Mainstay Development Consultants
YOUR SUSTAINABILITY PARTNER

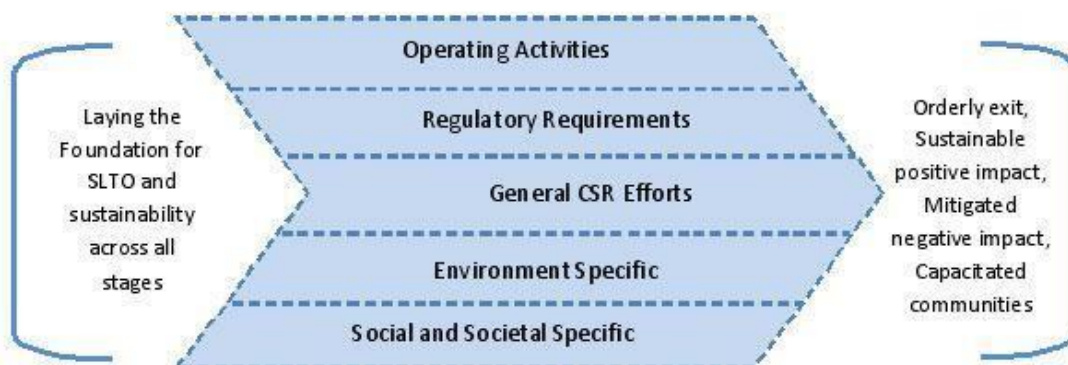# Sustainability and Stakeholder Engagement in the Mining Industry

Prelude – This paper presents an overview of emerging, potential business challenges for the Mining Sector and a mitigation plan to imbed sustainability

The Indian mining sector now ranks 3rd amongst the coal-producing countries in the world and growing over 12% per annum. On the other hand, the sector is dealing with a range of community-social, environmental, and institutional issues. Both India and regions around the world are faced with serious social and environmental consequences of industrial mining. The mining operations primarily in the developing world, often work directly with the most vulnerable populations, dramatically altering the natural surroundings in the places they work, and have the potential to make volatile economies even more unstable depending on the standpoint of perceived social licenses to operate. As a result, mining companies often come under public institutional scrutiny. Hence, companies need to assess such challenges and develop a mitigating process with an appropriate stakeholder engagement plan and execute strategies to have positive net outcomes that are sustainable in the long term. Otherwise, such situations may often result in equating with rights, thereby posing a serious threat to long-term business sustainability. Figure 1.1 explains the process of engagement.

Figure 1.1

Engaged and Orderly Approach to Ensuring Sustainable Positive Impact and Mitigation of Negative Impact

| Pre-Exploration | Exploration and Feasibility (includes Planning and Designing) | Operations (includes Construction and Extraction) | Decommissioning and Rehabilitation |

Laying the Foundation for SLTO and sustainability across all stages

Operating Activities
Regulatory Requirements
General CSR Efforts
Environment Specific
Social and Societal Specific

Orderly exit, Sustainable positive impact, Mitigated negative impact, Capacitated communities

The social environment may hamper business goals and growth potentials in the long run, unless strategically aligned and engaged with the community, and key stakeholders. The effective engagement process in place will manage perception, and visibility by imparting equitable, and sustainable social benefits.

Therefore, it becomes inevitable for business houses to assess their social vulnerabilities and mitigate such vulnerabilities through effective social risk management place will ensure social branding leading to added competitive advantage. Figure 1.2 depicts the overall consequences and their influence.

Figure 1.2
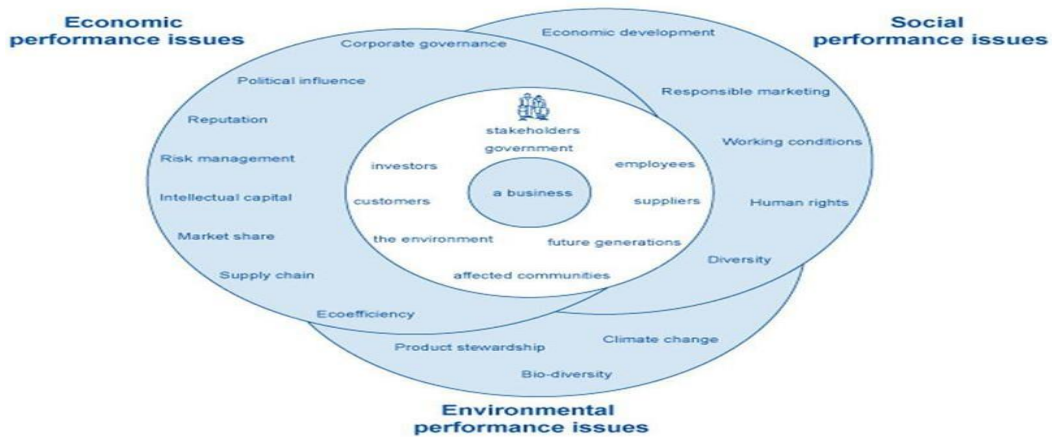
One would agree that the contemporary business is equating its performance on tangible social attributes that are contributing throughout its business cycle, as never before. These processes appraise critically social brand equity and the corporate image on the sustainability of business performance. Social accountability, ethical business strategies, and sustainable development are very important subject matters for business today. The social deliverables are seen as an internal process of governance, strategically aligned with core values, and vision in demonstrating business sustainability. The social performances of the company are critically equated by clients, stakeholders, governments, and communities - making it more relevant for the mining industry. Figure 1.3 depicts the process framework of driving operations sustainability.

Figure 1.3

Mainstay offers diverse social, and environmental expertise and demonstrated models in aligning communities and sustainability concerns of businesses and institutions. Mainstay social team members have over fifteen years of working experience with proven multi-faceted deliverables in varied contextual situations. Figure 1.4 provides an overview of sustainable integrated solutions offered to meet the contextual challenges.

Figure 1.4

Strategic CSR – Sustainability Services

- Develop strategic and effective CSR goals and objectives – aligning with specific challenges of community and stakeholders towards mining sustainability
- Align community and key stakeholder engagement plan – building convergence and linkages
- Develop strategic CSR/Social interventions to mitigate vulnerabilities (SROI) a process to develop a monitoring & evaluation process in place to assess social performance/benefits

Social Risk Management

- Develop a baseline on key social issues and challenges (Participatory Analysis)
- Develop an effective Social Risk Management Plan
- Rehabilitation & Resettlement (R&R)
- Disaster Risk Reduction Management (DRRM)
- Water Resources Management
- Sustainable Supply chain

Social Benefits and Returns Evaluation

- Measurement – Develop a monitoring & Evaluation system – for social performance & measuring social benefits
- Resource sustainability (process-based) – footprint analysis
- Sustainable wastewater management

Social and Environmental Assessments

- Provide appropriate perception management- IEC
- Environmental & Social Assessment (ESA)

Sustainability Reporting

- Social Audits
- Social Reporting - Corporate Accountability
- Sustainability reporting GMI/Global Mining Imitative

For further information on the subject please contact us.