



Leveraging the "S" in ESG

The key to maintaining a social
license to operate

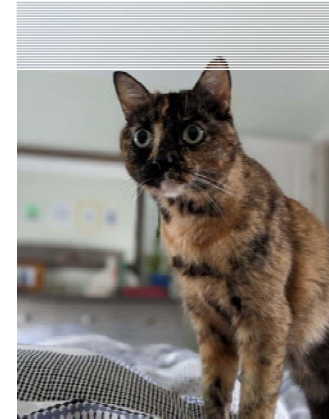




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- **Home:** Fort Collins, CO (since 2013)
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- **Focus area:** Mining - tailings and waste management; Sustainable Mining by Design
- **Credentials:** Envision Sustainability Professional, Certificate in Sustainable Infrastructure (pending)
- **Point of Interest:** Ultra-marathoner





Agenda

1. Why focus on sustainability?
2. What are we navigating?
3. Following through on promises and sustainability pledges
4. How are we adapting?



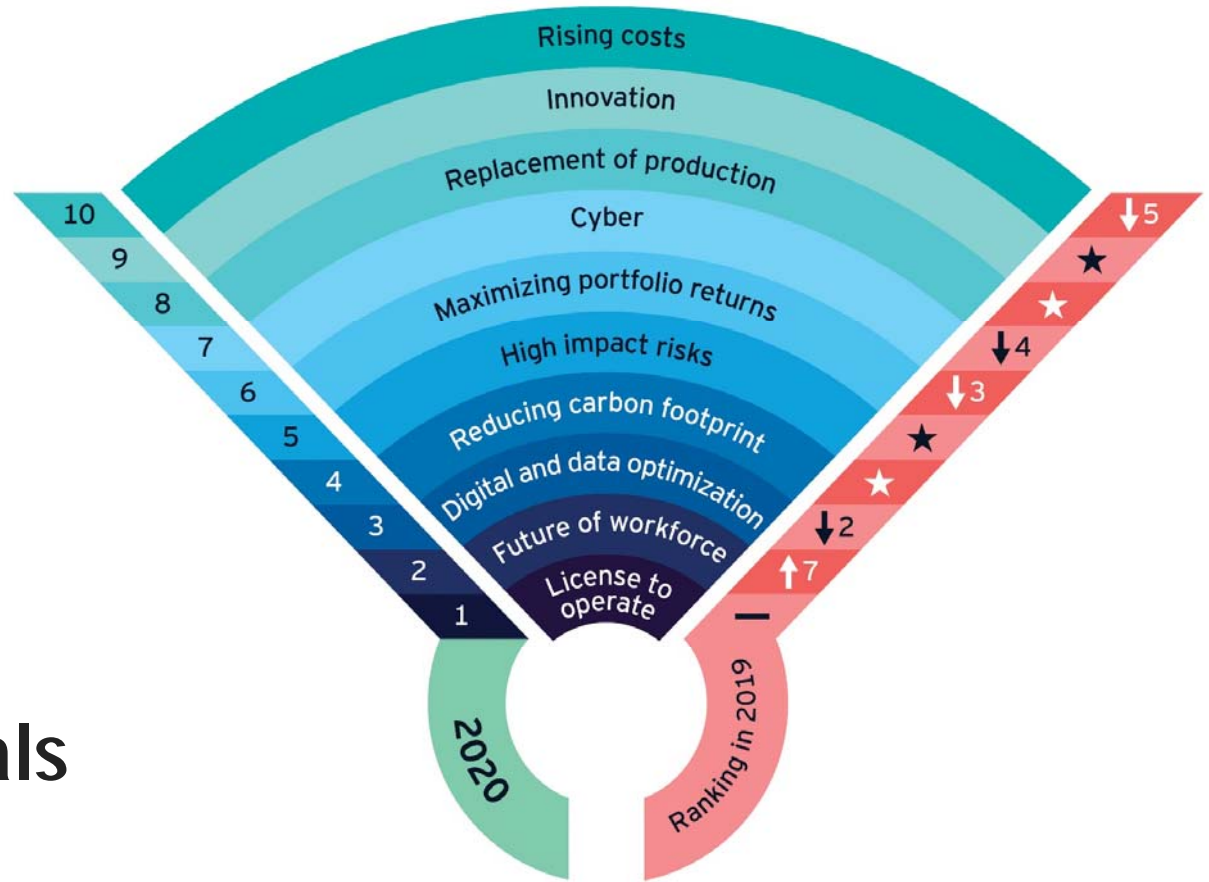
Why focus on sustainability?

Business benefits and mounting pressures





Top 10 Business Risks Facing Mining and Metals



↑ Up from 2019
↓ Down from 2019
— Same as 2019
★ New to the radar

Graphic Produced by Ernst & Young Global Limited
https://www.ey.com/en_us/mining-metals/10-business-risks-facing-mining-and-metals



Miners Under Pressure to Set, Track, and Report Against **ESG Goals**

ESG is now a fundamental part of investment and supply chain decisions.

BlackRock, the world's largest fund manager, will divest from any company earning more than 25% of revenue from thermal coal. In 2021 BlackRock will also expand its review to more than 1,000 companies that represented 90% of the global scope one and two emissions, up from 440 companies in 2020.

In May 2020, **Norway's Norges Bank**

- dropped companies from the country's US\$1tn sovereign wealth fund.
- placed under observation for production of coal and coal-based energy.
- blacklisted for causing severe environmental damage.

[World's biggest fund manager vows to divest from thermal coal](#), The Guardian, 14 January 2020

[BlackRock hones focus on racial diversity](#), Mining Journal, 10 December 2020

[Mine 2020 Resilient and resourceful: PwC's 17th annual review of global trends in the mining industry](#), PwC, June 2020



Miners Under Pressure to Set, Track, and Report Against **Inclusion and Diversity Goals**

BlackRock, (approx. US\$7.8 trillion under management), will require US companies to disclose more workforce diversity information, including demographics such as race, gender, and ethnicity. The measures include scrutiny of diversity, equity, and inclusion. BlackRock warned it would vote against directors who failed to act. BlackRock stated, "An inclusive, diverse, and engaged workforce contributes to business continuity, innovation, and long-term value creation.

State Street Global Advisors, (approx. \$3 trillion under management) integrated Sustainability Accounting Standards Board diversity metrics into its ESG scoring system called R-Factor.

Goldman Sachs Group, (approx. \$2 trillion under management), has also said it would no longer take a company public in the US and Europe if it did not meet enhanced diversity or gender criteria.

Nasdaq has said most US public companies would have to include at least one director who identified as female and one who identified as an underrepresented minority or LGBTQ.

[BlackRock hones focus on racial diversity](#), Mining Journal, 10 December 2020

Valuing All Forms of Capital

1. **Financial capital** – cash, investments, and monetary instruments
2. **Manufactured capital** – infrastructure, machines, tools, and factories
3. **Human capital** – labor and intelligence, culture, and organization
4. **Natural capital** – resources, living systems, and ecosystem services

—*Natural Capitalism* (1999)





What do we have to navigate?

A look at governing frameworks, standards, and authorities





We have a lot to navigate!

UN SUSTAINABLE DEVELOPMENT GOALS (SDGS)

CARBON DISCLOSURE PROJECT (CDP)

GLOBAL REPORTING INITIATIVES (GRI) STANDARDS

INTERNATIONAL COUNCIL OF MINING AND METALS (ICMM)

GHG PROTOCOL STANDARDS

World Bank's 'Putting a Price on Carbon'

UN Guiding Principles (UNGPs) on Business and Human Rights

Aluminium Association of Canada (AAC)
The Voluntary Principles on Security and Human Rights (VPs)

Carbon Pricing Leadership Coalition

Council for Clean Capitalism

International Chamber of Commerce (ICC)

International Labour Organization (ILO)
Extractive Industries Transparency Initiative (EITI)

UN GLOBAL COMPACT (UNGC)
UN Universal Declaration of Human Rights

Principles for Responsible Investment (PRI)

ISO 14001 – Environmental Management

ResponsibleSteel™

Water Disclosure Project

Gender Equity in Mining Works

United Nations Framework Convention on Climate Change (UNFCCC)

United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP)

Scaling Up Nutrition (SUN) Business Network

The Paris Pledge for Action

The Copper Mark

Johannesburg Stock Exchange Socially Responsible Investment Index

World Business Council for Sustainable Development (WBCSD)

International Copper Association (ICA)

PARIS AGREEMENT

Wildlife Habitat Council (WHC)

Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises

Diamonds Producers Association (DPA)

Task Force on Climate-related Financial Disclosures (TCFD)

Embedding Sustainability Project

Greenhouse Gas (GHG) Protocol for Calculating Emissions

Dow Jones Sustainability Index

ICMM Integrated Mine Closure Good Practice Guide

Intergovernmental Panel on Climate Change

International Finance Corporation (IFC) Performance Standards on Social and Environmental Sustainability

Columbia Center on Sustainable Investment (CCSI)



SUSTAINABLE DEVELOPMENT GOALS

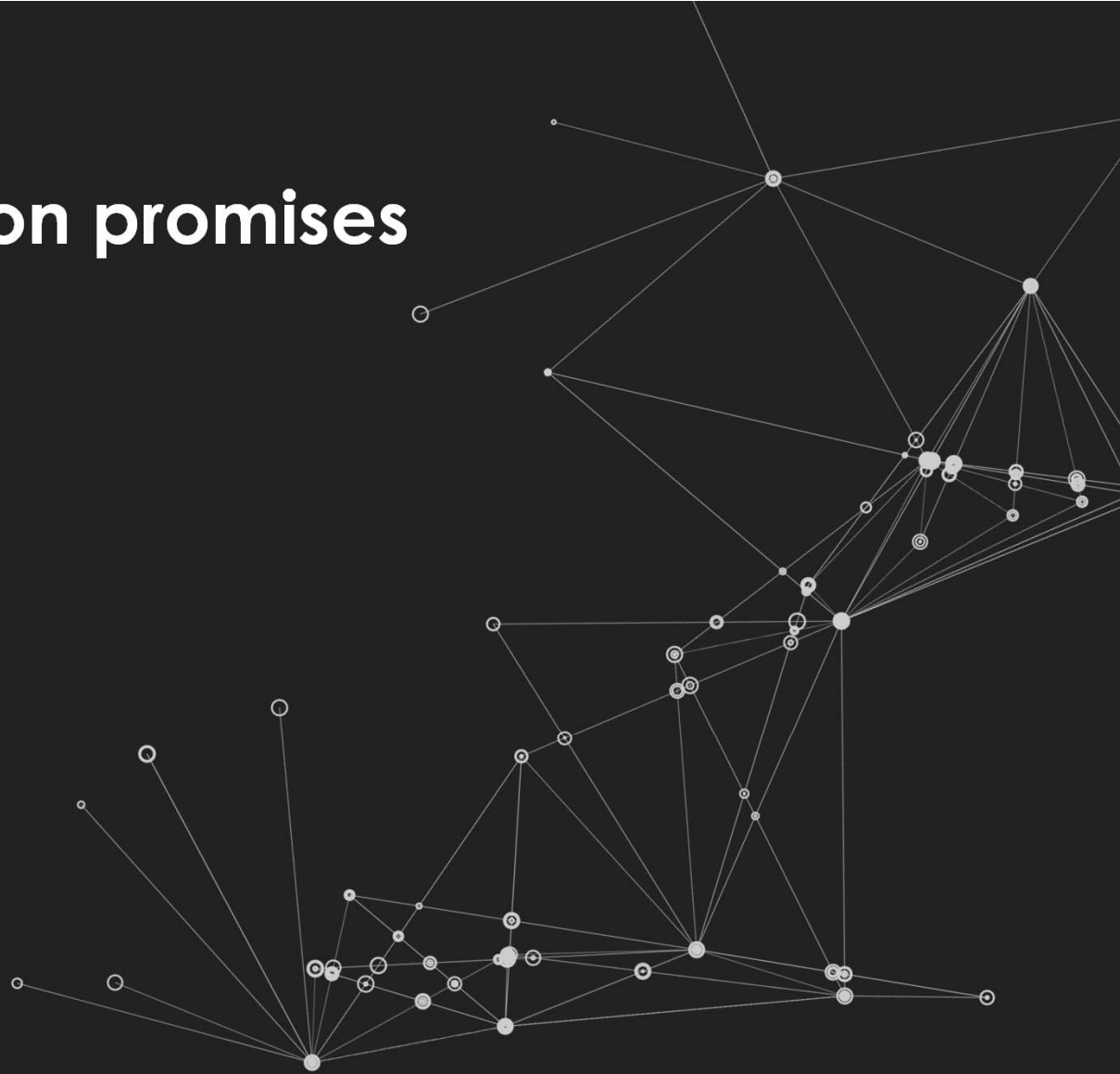
17 GOALS TO TRANSFORM OUR WORLD

1 NO POVERTY 	2 ZERO HUNGER 	3 GOOD HEALTH AND WELL-BEING 	4 QUALITY EDUCATION 	5 GENDER EQUALITY 	6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY 	8 DECENT WORK AND ECONOMIC GROWTH 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	10 REDUCED INEQUALITIES 	11 SUSTAINABLE CITIES AND COMMUNITIES 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION 	14 LIFE BELOW WATER 	15 LIFE ON LAND 	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	17 PARTNERSHIPS FOR THE GOALS 	



Following through on promises

Practices for improving social sustainability





The Big Question: How?

Engage Community

- Conduct stakeholder mapping exercises and set clear objectives.
- Engage stakeholders throughout the mine's lifecycle. Determine how your project objectives align with the needs and goals of the local community.
- Empower communities to engage in the development process. Ensure that impacts and benefits are distributed equitably throughout the affected communities

Communicate Transparently

- Develop two-way communication and provide sufficient opportunities for stakeholders to be involved
- Develop communication between project leads and stakeholder groups to incorporate stakeholder feedback into the process. Create feedback loops to gauge stakeholder satisfaction and establish grievance mechanisms



The Big Question: How?

Develop Local Skills

- Stimulate economic prosperity and development by creating local jobs during design, construction, and operation.
- Develop local skills and capabilities through an inclusive culture of training programs.

Consider Culture and Health

- Utilize community input to identify areas as historic or cultural resources. Avoid development in these areas and take steps to preserve or restore cultural resources.
- Assess project impacts and reduce air and water pollution to improve the health of the community. Consider incorporating critical infrastructure services for communities experiencing—or at risk of experiencing—imminent negative health effects or personal safety impacts



How are we adapting?

Examples of industry trends and advancements





Community Wastewater Management





Addressing Cultural Needs



Photo credit: im-mining.com



Questions?

Let's talk about how we can move forward together to help our clients achieve their sustainability goals.