

Micro Managing Compliance with Macro Commitments on Governance and Accountability

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The Why and How of Sustainability

1. Mining companies are accountable to many stakeholders – by law/fact
2. Managing that accountability necessitates proactive corporate governance structures
3. The major challenge is bridging the gaps
4. The tools exist for achieving sustainability and implementing the TBL policy
5. Successful implementation requires a corporate culture of sustainability

Accountability to Whom?

Current and Prospective

- Customers
- Lenders
- Shareholders
- Joint Venture Partners
- Employees
- Suppliers

Current

- Home country regulators and legislators
- Host country regulators and legislators
- Local host communities
- NGOs and the Media

Successfully Managing Accountability: Governance Requirements

- **Goals: Legitimacy, Compliance, Fairness**
- **Institutionalization of CSR/Sustainability**
- **Management structure that supports/rewards sustainability**
- **Skill requirements and training**
- **Strong legal compliance ethic**
- **Transparency and communication**
- **Stakeholder Engagement**
- **Effective feedback loops**
- **Monitoring/evaluation/correction**
- **Right to demand reciprocal accountability**

BRIDGING THE GAP

GLOBAL

MODERN

MOBILE

FAST

LOCAL

TRADITIONAL

IMMOBILE

GRADUAL

**MINING
COMPANY**

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The Tools Exist

- PDAC's E3-Plus Principles and Guidance – ESR Toolkit (www.pdac.ca/e3plus/)
- ICMC's Sustainability Development Framework (www.icmm.com)
- The “Sustainability Operating System” in Blackburn, Thomas, *The Sustainability Handbook* (Environmental Law Institute 2007) – and see Codes in Appendix 2

A Corporate Culture of Sustainability

- Adoption of principles, internalization of policies
- Senior management responsibility for implementation/compliance
- Recognition: there is no one size that fits all
- Due diligence by knowledgeable specialists re cultural, language, value differences
- Realistic assessment of the stakeholder power structure
- Establishment of honest, transparent, mutually beneficial relationships and communication

CONCLUSION

- Accountability to many stakeholders requires proactive Corporate governance structures
- Mining companies must bridge major gaps in order to be successful
- The tools exist
- Successful implementation requires a corporate culture of sustainability