

AUSIMM CONSULTANTS SOCIETY AND AUSIMM  
COMMUNITY AND ENVIRONMENT SOCIETY

# Social Licence Policy Development Forum Summary Report

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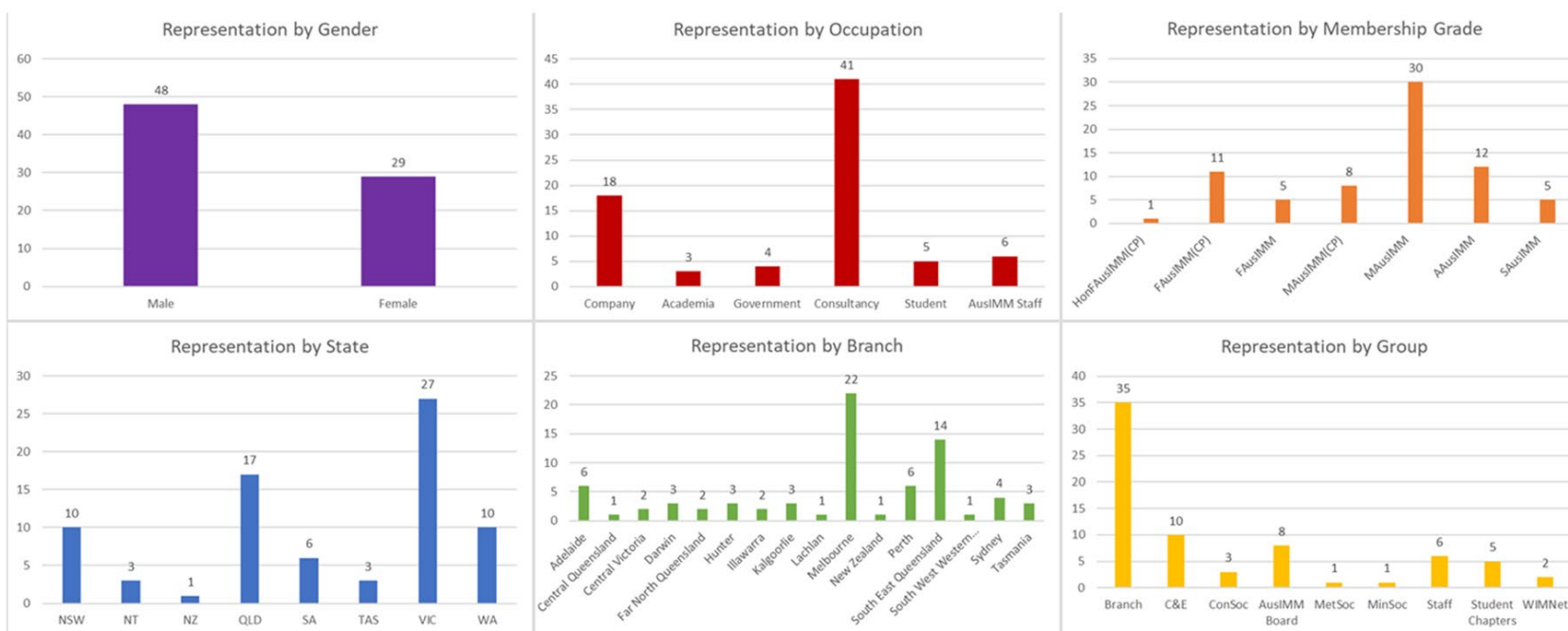
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## List of abbreviations

AusIMM	– Australasian Institute of Mining and Metallurgy
DIDO	– Drive-In Drive-Out
ESG	– Environment Social Governance
ESIA	– Environmental and Social Impact Assessment
FIFO	– Fly-in Fly-out
ICMM	– International Council on Mining & Metals
IFC	– International Finance Corporation
JORC	– Joint Ore Reserve Committee, see <a href="http://www.jorc.org">www.jorc.org</a>
NGO	– Non-Government Organisation
PFS	– Pre-Feasibility
SLTO	– Social Licence to Operate
VALMIN	– The VALMIN Code, see <a href="http://www.valmin.org">www.valmin.org</a>

## Forum approach

The Social Licence Policy Development Forum (the Forum) was held on the 15<sup>th</sup> and 16<sup>th</sup> of May in Melbourne. The Forum hosted 77 people who carry out various roles within the mining industry. A breakdown of the Forum attendees is provided below, demonstrating broad representation across gender, membership grade, branches, societies, geographic, cultural and occupational background.



The Forum consisted of plenary sessions, breakout workshops, and networking opportunities (refer to Appendix A for the final Forum program). The plenary sessions included sessions setting the scene and context of the Forum, panel sessions, presentations on various social licence to operate (SLTO) themes, and sessions that summarised the outcomes of the breakout workshops.

The breakout workshops involved three groups of Forum participants to which they had been assigned at registration, each group maintaining a reasonable spectrum of representation. The make-up of the groups remained broadly constant throughout the forum and each of the group sessions were led by a facilitator and supported by an AusIMM student recorder. Breakout groups were given a theme for each session with a number of specific topics to discuss and draw conclusions on issues such as how industry is currently performing or what the group believed AusIMM should implement to support its members to succeed in SLTO activities. Each topic was supported by a guidance prompt note that had been developed by the Forum organising committee; the notes were circulated a week before the Forum and participants indicated they had read them (refer to Appendix B for guidance prompt notes).

Each facilitator was free to run the sessions as they saw fit, which led to a number of different approaches ranging from several 2-5 person groups tackling different topics for the length of the session, to large group discussions on specified topics. At the conclusion of the breakout workshops, the key takeaways for each topic were documented.

Each breakout session was followed immediately by a plenary session for each workshop group to report its key takeaways back to the Forum.

Key to Forum breakout sessions and the structure of this report			
BREAKOUT SESSION A: SOCIAL PERCEPTIONS IN AUSTRALIA/NZ		SESSION C: DISCUSSION ON ROLE OF PROFESSIONAL PERFORMANCE	
ABG 1	<p><i>Local Effects</i></p> <p>ABG1/1 Non-acceptance of change</p> <p>ABG1/2 Lack of direct compensation for local communities</p> <p><i>Community Interaction Adequacy</i></p> <p>ABG2/1 Insufficient information to be understandable</p> <p>ABG2/2 Mixed messages from resource development personnel</p> <p>ABG2/3 Insufficient focus on local community concerns</p>	CBG 1	<p><i>What we do well?</i></p> <p>CBG1/1 Identify, design and implement efficient mining and mineral processing</p> <p>CBG1/2 Prepare EIS documents to ministerial and regulatory requirements</p> <p>CBG1/3 Operate projects within permitted conditions</p> <p>CBG1/4 Maintain safe working environment</p> <p>CBG1/5 Resolve intrinsic technical problems</p> <p>CBG1/6 Shared resource competition issues</p> <p>CBG1/7 Environmental stability post closure</p> <p>CBG1/8 Identify and implement innovative solutions</p>
ABG 2	<p><i>Current Practice relating to SLTO</i></p> <p>ABG3/1 Initial assessments of exploration lease area sensitivities</p> <p>ABG3/2 Social impact and risk assessments</p> <p>ABG3/3 Involvement with community organisations</p> <p>ABG3/4 Involvement in regulatory environmental impact assessment &amp; statutory hearings</p> <p>ABG3/5 Community Contact Officers</p> <p>ABG3/6 Other issues and examples arising</p>	CBG2	<p><i>What we need to do better</i></p> <p>CBG2/1 Resolve adverse mining industry legacy issues</p> <p>CBG2/2 Develop contingency plans for adverse conditions on land near mining projects</p> <p>CBG2/3 Develop local trust relations based on procedural and distributional fairness</p> <p>CBG2/4 Consistently engage, educate and empower local stakeholders on the basis for project decisions</p> <p>CBG2/5 Consider and implement intrinsic community benefit opportunities arising through mining projects</p> <p>CBG2/6 Planning and implementing regular effective information distribution to stakeholder groups addressing achievements and correcting misinformation.</p> <p><i>The Challenges of Sustainability</i></p> <p>CBG3/1 Respond to the challenges of sustainability</p>
ABG 3		CBG3	
SESSION B: PERFORMANCE STANDARDS		SESSION D: POLICY OPTIONS FOR GOOD SOCIAL PERFORMANCE & ACCEPTANCE	

BBG 1	<p><i>Locally based issues</i></p> <p>BBG1/1 Cultural Heritage Disturbance</p> <p>BBG1/2 Social Disturbance</p> <p>BBG1/3 Environmental and Aesthetic Disturbance</p> <p>BBG1/4 Inequitable distribution of wealth</p> <p>BBG1/5 Loss of access to traditional sources of livelihood</p> <p>BBG1/6 Ongoing availability and quality of critical natural resources</p>	DBG1	<p><i>To consider stakeholder group identification criteria and their criticality</i></p> <p>DBG1/1 Stakeholder identification</p> <p>DBG1/2 Stakeholder Concerns</p> <p>DBG1/3 Engagement process and guidelines</p>
BBG2	<p><i>Broader issues of social concern</i></p> <p>BBG2/1 Equity and ownership overtime</p> <p>BBG2/2 Inadequate specific legislative and regulatory capacity</p> <p>BBG2/3 Governance concerns in project finance</p>	DBG2 DBG3	<p><i>Sustainable mining definitions and the implications for Social Performance</i></p> <p><i>Whether specific land use agreements should be a basis for codified social performance?</i></p>
BBG 3	<p><i>Current social performance assurance practices</i></p> <p>BBG3/1 Appointment of governance and community facilitators</p> <p>BBG3/2 Initiation of local workforce education and training</p> <p>BBG3/3 Evaluation of existing social and community support infrastructure (roads, energy, water resources, health and education)</p> <p>BBG3/4 Integration of community in infrastructure planning</p> <p>BBG3/5 Development of land use agreements</p>		

## Recommendations arising

Various observations and recommendations arose out of breakout sessions and plenaries and are included in the respective session notes in this report.

The main recommendations that relate to what the AusIMM can specifically do are consolidated and presented below.

- The Forum is the first step in developing a Social Licence strategy to be part of AusIMM's Trusted Voice initiative. At this stage of the journey AusIMM's Social Licence position can be neither detailed nor definitive, however detail should coalesce through a series of activities conducted in the next 12-24 months (see last recommendation below).
- Social Licence should be a 'key issue' in AusIMM's Trusted Voice narrative, reflecting members' strong desire to have their world class skills and contributions to society publicly recognised. Social Licence should be strongly manifested in AusIMM's key focus areas – Policy, Advocacy avenues and Social media.
- AusIMM policy positions on Social Licence and Sustainable Mining should be developed through the work of the Forum, the Policy and Advocacy Committee and the AusIMM Board and be consistent with the terms of the Royal Charter under which the Institute operates
- Focusing on its professional membership, AusIMM needs to develop an appropriate Sustainable Mining definition and Social Licence principles, codes (of conduct), competency descriptions, recommended practices and guidelines, toolkits and endorsements. Given the plethora of existing regulatory, industry organisation and financial sector ESG codes pertaining to Social Licence, AusIMM's initial position should be focused primarily on evaluation and endorsement, with possible consideration later where practicable for original development.

- AusIMM needs to invest its resources and strong brand position to nurture Environmental, Social and Governance (ESG) Performance bases for competencies amongst its membership and promulgate these throughout the mining industry. Social Licence competency development needs to embrace undergraduate education, broad up-skilling of all mining professionals and specific professional ESG disciplines with chartered recognition status. Competencies and codes of conduct endorsed in this way can complement AusIMM's leadership role in the certification of world-class codes and standards such as JORC. AusIMM ESG chartered professional status should set the benchmark for industry good practice.
- Stronger corporate ESG public disclosure will stimulate confidence within our stakeholder relationships, thereby avoiding voids in information sharing and preventing gaps that end up being negatively occupied by activist commentators.
- AusIMM's digital transformation of its website, publications, conferences and e-training capabilities provides an ideal platform for promoting mining industry good practice to win back the trust and respect of the communities in which our members live and work. Distinguished professional service and good standing will always rise above industry mediocracy.
- The AusIMM Community & Environment and Consultants Society Committees should be charged with defining Sustainable Mining consistent with the Brundtland (1987) definition of sustainable development with specific attention on developing generic criteria for sustainable mining outcomes as a basis for future development.
- The AusIMM C&E Committee should be charged with selecting and refining specific AusIMM ESG Performance lexicons, competency sets, codes, guidance notes and certification criteria to be hosted on the AusIMM e-platform.
- Assuming a leadership role, AusIMM should do this in active collaboration with like-minded professional bodies around the globe and across the natural resource sectors to achieve cross-sectoral consistency in ESG and Social Licence professional prestige.

# Forum Program

## Plenary 1

### What are the current baseline perceptions of Social Licence in Australia / NZ?

The Forum was opened by Bruce Harvey with a welcome and an acknowledgement of the Kulin People, the Aboriginal traditional custodians of the land upon which the Forum was being held. Stephen Hancock then gave an opening address which provided context regarding the establishment of the Forum, followed by Brigid Meney who outlined AusIMM's Trusted Voice initiative, to which the Forum will contribute.

A panel session followed chaired by Peter Hills with the following panel members answering questions from the floor:

- Janina Gawler
- Terence Jeyaretnam
- Morrie Goodz
- Brigid Meney

The key takeaways from the plenary session included:

- Social license is a major source of concern for CEOs globally and is having economic impacts on the spread of investment geographically and in attracting quality professional involvement.
- Transparency is key to building trust and combating potentially negative campaigns against the industry. There was a general sentiment that negative campaigns are most effective when there is a void in the level of information that the community expects.
- We, the membership of the AusIMM, need to be authentic, credible, and trusted.
- We are in new times and we need to understand the changing face of community perceptions, expectations, communications, and empowerment.
- We are presently engaging with communities as is required by law, but frequently do not start working with communities until projects are near approval, under construction or actually operating, which is often too late for fundamental engagement on matters of mutual importance. This is for members of AusIMM an abrogation of the Royal Charter under which the Institute operates.
- Investors are on to the changes in community attitudes to mining and follow the principle that you can't make money from a declining industry. This is adversely affecting the sources, availability, time frames and costs in project financing.



## Breakout Session A

The first group of breakout workshops was focussed on the following themes:

- Local effects
- Community concerns
- Current practice relating to SLTO

The tables below summarise the key takeaways from each of the three breakout workshops.

<b>Breakout Workshop Group: ABG 1</b> <b>Workshop facilitator: Robin Evans</b>		<b>Workshop topic: Local effects</b> <b>Prompt notes: ABG 1/1, ABG 1/2</b>	
<b>Topic</b>		<b>Key takeaway</b>	
Non-acceptance of change		<ul style="list-style-type: none"> <li>• Much of the concern about mining is not necessarily due to resistance to change, rather it is often influenced by poor mining legacies.</li> <li>• Mining companies and professionals need to listen and involve communities in the decision-making process – this means having people who can effectively engage with communities early (pre-exploration) so that community perspectives can be incorporated into project decisions.</li> <li>• Local communities are increasingly responding to global influences which impacts their view of mining.</li> <li>• There is a shift in expectation of communities from minimising risks to realising positive benefits.</li> </ul>	
Lack of direct compensation for local communities		<ul style="list-style-type: none"> <li>• It is very important that we make a distinction here between direct compensation for loss, and benefits accruing to communities.</li> <li>• There was a sense that we should be focussing on the benefits rather than compensation to reduce an over reliance on mining within communities as the only benefit.</li> <li>• The industry as a whole is generally too focussed on short-term benefits, however the real value of mining operations is observed when it builds inter-generational benefits</li> <li>• We should start to focus beyond closure on what positive legacies mineral asset development can leave behind for communities after mine closure and how positive legacies can offset negative ones.</li> </ul>	

<b>reakout Workshop Group:</b> ABG 2 <b>Workshop facilitator:</b> Peter Hills	<b>Workshop topic:</b> Community concerns <b>Prompt notes:</b> ABG 2/1, ABG 2/2, ABG 2/3
Topic	Key takeaway
Mixed messages from resource development personnel	<ul style="list-style-type: none"> <li>• Documentation of engagement is a significant issue for a number of organisations within our industry, along with the continuity of message, as professionals move around the business or industry. There are a number of examples where exploration or study teams are not providing appropriate information to communities. It is recommended that when a company starts to explore, first contact is made by people with a full appreciation of what is likely to happen and the process that will be undertaken given varying scenarios.</li> <li>• There was a thought that we were not necessarily capturing and reporting data sufficiently; this can lead to mixed messages in our engagement. Once a project starts to show promise, the company should be considering what other data are required to provide a holistic picture of possible future operations and challenges present in realising the opportunity.</li> <li>• Also, there are examples where there is a lot of information, however it is not necessarily accessible or easily digestible.</li> </ul>
Insufficient focus on local community concerns	<ul style="list-style-type: none"> <li>• It is important that we understand who we should include as community at the different stages of a mining life-cycle (and this will not necessarily be the same throughout). We need to recognise that some stakeholders along supply chain and production/processing distribution routes need to be considered proximal to ancillary impacts.</li> <li>• We need to be evaluating with community leaders what is the relevant level of information that should be shared with communities so that we can obtain relevant and timely feedback.</li> </ul>

<b>Breakout Workshop Group: ABG 3</b> <b>Workshop facilitator: Alan Irving</b>		<b>Workshop topic: Current practice relating to SLTO</b> <b>Prompt notes: ABG 3/1, ABG 3/2, ABG 3/3, ABG 3/4, ABG 3/5, ABG 3/6</b>	
Topic		Key takeaway	
Initial assessments of exploration area sensitivities		<ul style="list-style-type: none"> <li>• Currently geologists are generally the first contact that a community will have with a resource organisation, however geologists generally do not have much (or any) training in SLTO matters, and so essentially manage engagements based on their best personal judgment.</li> <li>• This leads to significant variability in the quality of engagement.</li> <li>• Increasing the skill levels of stakeholder engagement within exploration teams could have significant returns on investment for resource organisations.</li> </ul>	
Social Impact and Risk Assessment		<ul style="list-style-type: none"> <li>• There was a general view that ESG risk assessments are often vague and need to be more rigorous.</li> <li>• Risks need to be assessed two-ways; the internal risks that community acceptance/perception pose to the company, and external risks of how the project may impact communities.</li> <li>• There is typically not enough consideration of post closure strategies at the project planning stage – there is rarely an exit strategy in place.</li> </ul>	
Involvement with community organisations		<ul style="list-style-type: none"> <li>• The world has changed and “the community” now includes essentially whoever wants to be a stakeholder. The presence of online groups means that a project’s stakeholders can now be global.</li> <li>• We want to engage with as many stakeholders as possible, however in some cases this needs to be done at an institutional / organisational level to be efficient.</li> <li>• There are good practice engagement guidelines available and are often used in developing country context, however they are often forgotten or not followed in Australia because regulators mandate consultation via environmental and social impact assessments (ESIA).</li> </ul>	
Involvement in Regulatory Environmental and Social Impact Assessments and Statutory Hearings		<ul style="list-style-type: none"> <li>• There was a view that ESIA completed as part of a regulatory permitting requirement are often simply a ‘tick and flick’ exercise.</li> <li>• One opinion was offered that they are bland documents that often have limited scientific basis for their conclusions.</li> <li>• They are often completed with the outcome of obtaining an approval in mind, impacting the credibility and practicality of the outputs.</li> </ul>	
Community Relations Officers		<ul style="list-style-type: none"> <li>• Everyone should be capable of acting as a community relations officer (CRO).</li> </ul>	

<b>Breakout Workshop Group:</b> ABG 3 <b>Workshop facilitator:</b> Alan Irving	<b>Workshop topic:</b> Current practice relating to SLTO <b>Prompt notes:</b> ABG 3/1, ABG 3/2, ABG 3/3, ABG 3/4, ABG 3/5, ABG 3/6
<b>Topic</b>	<b>Key takeaway</b>
	<ul style="list-style-type: none"> <li>• This sort of work should be higher up on the agenda of senior managers as it is often a material risk for an asset.</li> <li>• Community relations officers generally are not able to provide the community with what they want as they do not have the authority to make decisions.</li> <li>• The best community relations work is often undertaken by managerial staff and/or technical discipline experts who have developed good stakeholder engagement capabilities.</li> <li>• Stakeholder engagement teams work best when they involve a collective of CROs, technical specialists and senior management who have the authority to make decisions during engagement activities with stakeholders.</li> </ul>

## Plenary 2

Received the reports on the key findings of the three break-out sessions which comprised Session A on local performance. These included

- If social acceptance of new mining ventures is to be achieved, mining professionals need to look beyond the present aim of doing zero harm to achieving community gain.
- Geologists are frequently the first points of contact with community members and yet receive no guidance on social licence matters in their training or guidance publications such as the AusIMM Field Geologists Handbook.
- There is a need for mining project justification to focus beyond mine closure and to address who may be affected and how.
- Addressing community expectations is at present inadequate in many cases because local stakeholder views are insufficiently engaged, and they feel disempowered.

## Plenary 3

### International environmental, social and governance (ESG) performance standards and AusIMM's possible role

John Dunlop held a brief session to introduce the status of social and environmental standards. Following this introduction, the Forum divided into groups to explore themes further. This second group of breakout workshops was focussed on the following themes:

- Locally based issues
- Broader issues of social concern
- Current ESG performance assurance practices

### Breakout Session B

The tables below summarise the key takeaways from each of the three breakout workshops.

<b>Breakout Workshop Group:</b> BBG 1	<b>Workshop topic:</b> Locally based issues
<b>Workshop facilitator:</b> Janina Gawler	<b>Prompt notes:</b> BBG 1/1, BBG 1/2, BBG 1/3, BBG 1/4, BBG 1/5, BBG 1/6
Topic	Key takeaway
Cultural Heritage disturbance	<ul style="list-style-type: none"><li>• Generally, an area that the industry does quite well.</li><li>• Engagement with the custodians of the land is vital for success.</li><li>• We need to remember that cultural heritage values can be tangible and intangible, and that the surveys that are conducted can be treated as confidential in some circumstances.</li></ul>

<b>Breakout Workshop Group:</b> BBG 1 <b>Workshop facilitator:</b> Janina Gawler	<b>Workshop topic:</b> Locally based issues <b>Prompt notes:</b> BBG 1/1, BBG 1/2, BBG 1/3, BBG 1/4, BBG 1/5, BBG 1/6
Topic	Key takeaway
Socioeconomic disturbance	<ul style="list-style-type: none"> <li>• It is important to understand the differences between equity and wealth when discussing socioeconomic impacts with communities and have some appreciation of the inconsistency of comprehension and knowledge of the industry.</li> <li>• Determining boundaries of influence is important in order to focus on the areas that an organisation can reasonably impact.</li> <li>• There will always be project induced socioeconomic impacts, so the focus needs to be on how we minimise the negative and maximise the positive.</li> <li>• We need to emphasise that mining professionals collectively have the requisite skills to minimise negative Impacts and maximise positive impact if options for this are identified and prioritised early enough in project design stage.</li> <li>• Our industry needs to be looking to diversify local economies in order to achieve greater distribution of the wealth that is created by mining operations. This needs to consider the whole of project lifecycle, including closure.</li> </ul>
Environmental aspects	<ul style="list-style-type: none"> <li>• Our industry is currently operating with a 'do no harm' mentality, this needs to change to a 'do-more-good' purpose.</li> <li>• As an industry, we should be looking to integrate environmental, social and governance (ESG) issues for investors into the annual strategic life of mine plan. This may take the form of adaptive closure plans that include the idea that there needs to be provision for ongoing land and asset use and value after the cessation of mining operations.</li> <li>• There are a number of opportunities to encourage a participatory approach to monitoring and land management programs with community groups.</li> </ul>
Aesthetics and lifestyle	<ul style="list-style-type: none"> <li>• Our industry should acknowledge that impacts to communities are present and real. In order to do this effectively, we need to understand what the values of the land are, and what community connections are to that land.</li> <li>• We should always be looking to enhance our host communities' wellbeing.</li> </ul>

Breakout Workshop Group: BBG 2	
Workshop topic: Broader issues of social concern	
Workshop facilitator: Kate McDonald	
Prompt notes: BBG 2/1, BBG 2/2, BBG 2/3	
Topic	Key takeaway
Equity in project ownership over time	<ul style="list-style-type: none"> <li>The option for affected communities to have equity in resource projects has the potential to generate mutual benefits and should be considered in certain circumstance. While considered to be a useful option, it was noted that there are some risks involved – attention and effort would be required to ensure transparency and that corruption is not introduced into the process.</li> </ul>
Inadequate specific legislative and regulatory capacity	<ul style="list-style-type: none"> <li>Given the varied and broad nature of the jurisdictions in which we work, there is little advantage to focussing on legislative and regulatory capacity, however we have a number of examples where a lack of capacity (and capability) are evident. It therefore should not be assumed (even in ‘strong’ regulatory capacity jurisdictions) that regulatory capacity can substitute for strong internal governance systems and safeguards that resource asset operators already have in place or can develop.</li> <li>As a professional body, AusIMM needs to focus on ensuring that our members have an ethical obligation to working transparently.</li> </ul>
Governance concerns in project finance	<ul style="list-style-type: none"> <li>We need to be having more open conversations regarding the realistic outcomes of projects (positive and negative), especially when asset ownership changes close to approaching mine closure, when periods of Care and Maintenance may be envisaged potentially affecting commitments given to communities regarding post closure outcomes.</li> <li>As an industry, we need to be more adept at speaking to uncertainties and risks with the communities in which we work.</li> <li>There was debate on whether financial capacity of proponents was a go/stop pre-condition to permitting or even the right to be a registered licensee, due to ongoing potential legacy issues being created by licensees/proponents that are under financed or not financially capable of completing closure plan works.</li> </ul>

<b>Breakout Workshop Group: BBG 3</b> <b>Workshop facilitator: Alan Irving</b>		<b>Workshop topic: Current social performance assurance practices</b> <b>Prompt notes: BBG 3/1, BBG 3/2, BBG 3/3, BBG 3/4, BBG 3/5</b>	
Topic		Key takeaway	
Appointment of governance and community facilitators		<ul style="list-style-type: none"> <li>Governance and community representative bodies work best where there are existing representative structures in place that develop organically, supported by the company (rather than being developed by the company). It needs to be recognised that local governments cannot be considered as the only community representative organisations to be engaged, because they are statutory authorities with accountabilities for planning and permitting that can be in conflict with the views of many community stakeholders.</li> </ul>	
Initiation of local workforce education and training		<ul style="list-style-type: none"> <li>This is generally being done however it is internally focussed, rather than looking at broader 'employability' issues.</li> <li>Community representation and aspirations need to be openly established with education and training towards this to help develop sustainable, inter-generational value for communities.</li> </ul>	
Evaluation of existing social and community support infrastructure adequacies		<ul style="list-style-type: none"> <li>Consistent with the idea that mining can contribute to sustainable development, there needs to be a sustainable use consideration in place when considering social infrastructure.</li> <li>Mining professionals need to understand what the community wants and the value that certain infrastructure could bring to the community during and post mining. This leads to shared responsibility between the organisation and the community to understand institutional strengths, undertake co-design, and determine long term funding options.</li> </ul>	
Integration of community in infrastructure planning		<ul style="list-style-type: none"> <li>As mining professionals, we need to understand the balance of impacts of our planning on the regional socioeconomic environment.</li> <li>Fairness is an important concept for our members to keep in mind when considering community input into planning. This may need to include consideration of optimal multi-user options in the design and location of mining facilities to ensure that community benefit, where possible and practical, can be realised during and after mining.</li> </ul>	
Development of local level agreements		<ul style="list-style-type: none"> <li>Generally, local level agreements have been working well across the industry in Australia.</li> <li>It is important that we understand that agreements are usually entered into during a time of significant uncertainty. We should identify if an outcome of an agreement is unfair and allow for renegotiation in the future.</li> <li>Current capabilities within the industry to negotiate and execute a successful local level agreement are limited. The view is that the general mining industry would be well served by increasing the level of competency in this area.</li> </ul>	



## Plenary 4

Plenary 4 received and discussed reports from Breakout Session B

Discussion emphasised three key observations;

- AusIMM professionals work broadly all around the world and the standard of their work needs to reflect rational and comprehensive responsibility towards affected community stakeholders.
- There are social license principles in existence, developed by ICMM and IFC amongst others, to guide professional performance.
- Any similar principles AusIMM may adopt need to be couched in terms which explain their application as relevant to international or to Australasian operations.

## Breakout Session C

The third group of breakout workshops were focussed on the following themes:

- What we do well
- What we need to do better
- The challenges of sustainability

The tables below summarise the key takeaways from each of the three breakout workshops.

<b>Breakout Workshop Group:</b> CBG 1 <b>Workshop facilitator:</b> Kate McDonald	<b>Workshop topic:</b> What we do well <b>Prompt notes:</b> CBG 1/1, CBG 1/2, CBG 1/3, CBG 1/4, CBG 1/5, CBG 1/6, CBG 1/7, CBG 1/8
<b>Topic</b>	<b>Key takeaway</b>
Identify, design and optimise mining assets and resolve intrinsic technical problems	<ul style="list-style-type: none"> <li>• AusIMM members are good at solving technical issues and optimising cost and production, and communities need to understand mining professional's abilities to resolve potential issues in advance of such issues becoming sources of conflict.</li> <li>• As a general rule, AusIMM members need to improve stakeholder consultation, particularly during the exploration phase.</li> </ul>

Breakout Workshop Group: CBG 1	
Workshop topic: What we do well	
Workshop facilitator: Kate McDonald	
Prompt notes: CBG 1/1, CBG 1/2, CBG 1/3, CBG 1/4, CBG 1/5, CBG 1/6, CBG 1/7, CBG 1/8	
Topic	Key takeaway
Prepare ESIA documents for regulatory environments	<ul style="list-style-type: none"> <li>• There is a disconnect in incentives when we get consultants to complete ESIA documentation. It would be beneficial if we could get them to adhere to a SLTO code of conduct.</li> <li>• We should be expanding the range of possible outcomes so that multiple scenarios are considered, not just the one that is most likely to be approved / most financially beneficial to the company.</li> </ul>
Operating project within permitted conditions and operating in a safe environment	<ul style="list-style-type: none"> <li>• We are good at managing the risk of compliance (even if we are not good at meeting compliance across the industry).</li> <li>• However, we should be looking to go beyond compliance in order to push the perception of the industry towards a more favourable outlook.</li> <li>• Occupational Health and Safety is done exceptionally well within the mining industry – it has a high profile from Boards down. This is a good demonstration of how to get professional discipline on an important issue entrenched within the DNA of a company and industry.</li> </ul>
Shared resource competition	<ul style="list-style-type: none"> <li>• Early communication and planning are vital however they are often not taking place.</li> <li>• We need to ensure that we have a framework for risk mitigation that compensates for loss and shares benefits fairly.</li> <li>• We should be looking to quantify opportunities (e.g. looking at more innovative ways to work out how we can use by-products and waste products from mining for other productive/value-added uses).</li> </ul>
Environmental and social security post closure and minimising legacy sites	<ul style="list-style-type: none"> <li>• We have not done this well and there is a sentiment that this is a significant contributor to the negative perception that society has on the mining industry.</li> <li>• There are some positive examples and we should be showcasing these more readily.</li> <li>• We should be looking at a closed mine as an asset, available for repurposing for additional economic opportunities – we have seen in Australia that there are few examples where the company has been able to walk away from a closed mine.</li> <li>• Some mine sites remain geologically prospective and consideration should be given during operations and closure to avoid sterilising future potential or limiting their beneficial opportunity to future generations. This is an area which requires careful consideration of the maximum time frames over which Care and Maintenance can be used as an excuse for not proceeding to full asset closure and rehabilitation as envisaged in community or local level agreements.</li> </ul>

**Breakout Workshop Group:** CBG 2

**Workshop facilitator:** Janina Gawler

**Workshop topic:** What we need to do better

**Prompt notes:** CBG 2/1, CBG 2/2, CBG 2/3, CBG 2/4, CBG 2/5, CBG 2/6

### Topic

Resolve adverse mining legacy issues

Planning and implementing regular effective information distribution to stakeholder groups addressing achievements and misinformation corrections

### Key takeaway

- This is an area that needs to be dealt with during operations (or before). Too often we leave it too late.
  - We have the opportunity to leave a positive legacy, however we are not generally realising the opportunity. We need to change the dialogue with stakeholders about what happens during the closure and care and maintenance stages.
  - There is a win-win opportunity for mining professionals to work with regulators to demonstrate the value in realising some of these positive legacy options that will lead to more sustained and constructive socioeconomic impacts.
- 
- We are not telling the positive side of the story very well – we are very focused on risk mitigation.
  - We need to change the dynamic of engagement so that it is a positive experience focused on opportunities – this would remove the void in information which Non-Government Organisations (NGOs) can sometimes fill.
  - We need to be focused on building a positive inter-generational legacy within host communities. To do this, we need to accept that we are partners of change with the community. This will enable them to focus on the opportunities of development rather than the negative aspects.

<b>Breakout Workshop Group:</b> CBG 3 <b>Workshop facilitator:</b> Geoff Byrne	<b>Workshop topic:</b> The challenges of sustainability <b>Prompt notes:</b> CBG 3/1, CBG 3/2, CBG 3/3, CBG 3/4, CBG 3/5
Topic	Key takeaway
Challenges of sustainability	<ul style="list-style-type: none"> <li>• The Brundtland definition of Sustainable Development incorporates the principles of current needs and options to meet future needs. For mining to be considered sustainable, it needs to include a commitment to these principles, as well as to mitigation of contemporary social and environmental issues and governance to meet the needs of current materially-affected stakeholders.</li> <li>• The concept of 'future needs' is subject to changes, such as technology disruptions, changes to societal/community values and future expectations that are going to impact on what we consider sustainability to be in the future.</li> <li>• There needs to be a balance between long-term and short-term incentives, both for mining organisations and stakeholder groups.</li> </ul>
What does sustainable mining look like?	<ul style="list-style-type: none"> <li>• The conversion of natural capital to useful products and the generation of economic, built, human, and social capital which can have enduring value both during and beyond mining.</li> <li>• Looking beyond 'zero harm'.</li> <li>• AusIMM members will be responsible and aware of changes in perception and expectations, such that we continue to meet the demands of our communities and society. Our members need to be fully attuned to contemporary values.</li> <li>• We will look to add value to our host communities beyond the life of mine and well into the post-closure period.</li> <li>• In order to do this, AusIMM needs to be practising greater development and appreciation of all skills necessary to the industry.</li> <li>• AusIMM should be valuing social skills as much as technical skills.</li> </ul>

## Plenary 5

Received the reports of breakout sessions CBG1 – 3 on Professional Performance. The major take outs were as follow:

- Consultants need to be better briefed and supervised in respect to work relating to community interactions and corporate policy on social licence and performance issues
- Project conceptualisation needs to consider a wider range of options for community/stake holder benefits much as is done technically in mine PFS.
- Mining professional should celebrate and highlight successes but also acknowledge the legacies of the past and seek to redress them in so far as is practicable.

## Plenary 6

### Round up on Day 1 options and boundaries for Day 2

Bruce Harvey wrapped up the day's proceedings before asking the Forum how we might bring this together tomorrow so that it is of most value to AusIMM and its members. Bruce noted that there was some overlap and repetition in the themes that were discussed that could well be distilled into a list of competencies or solutions. He noted that much of Australia has land that is of low monetary value and as a consequence mine closure and site re-purposing are not prioritised to the extent that they are in countries where land monetary values are high, such as in Europe and South Korea. He noted particularly the talk around competencies, codes of practice, standards, and AusIMM's role vs industry association roles.

Bruce issued a call to action for mining professionals to “put their head above the parapet” and be confident to take some risks to further the industry's performance in relation to SLTO. Examples included embracing innovations such as:

- A zero footprint mine being developed and permitted in northern England
- Investigating synchronous and sequential land use

The important issues and boundaries for Day 2 included the following:

- What are the right things that we should commit to as a professional organisation?
- As industry professionals, we need to appreciate that we are going to be continuously working to higher standards in the future.
- We need to become trusted listeners as well as the trusted voice of the industry, however, in order to do that we need to understand the SLTO competencies that we want AusIMM members to have.
- Form strategies with potential organisations or systems that we can leverage.
- We should be looking at industry professionals and what is required for AusIMM members to be leaders equipped with required SLTO competencies.
- We need to ensure that we are getting to a point to determine how best to go forward as a representative organisation of mines and metals professionals.
- How will we frame a policy that will lead to future AusIMM members having the expertise in SLTO that will be required to progress our industry in tomorrow's world.

## Plenary 7 & 8

### Presentations on Policy options to improve social acceptance followed by open floor comments and questions

Day 2 started with a number of presentations on the following topics:

- Stakeholder identification
- Social risk assessment capabilities
- Proactive responsiveness to social performance

The tables below summarise the key takeaways from each of the presentations.

**Presenter:** Morrie Goodz

**Presentation topic:** Stakeholder identification

#### Key takeaway

- One of the fundamental problems is the identification of stakeholders.
- By listening and obtaining their opinions early enough so that their concerns can be considered we will win communities' trust. However, it is important that an engagement team has the experience, diversity and competencies to ensure that they can successfully interact and engage with the stakeholders.
- There will be changes to plans and these changes will impact people differently, we therefore need to have an engagement team that is practical in its approach throughout the engagement process and need to be empathetic to stakeholder concerns.
- Having someone in the room that has the authority to make decisions conveys an excellent message to stakeholders that their concerns are being heard and considered at the appropriate level. It conveys a level of respect between the company and the stakeholders.
- This does not mean that everyone will agree with the outcomes, but if stakeholders believe that the process was fair, transparent and open, there will be more willingness to accept change and they will be more likely to respect the outcome.
- At each stage in the project's lifecycle it is important that we understand what we are trying to achieve out of each engagement. This will change as the project and the stakeholders' needs change. This will result in ongoing changes in the engagement team's priorities and competencies, and ultimately will require the team members to evolve and change as required over the project life.
- As we heard throughout Day 1, commentators occupy voids in information, so by engaging openly and comprehensively, agenda driven commentators will not be able to fill that void with ill-informed and/or incorrect messages.
- And lastly, whenever you are undertaking stakeholder engagement – be open, honest, polite and respectful.

**Presenter:** Adrian Bowden

**Presentation topic:** Social risk assessment capabilities

### Key takeaway

- According to recent surveys of extractive sector leaders, the number one risk currently facing our industry is ‘Social Licence to Operate’ (SLTO)” - AusIMM.
- The nature of business risk is changing. Uncertainty is seen as a risk in itself. Risks are increasingly being posed by external stakeholders and forces (global politics, macro-economics, environmental regulation, state governance, social disruption, climate change, social ethics, community attitudes, distrust). Mining companies need to generate plans that consider long term conditions.
- Strategic foresight coupled with risk management can help inform strategic plans, particularly in relation to social licence to operate.
- In response to changing risk drivers, there is a need to apply existing strategic foresight and risk management processes to get an informed view of what could happen, create useful narratives, translate the narratives into specific risks and opportunities, and derive longer term strategic plans that will make mining businesses more agile, adaptable and responsive to stakeholder expectations.

**Presenter:** Terence Jeyaretnam

**Presentation topic:** Proactive responsiveness to social performance

### Key takeaway

- Factors in managing a proactive response to social performance include:
  - Materiality analysis on ESG
  - Stakeholder primacy
  - Voluntary disclosures (versus involuntary disclosures)
  - Best practice performance and targets linked to accountability
  - Collective impact
  - Executive capability.
- We are currently living in a world where humans are having an immense and unprecedented impact on the world. This is now influencing investment decisions, so it is vital that the industry understands these trends and responds positively to them to maintain credibility and relevance.

## Breakout Session D

The fourth and final group of breakout workshops were focussed on the following themes:

- Stakeholder identification criteria and criticality
- Define sustainable mining and implications for social policy and performance
- Land use agreements

The tables below summarise the key takeaways from each of the three breakout workshops.

**Breakout Workshop Group:** DBG 1

**Workshop facilitator:** Morrie Goodz

**Workshop topic:** Stakeholder identification group criteria and criticality

**Prompt notes:** DBG 1

### Key takeaway

Stakeholder identification

- We need to identify and target people with high interest and high impact (Influencers) and take a risk-based approach – we are generally not doing this well, especially with respect to those who are not directly impacted but have strong influencing capabilities.
- However, the world is changing and now everyone who wants to be a stakeholder, can be – we therefore need to update the way that we think and categorise stakeholders (e.g. internal, external, proximate, influencer etc.)



<b>Breakout Workshop Group:</b> DBG 1 <b>Workshop facilitator:</b> Morrie Goodz	<b>Workshop topic:</b> Stakeholder identification group criteria and criticality <b>Prompt notes:</b> DBG 1
<b>Key takeaway</b>	
Stakeholder concerns	<ul style="list-style-type: none"> <li>• We need to be able to effectively balance the risks, concerns, opportunities, and aspirations of stakeholders. We have generally been quite good at the risks and concerns however we are not so good at identifying those who have external agendas and drivers and use them to influence those proximal to the impact. We should be placing more emphasis on the opportunities and aspirations of local stakeholders / communities.</li> <li>• We should be improving the language that we use to shift the conversation towards encouraging knowledge sharing, shared interests, and opportunities.</li> <li>• We should move away from “informing” to “engaging” as the former is the act of telling, whereas the latter is the act of aiming for consensus and mutually beneficial outcomes.</li> </ul>
Engagement process and guidelines	<ul style="list-style-type: none"> <li>• There are a number of stakeholder engagement guidelines out there so there was a view that additional guidelines were not required, but instead we could identify the preferred set of guidance material and direct our members towards them.</li> <li>• We should be looking for a list of core competencies for social practitioners, boards, and technical professionals, such as: <ul style="list-style-type: none"> <li>○ Social science analytics</li> <li>○ Business case development</li> <li>○ Integration of social aspects into asset general design and operational decision making.</li> </ul> </li> <li>• The longer-term view would be to consider the core competencies and existing toolkits and then make consideration for an AusIMM guidelines / code of practice which would have global parameters and functionality.</li> </ul>

<p><b>Breakout Workshop Group:</b> DBG 2  <b>Workshop facilitator:</b> Stephen Hancock</p>	<p><b>Workshop topic:</b> Define sustainable mining and implications for social policy performance  <b>Prompt notes:</b> DBG 2</p>
<p><b>Topic</b></p>	<p><b>Key takeaway</b></p>
<p>Defining sustainable mining</p>	<ul style="list-style-type: none"> <li>• There was support for the Brundtland Definition of Sustainable development.</li> <li>• There is a need to define what ‘sustainable mining’ is.</li> <li>• The definition included in the prompt notes was agreed to be a good foundation:  <i>Mining is sustainable when development values derived from operations recovering and converting earth resources to products serving societal demand are sufficient to cover for all assets through to rehabilitation and to compensate material stakeholders for sensible losses (including aesthetic and cultural/ heritage losses) directly attributable to the mining development including necessary finance, rewarding investors, creating wealth and value for the broader community, recreating ongoing land use values measured in economic, social and/or environmental terms, and without compromising the ability of future generations to meet their needs.</i></li> <li>• Mining industry professionals have a responsibility to focus on how they can manage an asset to have future value and provide a sustainable post-mining future.</li> <li>• Skills need to be developed amongst mining professionals to properly consider post-closure land and infrastructure use, and the potential for mine wastes to be valuable resources for future use. This includes post closure land use involving soil formation and landform design, beyond contaminant attenuation, fixation and containment.</li> <li>• An example of current practices that are not necessarily sustainable for local communities are Fly-in Fly out (FiFo) and Drive in Drive out (DiDo) workforces, albeit they are recognised as maybe acceptable in some circumstances such as short term (say five years) operations.</li> <li>• As an industry, we need to consider targeted messaging depending on the audience that we are aiming to reach.</li> </ul>

Breakout Workshop Group: DBG 3	
Workshop topic: Land use agreements	
Workshop facilitator: Adrian Bowden	
Prompt notes: DBG 3	
Topic	Key takeaway
Appointment of governance and community facilitators	<ul style="list-style-type: none"> <li>• Governance and community representative bodies work best where there are existing representative structures in place that are developing organically and are supported by the company (rather than developed by the company).</li> <li>• Such bodies should at all times consider future land use productivity, whether it be through economic development or the management of environmental and aesthetic values, or a combination of opportunities, which can be viable within the governance and fiscal parameters of future communities to sustain.</li> </ul>
Initiation of local workforce education and training	<ul style="list-style-type: none"> <li>• This is generally being done well however it is internally focussed.</li> <li>• We should be establishing what community aspirations are (not just the company's) and tailor education and training towards this end – this will help develop sustainable, inter-generational value for communities.</li> </ul>
Competencies stemming from conversations	<ul style="list-style-type: none"> <li>• There were a number of competencies that were raised throughout the discussion that the group believed would form a good starting point for specific professionals in the mining industry as well as more generally focused SLTO competencies. These included:</li> <li>• Cultural competency and awareness</li> <li>• Agreement making <ul style="list-style-type: none"> <li>○ Public disclosures</li> <li>○ Free Prior and Informed Consent</li> <li>○ Access to other parties knowledge and financial capitals</li> </ul> </li> <li>• Stakeholder engagement</li> <li>• Concerns, complaints and grievance management</li> </ul>

## Plenary 9

*Plenary 9 received breakout group reports on policy options*

Received reports of the Breakout sessions DBG 1 – 3 and included the following:

- The community wishes to see mining assets returned to a state where they represent future value in social, environmental and economic senses.
- Mining projects to be accepted need to present the whole of life cycle for the assets, land and materials left behind.
- The mining professional need guidance on how to ensure that their performance is at all times at the forefront of international practice.

## Plenary 10

Plenary 10 consisted of a panel session chaired by Bruce Harvey with the following panel members answering questions from the floor:

- Terence Jeyaretnam
- Geoff Byrne
- John Theodoulou
- Robin Evans

Key points that were raised throughout the discussion included:

- We have focused on individual asset performance, but there is an issue of broader perception of the industry within society. Connected with this is that there is a lot of ignorance and a lot of negativity of the mining industry.
- The need goes beyond the need to train up the community relations or social performance team, it is about lifting the capabilities relating to SLTO across the entire industry.
- There was a view that industry had somewhat backed off investing in the SLTO space, hence engagement of AusIMM in this area could be vital.
- There could be a role for AusIMM in getting a much more positive message of the mining industry out to schools and universities.
- There was a view that the current classical resource industry competencies (geology, mining, environmental, metallurgy) need to be augmented to have more breadth of social performance aspects, however it was also noted that social performance is a discipline all to its own, with many sub-disciplines (e.g. cultural heritage, local level agreement making, stakeholder engagement, social sciences, etc.) and therefore it should stand on its own as a broad area of professional discipline.
- AusIMM will have to adapt its representation of classical competencies as the industry moves towards greater employment of skills, including data scientists, technology competencies, and automation practitioners.

# Plenary 11

## Closing session

Bruce Harvey and Janine Herzig closed the Forum. Bruce called on the Forum to look beyond the current view of SLTO issues to a longer-term vision for AusIMM professionals. This Forum has been just the first step in this journey, but it is significant first step. Bruce reminded the Forum that this is not just about how we work in Australia and New Zealand, but about how AusIMM members behave wherever they work in the world. There were a number of questions that remain unanswered following the Forum and the committee will work to address these across the coming months, namely:

- The process we are working through is to develop a strategy to work through to achieve our goal.
- The ultimate outcome of the Forum remains uncertain, it may include a code of conduct, or a set of principles for AusIMM members to follow.
- We want a set of competencies and capabilities that are endorsed by the member body.
- We then need to invest as an organisation in nurturing these professional competencies and promulgating them throughout the industry.

Bruce reminded the Forum that we all have professional pride in what we do and that many members of the AusIMM feel a deep sense of hurt when it comes to the public's perception of our industry. We want AusIMM members to win back the trust and respect of those communities in which we operate.

Janine then thanked the Forum participants, facilitators, and organisers for their efforts. She confirmed that AusIMM members need to be trusted professionals and that the institute needs to consider the different value drivers of millennials. Janine acknowledged that where there is a void of information NGOs will fill it, so as an industry we need to be proactive in our approach to SLTO to ensure that there is no gap to fill.

Janine confirmed that AusIMM is looking at incorporating different sub-disciplines into new competencies to be recognised by the Institute as a first step. She will be looking out for an outcome from this Forum to reach the Policy and Advocacy Committee and for the committee to work out the next steps from there.

## Additional post-Forum session

Following the conclusion of the formal part of the Forum, 25 self-selected people continued on the discussion in a brainstorming session that lasted a bit over an hour. The purpose of the session was to reflect on the discussions that were held at the Forum in relation to the following aspects:

- A system to build industry SLTO competencies, both at a specific disciplinary level and more generally for all AusIMM members.
- Definitions relating to a SLTO lexicon
- Toolkits to help practitioners
- Recommended practices and guidelines

A summary of the key points of each of the aspects is included below.

### Competencies

It was suggested that AusIMM could play a role in developing greater competency within the broader mining professional cohort at three distinct levels:

- Undergraduates
- Broad upskilling of mining professionals
- Chartered professionals program for SLTO

It was observed that currently SLTO topics contribute only a very small proportion of undergraduate mining degrees. There was a sense that this can lead to students considering SLTO to be a less serious and less important aspect of the mining industry compared to other technical disciplines.

Broadly, AusIMM professionals need to take leadership in implementing and acting upon improved SLTO strategies across the industry. This leadership will contribute to changing the industry's perception within society from one that is falling short of expectations to one that is exceeding expectations. To achieve this, it was suggested that consideration of SLTO elements are incorporated into all AusIMM governed certifications – this would consider SLTO elements that are relevant to each discipline.

Lastly, it was recommended that a standalone SLTO chartered professionals competency be developed for AusIMM members that demonstrate a comprehensive knowledge of and a commitment to implementing industry leading SLTO principles.

### **Toolkits**

A number of tools were suggested for development to assist in the growth of SLTO competencies. These tools included:

- Training courses for non-traditional AusIMM skills to build competencies in SLTO disciplines in order to build better community relationships and ultimately improve the perception of the mining industry.
- Developing a universal reference point for the many existing tools and literature that could be relevant to AusIMM professionals.
- Provide a “SLTO for beginners” guidance note for mining professionals to obtain a basic level of understanding of SLTO principles.

Toolkits and educational materials should be digital in nature (e.g. webinars) and available online.

### **Practices and guidelines**

It was suggested that AusIMM take a leadership position for the mining industry in developing a code of practice and/or guidelines for the planning, implementation, and reporting of SLTO activities. It was suggested that the ultimate outcome may be modelled on the JORC guidelines, with the objective to provide a standardised approach and increased rigour to reporting of SLTO actions and outcomes. This could then lead into third party assurance of reported actions and outcomes.

## **Acknowledgements**

The Forum Organising Committee gratefully acknowledges the contributions of all participants and facilitators leading up to and at the Forum; particular thanks are directed to EY for coordinating session note taking, professional synthesis of a large volume of material and preparation of the draft summary report.

## Appendices

Social Licence Policy Development Forum Prompt Notes