



Managing Social Responsibility in Mining in Africa: ISO26000 New Tool for Issues Management

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WHEN YOU NEED TO BE SURE

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Key Topics

- ❑ Snapshot of Issues
- ❑ Introducing ISO26000
- ❑ Benefits of Applying ISO26000
- ❑ Measuring Performance Against ISO26000
- ❑ How SGS can help
- ❑ Questions

- ❑ African Markets present exciting revenue opportunities
- ❑ Managing the Social & Environmental Risk is Key to Success
- ❑ Risks Arise from a Wide Range of Social & Sustainability Issues
- ❑ ISO26000 is a Key Management Tool to Consider and Manage Risk and Issues across the Mining Lifecycle

A View from Deloitte's Recent Report

“As nations around the world industrialize and strive to improve their standards of living, mining has come to take a more central role on the world stage. And for mining companies, this greater visibility comes with greater responsibility.”

- ❑ Glenn Ives, ***Tracking the Trends 2012***, Deloitte
- ❑ Top Ten Issues for Mining – 2 Key Issues S+R
- ❑ Stakeholder Engagement on a Sprawl of Issues Key
- ❑ ISO26000 Provides a Framework for Managing Issues

Key Issues & Risks

- Labor & Working Conditions
- Supply Chain Risks – Exploitation of Labour, Labour Rights
- Child Labor
- Health, Safety and Security of all Stakeholders
- Corruption, Transparency, Governance, Disclosure
- Conflicts, Violence, Wars
- Living Standards, Famine, HIV, Occupational Health
- Land Acquisition and Re-Settlement Issues
- Pollution – from Operating Outputs i.e. Water Pollution
- Biodiversity Conservation
- Sustainable Natural Resource Management
- Carbon Management
- Energy & Water

Managing Issues & Risks

- ❑ Sustainability & Social Risks are growing risks to business
- ❑ The Expectations of Society are Changing – Demanding More
- ❑ ISO 26000 is a Key Management Tool to Consider and Manage Issues and Risk
- ❑ Stakeholder Engagement is at the heart of ISO26000 – and is at the heart of sustainable business



Sustainability & Social Issues

What Does it Mean for Companies

- ❑ Clearly Depends on the Business Operations – Sector, SubSector
- ❑ To Identify Sustainable & Social Risk Business Need to Identify Material Issues and Understand Organizational Context
- ❑ Concerns with Depletion of Finite Resources
- ❑ Concerns with Social Impact of Operations – such as H&S
 - Direct Impact of Operations
 - Indirect Impact of Operations
- ❑ Companies Require a Comprehensive Framework for Guidance
 - A definitive checklist of what is considered globally important
 - That is ISO 26000

Current Practices – De Beers

- ❑ **CORPORATE CITIZENSHIP:**
 - The “Kimberley Process” – Non-conflict diamond
 - RJC (Responsible Jewellery Council): Responsible ethical, social and environmental practices across the supply chain
- ❑ **CHILD LABOUR: “Best Practice Principles Assurance Programme”**
- ❑ **SAFETY: Fatalities in mines**
- ❑ **TRANSPARENCY: “Extractive Industries Transparency Initiative” , Resource Revenue Transparency**
- ❑ **STAKEHOLDER ENGAGEMENT: HIV / AIDS strategy**
- ❑ **ANTI-CORRUPTION measures**
- ❑ **POLITICAL RISKS: Excluding conflict zones**
- ❑ **ETHICS: ECONOMICS, EMPLOYEES, COMMUNITIES and ENVIRONMENT**
- ❑ **ENERGY & WATER**

Current Practices – Oil & Gas as Parallels

- ❑ BP Deepwater Horizon – Lessons learned
- ❑ **Transparency**
 - Nigeria – public reporting of every response to every recorded spill
 - regarding coverage of operational issues in Nigeria
- ❑ **Planning** – Embedding sustainability in planning processes – seeking EARLY community feedback
 - Considering the potential cost of a projects CO2 emissions in all major investments
- ❑ **Environment** - Water is key issue in sustainability.
 - Oil & Sands: Working with local water authorities to use recycled house water for operations
 - Biodiversity is key in sustainability. Plans being developed for Nigeria and South Africa
 - Carbon Emissions – LNG as greater proportion of output, Investments to reduce gas flaring
- ❑ **Society**
 - Nigeria –engaging with communities for capacity building & providing commercial assistance
 - Supplying affordable electricity to the local communities
- ❑ **Human Rights** – “taking the community with you”
- ❑ Anti-Bribery, Corruption, Money Laundering measures in place
- ❑ Security considerations - Personnel harm, sabotage, theft
- ❑ The ARCTIC – the new EMERGING MARKET – Issues is Remote Locations

What is ISO 26000

Why is it Useful for Issues and Risk

- ❑ ISO 26000 is an International Standard
- ❑ Launched in November 2010
- ❑ 10 Years in the Making
- ❑ Provides a Comprehensive Definition of Social Responsibility
- ❑ Incorporates Key Issues Covering Sustainability and Social Impacts
- ❑ Provides a Rigorous Framework to Assess Impacts
- ❑ Incorporates Global Standards and Expectations
- ❑ ISO 26000 Addresses the Drivers in Society's Expectations of Companies
- ❑ Calls Fundamentally for a Company to Recognise
 - Materiality
 - And Engage with All Stakeholders

What is ISO 26000

Why is it Useful for Issues and Risk

- ❑ ISO 26000 provides guidance on underlying principles of social responsibility, as well as ways to integrate socially responsible behaviour into organisational strategies and systems, practices and processes
- ❑ It addresses a range of core subjects and issues relating to social responsibility together with the factors and conditions which influence its development particularly sustainability and social responsibility
- ❑ ISO 26000 can be applied by all types of organisations in any sector in any country
- ❑ It is the first wide-ranging definition of social responsibility formed by multistakeholder agreement and is being adopted as a guidance and reporting framework by an increasing number of global players.

- ❑ ISO 26000 identifies the key issues that organisations need to address in order to become more socially responsible:
 - The principles of social responsibility (Clause 4)
 - Recognising social responsibility and engaging stakeholders (Clause 5)
 - Social responsibility's core subjects (Clause 6)

- ❑ It provides guidance on integrating social responsibility within an organization as well examples of voluntary initiatives and tools that could be used.



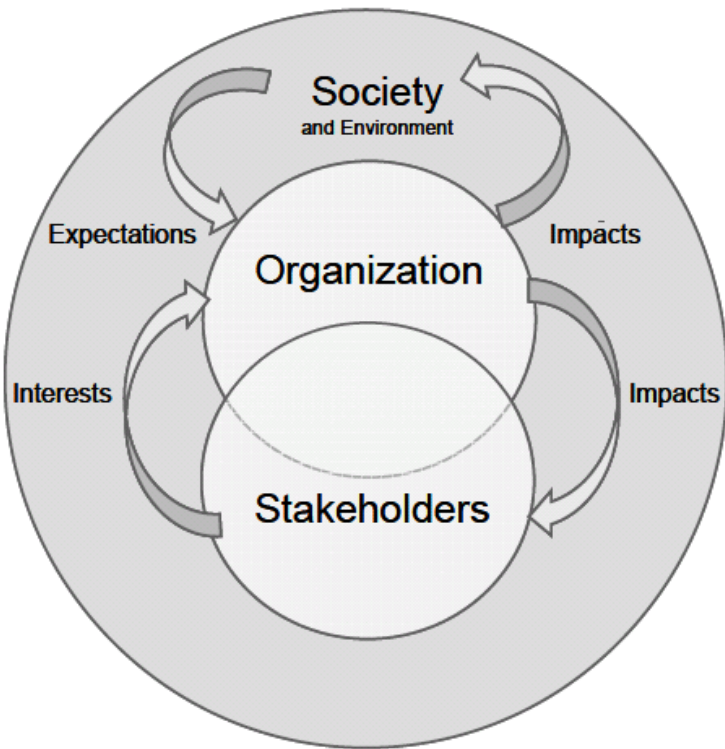
HOW CAN YOU MANAGE TODAY'S ISSUES WHILE KEEPING AN EYE ON TOMORROW'S?

The Principles of Social Responsibility

- Any organisation seeking to practice social responsibility should respect its seven principles:
 - Accountability
 - Transparency
 - Ethical behaviour
 - Respect for stakeholder interests
 - Respect for the rule of law
 - Respect for international norms of behaviour
 - Respect for human rights



Recognizing Social Responsibility and Engaging Stakeholders



- In order to recognise their social responsibility, organisations need to identify
 - the issues raised by the impacts of their decisions and activities
 - the way these issues need to be addressed so as to contribute to sustainable development

- For business this can be an opportunity to deeply analyse their sustainability and social risks

- Organisations also need to identify and engage with individuals and/or groups that have an interest in any of its decisions or activities

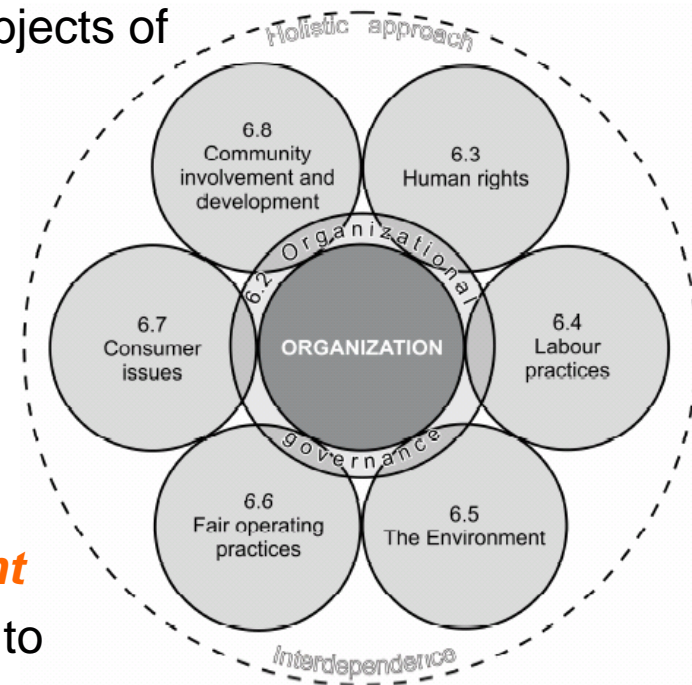
Social Responsibility Core Subjects

- In order to define the scope of their social responsibility, identify the relevant issues and establish priorities, organizations should address the seven core subjects of social responsibility:

- **Organisational governance**
- **Human rights**
- **Labour practices**
- **The environment**
- **Fair operating practices**
- **Consumer issues**
- **Community involvement and development**

- The ISO 26000 framework guides organisations to address the key issues and risks

- It demands that companies comply with applicable laws and the international norms and is a useful framework for operating in Africa.



ISO 26000

Benefits of Application

- ❑ Due to increasing scrutiny by stakeholders, both the perception and the reality of an organization's performance on social responsibility can influence:
 - Relationships with clients, customers and investors
 - The ability to attract/retain workers and maintain their commitment and productivity;
 - Relationships with stakeholders generally
- ❑ Organisations can achieve a competitive advantage through being able to demonstrate that they are socially responsible
- ❑ ISO 26000 is an internationally recognized mechanism for benchmarking an organisation's level of social responsibility
- ❑ By addressing its key issues, organizations can optimize processes and align them with existing management systems
- ❑ ISO 26000 covers a wide range of topics and so can be integrated with many pre-existing schemes, including ISO 14001, OHSAS, SEDEX, GRI

Broader Issues & Reputational Issues

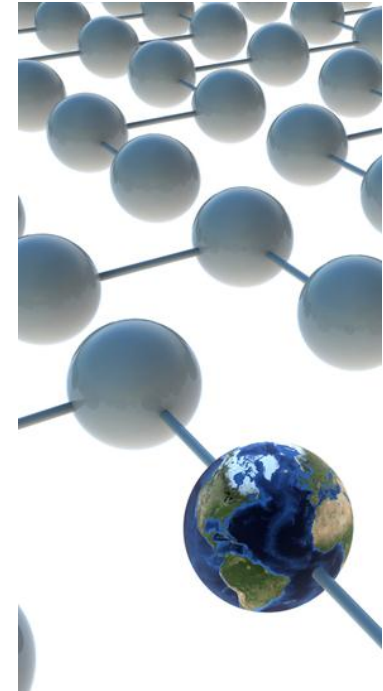
- ❑ ISO 26000 Focuses on Core Risk-Based Areas of Sustainable & Social Issues
 - Integrity
 - Governance
 - Responsibility as an Employer
 - Responsibility as a Corporate Citizen
 - Measuring Impacts on Society
 - Emphasis on Human Rights
 - Raising Level of Accountability – Ensuring Business is Accountable
 - Measuring Impacts on the Environment

Integrating ISO 26000

- ❑ ISO 26000 provides guidance on how to put social responsibility into practice in an organization. This includes guidance related to:
 - Understanding an organisation's social responsibility
 - Integrating it throughout the organization
 - Communication
 - Improving credibility
 - Reviewing progress and improving performance
 - Evaluating voluntary initiatives

- ❑ ISO 26000 – helps business to understand the issues and provides a coherent framework that covers the risk in each area

- ❑ SGS Supports Businesses to Develop their ISO 26000
 - Through Training
 - Through Gap Analysis
 - Through a Performance Assessment Process
 - Focusing on 3 Modules
1. The Principles of Social Responsibility
 2. Recognising Social Responsibility & Engaging Stakeholders
 3. Core Subjects of Social Responsibility



- ❑ Comply with or exceed the legislative requirements in all jurisdictions in which it operates
- ❑ Require contractors to comply with this policy
- ❑ Ensure that employees at all levels understand their environmental responsibilities and work towards improvement of the workplace environment
- ❑ Identify, plan, assess and manage all projects towards the minimisation of adverse effects on the environment
- ❑ Support research to advance understanding of industry's impact on the environment and to reduce harmful effects through improved practices and technologies
- ❑ Develop, design and operate facilities in a socially and environmentally effective manner
- ❑ Monitor the environmental impact of the Company's activities and report regularly to the Board

SGS Performance Assessment Model

- Analysis of Company's Systems, Approach, Evidence to ISO 26000
- Produces Performance Levels Guide – Excellent Benchmarking

Role Model



Advanced



Intermediate



Transitional



Primary



- Mining Business in Africa Must Focus on Social & Sustainability Issues and Risks
- A Comprehensive Framework is Provided by ISO 26000
- Should Consider the Opportunities in Social & Sustainability Issues – also supported by ISO26000
- Could Consider Using SGS to Support ISO 26000 Assessment and Development



Questions

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