

# Core set of values act as a miner's 'north star metric'

While environmental, social, and governance (ESG) issues currently dominate boardroom discussions within the mining sector, energy efficiency, climate change and the journey to net-zero typically top the agenda.

However, broader issues that pertain to social impact and the need for greater transparency in related disclosures are gaining importance.

As the relevance and necessity to address the social dimension of ESG-related issues grows, miners need to reframe their licence-to-operate (LTO) approach to create long-term value and positively impact the communities within which they operate.

"Overall, miners should move beyond LTOs as pure compliance issues and view them as a strategic advantage to enhance the security of supply by preventing unplanned work stoppages at facilities," says Hans Kuipers, MD and Partner at Boston Consulting Group Johannesburg.

Graeme Wilkinson, Senior Social Investment Specialist at impact management and advisory firm Tshikululu Social Investments, explains that a mine operator can strengthen



Graeme Wilkinson ... litmus test.

its position and create shareholder and stakeholder value by focusing on values-based leadership, partnerships and collaboration to grow the local economy.

"Establishing a core set of context-relevant values as a mining company is key to maximising impact for all stakeholders while extracting full value from the resources in the ground."

According to Wilkinson, these values act as the miner's north star metric and litmus test and frame the mine's LTO.

"These values serve to rally all parts of the business around the creation and equitable sharing of value to all stakeholders," says Wilkinson.

"If the company's governing body ensures that it always remains true to its values statement and vision, this is half the battle won. From this, the miner will find it easier to remain agile, especially in stakeholder engagements, without losing focus on the long-term objectives."

To this end, Kuipers believes that miners must provide input on how to maximise the impact of the capital allocated to community trusts to support mining communities.

"Better co-ordination between what is needed and enabling broader community engagement in the formulation of the social plan will help to positively impact communities by serving their holistic interests," he says.

And, perhaps most importantly, mine operators should place as much emphasis on setting social impact targets that extend beyond the life of the mine as they do in setting production targets during the mine's life cycle, suggests Wilkinson.

"The mine should immediately set about working with environmental, social and business partners to achieve all targets and, in so doing, ensure the relevance and sustainability of its LTO."