and local supplier payments or investments in sustainable community development projects).</td>
<td>Yes</td>
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<td><strong>Security (S)</strong></td>
<td>Strengthen internal processes</td>
<td>Ensure that a clear protocol exists for convening all relevant managers and departments to discuss human rights risks associated with all situations that involve a threat of confrontation or violence.</td>
<td>• Goldcorp commits to develop a corporate human rights policy prior to the end of 2010. As part of the implementation of that policy, Goldcorp commits to provide training throughout the company and its subsidiaries with respect to human rights (June 2010).&lt;br&gt;• Montana commits to integrate a protocol for convening all relevant managers and departments to discuss human rights risks associated with all situations that involve a threat of confrontation or violence in the company’s crisis management policy and training. Human rights considerations will be included in the checklists of issues to be addressed during crisis deliberations (June 2010).&lt;br&gt;• Montana commits to implement additional human rights seminars for employees and to include key managers in our workshops with the Policía Nacional Civil, military,</td>
<td>Yes</td>
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<td><strong>S.2</strong> Ensure independent monitoring</td>
<td>If a situation requires the intervention of private security guards or public security forces, provide for independent monitoring as a deterrent for and witness of human rights infringements or violations. The recent example of including the PDH to monitor actions of the police is a positive step.</td>
<td>• Montana commits to request the participation of a representative of the Procurador de los Derechos Humanos when an incident arises that involves or is anticipated to involve public or private security intervention (June 2010).</td>
<td>Yes</td>
<td>7.3</td>
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<td><strong>S.3</strong> Strengthen follow-up of past incidents</td>
<td>As part of monitoring of the Voluntary Principles, pay particular attention to the follow-up and results of investigation into potential infringements by private security guards and/or violations by public security forces. Ensure that Montana is taking appropriate steps to investigate and discipline private security guards, and to press the Guatemalan government for investigation, prosecution, and remedy for violations by public security forces.</td>
<td>• Montana commits to continue to adhere to the Voluntary Principles and to investigate and discipline private security guards, and to encourage the Guatemalan government to investigate, prosecute, and remedy violations by public security forces (June 2010).</td>
<td>Yes</td>
<td>7.4</td>
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<td><strong>S.4</strong> Obtain an agreement with public security forces</td>
<td>Despite turnover of military and police personnel, the dialogue with the Guatemalan public security forces about security arrangements must continue with a view to obtaining a transparent agreement that security be provided in a manner consistent with human rights by personnel with adequate and effective training.</td>
<td>• Montana commits to continue to dialogue with public officials on this issue, but has been told repeatedly that public security officials have no authority to commit to agreements (June 2010).</td>
<td>Yes</td>
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| S.5   | Continue to screen private guards | Companies should encourage host governments to permit making security arrangements transparent and accessible to the public, subject to any overriding safety and security concerns. | - Montana has examined and commits to continue to examine different options in terms of background checks. Montana commits to continue its efforts to engage the NGO community on this issue (June 2010).  
- Montana is proud to have hired our first female uniformed security officer after a three-year search. Montana commits to continue efforts to increase the number of female employees in the Security Department (June 2010). | Yes | 7.7 |
| S.6   | Expand human rights training | Reinforce and build upon early achievements in human rights training for public security forces and expand to include all relevant actors that may be involved in public security responses (e.g. unit responsible for carrying out arrest warrants). Build upon early achievements in human rights training for private security firms by strengthening and verifying training, with clear objectives and goals. Implement an appropriately designed evaluation program to measure effectiveness, and adapt as needed. Expand current training initiatives for security guards to management and then other staff and employees. Content on human rights and the Voluntary... | Goldcorp commits to develop a corporate human rights policy prior to the end of 2010. As part of the implementation of that policy, Goldcorp commits to provide training throughout the company and its subsidiaries with respect to human rights (June 2010).  
- Montana commits to include training regarding sexual harassment, intimidation, privacy rights of employees, and work place violence as a part of new employee induction training (June 2010).  
- Training programs regarding the Human Rights Policy are being developed and will be implemented in conjunction with the implementation of Goldcorp’s Corporate Social Responsibility Strategy (October 2010).  
Goldcorp’s commitments made no mention of implementing an evaluation program to measure effectiveness, and adapt as needed. | Yes | 7.9 |
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| **Engage stakeholders on security issues** | Principles should be expanded to cover risk areas such as intimidation, sexual harassment, and privacy rights of employees. | • Montana commits to expand engagement with community members and other stakeholders about security-related matters (June 2010).  
• On a bi-weekly basis, the Superintendent of Security is accompanied by the Sustainable Development Coordinator for Community on a visit to one of the communities in the area of influence of the Marlin Mine. The visits are part of the permanent goals and objectives for the Security Superintendent and will be included for supervisors as well (June 2010).  
• On a semi-annual basis the mine will hold a Voluntary Principles/Human Rights workshop that includes local and national military, local police, Marlin's private security provider, the local community leaders, the FSM, and an observer/participant from the Canadian embassy (April 2011). | Yes | 7.6 |
| **Undertake periodic risk and conflict assessments** | Strengthen risk assessments in light of repeated use of public security forces. Strengthen and institutionalize an interdepartmental process of analyzing risk and conflict concerns in particular with decision-makers at the mine, including identification of internal and external strategies to manage and reduce risks and conflict. This should focus on expanding the number of managers involved, and deepening understanding and capacity to manage human rights and security risks. Include | • Montana routinely performs risk assessments. Montana commits to include risk assessment and its human rights implications in training for Montana managers (June 2010).  
• Montana commits that the management team will formally review the risk assessment on a quarterly basis or as required (June 2010).  

**Goldcorp’s commitment does not incorporate all elements of the recommendation; however, the intent is aligned with the recommendation.** | Yes | 7.2 |
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<td>S.9</td>
<td>Continue external reviews</td>
<td>The practice of periodic external evaluations of the implementation of the Voluntary Principles, including the company’s interaction with public security forces, should be continued. Given the risks identified in previous VP assessments, as well as some of the gaps in current implementation, such assessments should be undertaken on a regular basis (e.g. every 18 months). The development of more formal plans to implement recommendations from assessments is also recommended.</td>
<td>• Montana commits to continue regularly scheduled external reviews of the implementation of the Voluntary Principles (June 2010). &lt;br&gt; Goldcorp did not explicitly commit to developing more formal plans to implement the recommendations; however, it is implied.</td>
<td>Yes</td>
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<td>Access to Remedy (AR)</td>
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<td>AR.1</td>
<td>Review current grievance mechanism</td>
<td>There is considerable guidance on international standards for rights-compatible, company-based grievance mechanisms that Montana can draw upon to improve access to remedies. The company should re-evaluate and redesign the existing grievance mechanism, according to the key principles of legitimacy, accessibility, predictability, equitability, rights-compatibility, transparency, and dialogue or mediation. Final</td>
<td>• Goldcorp commits to develop a corporate grievance framework prior to the end of 2010. As part of the implementation of that framework, Goldcorp commits to provide training throughout the company and its subsidiaries with respect to grievance management and human rights (June 2010). &lt;br&gt; • Goldcorp will use input from the review of its existing grievance mechanism and recommendations from the HRA to develop a corporate grievance framework and to continually review and improve Montana's grievance mechanism (June 2010). &lt;br&gt; • Montana commits to seek and encourage the participation of community representatives directly in the company grievance mechanism (June 2010).</td>
<td>Yes</td>
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<td>AR.2 Establish a ‘commission’ to address outstanding grievances</td>
<td>Resolution should be by an independent third party or commission rather than a unilateral decision by the company. It is critical to involve representatives of the local communities and independent third parties in the (re)design, operation, and evaluation of the grievance mechanism. This step could be an opportunity to signal a new approach to community engagement and dispute resolution around the mine.</td>
<td>Goldcorp’s response does not mention the use of an independent third-party commission to make a final resolution rather than a unilateral decision by the company.</td>
<td>Yes</td>
<td>8.3</td>
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</table>
| AR.3 Support regulatory agencies                                    | Montana should develop a strategy to reduce contentious proceedings with regulatory agencies, and to work to strengthen the capacity of regulatory agencies to proactively protect human rights, labour, and the environment. This will enhance the protection of human rights, as well as the company’s compliance with the relevant international best practice standards. Respond to the need of relevant regulatory | • Goldcorp and Montana support the strengthening of capacity within the regulatory agencies of the Government of Guatemala and commit to continue to do so (June 2010).  
• As noted, this is an ongoing commitment for Montana as exhibited in the examples given above, including active involvement of government in the Montana Voluntary Principles and human rights training sessions, involvement of Montana in the EITI implementation process, support for Guatemala’s initiative to adopt regulations to implement ILO Convention 169, and the collaboration between MEM, MARN, and AMAC on water quality issues—all of which support and strengthen | Yes                     | 6.9                   |
<table>
<thead>
<tr>
<th>Title</th>
<th>HRA Recommendation</th>
<th>Goldcorp Commitment Summary</th>
<th>Included in BSR Report</th>
<th>Report Section Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop a policy on use of litigation specific to Guatemala</td>
<td>agencies for capacity building. Explore opportunities to collaborate with international development agencies and other actors and to leverage additional resources.</td>
<td>regulatory processes (April 2011).</td>
<td>No</td>
<td>AR.4</td>
</tr>
</tbody>
</table>
| | Such a policy should favour the use of alternative dispute resolution and non-judicial mechanisms (including company-level mechanisms) to favour the early identification and resolution of disputes. Where resort to litigation and the formal judicial system is unavoidable, prohibit any conduct on the part of the company or its legal representatives that may infringe upon the right to a fair trial or other human rights. Ensure greater oversight and guidance for the conduct of litigation from Goldcorp’s corporate headquarters. | • Montana commits to develop a policy on the use of litigation specific to Guatemala prior to the end of 2010. This policy will be published once it is adopted. Montana also commits to support initiatives to build capacity in Guatemala’s judicial system (June 2010).  
• Montana also commits to analyze the availability and use of alternative dispute mechanisms, including traditional dispute resolution mechanisms, in the area of influence of the Marlin Mine (June 2010).  
• Montana has drafted and will publish guidance on the use of litigation specific to Guatemala. The guidelines will commit to utilize litigation only when other means of resolving issues are not possible or are exhausted; to the use of non-judicial mechanisms; to seek to resolve issues at their earliest stages through stakeholder engagement; and will recognize and encourage the right to freedom of expression and peaceful assembly (April 2011). | | |
Appendix IV: Marlin Mine Closure and Post-Closure Timeline

- **Production Ended**
  - 2017

- **Mine Closure**
  - 2018

- **Beginning of Post-Closure**
  - 2019

- **Post-Closure**
  - 2020-2026

- **Land Transferred to FSM and communities**

- **End of Post-Closure Monitoring**
## Appendix V: Consultation and Community Visits

### EXHIBIT A: SITE VISITS BY GENDER AND TOTAL 2013–2015

<table>
<thead>
<tr>
<th>Year</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>357</td>
<td>124</td>
<td>481</td>
</tr>
<tr>
<td>2014</td>
<td>430</td>
<td>140</td>
<td>570</td>
</tr>
<tr>
<td>2015</td>
<td>297</td>
<td>112</td>
<td>409</td>
</tr>
<tr>
<td>2016</td>
<td>88</td>
<td>58</td>
<td>148</td>
</tr>
</tbody>
</table>

### EXHIBIT B: COMMUNITY MEETINGS BY GENDER AND TOTAL 2013–2015

<table>
<thead>
<tr>
<th>Year</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>647</td>
<td>186</td>
<td>833</td>
</tr>
<tr>
<td>2014</td>
<td>640</td>
<td>150</td>
<td>790</td>
</tr>
<tr>
<td>2015</td>
<td>522</td>
<td>86</td>
<td>608</td>
</tr>
</tbody>
</table>

### EXHIBIT C: NUMBER OF COMMUNITY VISITS RELATED TO CLOSURE, BY MUNICIPALITY, IN 2016

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Number of Community Visits</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Miguel Ixtahuacán</td>
<td>12</td>
</tr>
<tr>
<td>Sipacapa</td>
<td>2</td>
</tr>
<tr>
<td>Santa Bárbara</td>
<td>1</td>
</tr>
<tr>
<td>Malacatancito</td>
<td>3</td>
</tr>
<tr>
<td>Tejutla</td>
<td>6</td>
</tr>
</tbody>
</table>

---


### EXHIBIT D: NUMBER OF PEOPLE REACHED BY COMMUNITY OUTREACH IN 2016

<table>
<thead>
<tr>
<th></th>
<th>Male</th>
<th>Female</th>
<th>Children</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comitancillo</td>
<td>5,471</td>
<td>741</td>
<td>71</td>
<td>6,283</td>
</tr>
</tbody>
</table>

**Note:** 2016 numbers include all types of community outreach including: outreach conducted through the community-based DDS offices, visits to communities, community site visits at Marlin, and all other engagements between community promoters and the communities as part of ongoing project support, the intake of grievances, and communications related to closure.

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