



Community Consultation

GUIDING PRINCIPLES

Purpose

Consultation and dialogue with representatives of the local communities in which our member companies operate is increasingly becoming an integral part of the way that business is conducted. At a facility level, engaging local stakeholders appears directly linked to the success or failure of operations in that locality. Engaging with local stakeholders is an effective way of gathering important input and ideas, anticipating and managing issues, improving decision-making, building consensus among diverse views, strengthening relationships, and ensuring a social license to operate.



Source: www.iucn.org

Guiding Principles

Stakeholder expectations at the community level are certainly not uniform or consistent. Issues are unique to each community where the company operates or initiates projects, and as such, stakeholder expectations will vary. Because the issues are diverse, the company will not immediately know which stakeholders will have a concern on a given project, or what those concerns might be.

Given the nature of this type of engagement, community-level stakeholders emphasize how important it is for companies to listen to, and seek to understand, the root of stakeholder concerns. Concerns are not always what the company anticipates them to be, and effective listening skills are crucial to successful engagement.

Some key expectations for community consultation as voiced from local stakeholders include:

- ❖ ***Demonstrate honesty, keep promises and build mutual trust*** -- stakeholders want to trust companies; not spend resources scrutinizing every statement to ensure the company is being truthful
- ❖ ***Ensure early engagement*** -- involving stakeholders early in planning process allows the community to provide input on project design and outcomes; also ensures buy-in from community members and regulators later at the permit phase
- ❖ ***Communicate often/ hold frequent meetings*** -- relationships with communities and local stakeholder groups need continual work and attention, just like any other relationship built on trust. Keeping stakeholders informed, even if there is no progress to report, is better than leaving stakeholders uninformed
- ❖ ***Make process open to all stakeholders interested in participating*** -- companies who are inclusive with their stakeholder engagement process tend to have greater success than those who are exclusive
- ❖ ***Demonstrate clear commitment*** – companies can demonstrate commitment to the process (through senior level involvement, investment of funding to cover expenses, technical research experts, etc.) which assures communities that the exercise is more than simply a public relations scheme



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Benefits

Companies note the following business value from engaging with local community stakeholders:

- Strengthens the license to operate (e.g., develops a shared agenda, builds stronger relationships and earns respect of local communities);
- Increases competitiveness (e.g., partner of choice for governments, communities and other mining companies),
- Reduces costs (e.g., avoids costly arbitration, expedites permitting process);
- Better relationships with regulators (e.g., more credibility, less red tape and scrutiny);
- Increases organizational effectiveness (e.g., assistance in identifying issues and problem solving).



Member Success Stories

Peñoles: Active Support of Community Self-Development

Peñoles is an active supporter of community self-development, interacting with approximately 1,200,000 individuals in 64 communities through 12 Community Participation Boards, 12 Social Welfare Centers and a volunteer network. Peñoles uses a Comprehensive Business Administration System that includes a community development policy, and an Institutional Community Self-Development System, recognized by various public and private organizations as one of the most effective programs for social responsibility for business.

Anglo American: Community Socio-Economic Assessment Toolbox (SEAT)

Anglo American developed SEAT to help each of their operations understand the extent and nature of its impacts on neighbours, build trust, be a more effective development partner and ensure that they are accountable. SEAT includes assessment tools that assist with the identification of relevant stakeholder groups, culturally appropriate methods for engagement and understanding the dynamics between stakeholder groups. For more information visit: www.angloamerican.co.uk/cr/sustainabledevelopment/

Helpful Resources

- Community Development Toolkit, International Council on Mining and Metals (ICMM), The World Bank and the Energy Sector Management Assistance Programme (ESMAP) www.goodpracticemining.org/documentDetails.php?URN=1493
- AccountAbility/Institute of Social and Ethical Accountability www.accountability.org.uk/default.asp
The AA1000 standards include specific criteria for stakeholder engagement
- Tools and Concepts for Environmental Sustainability: *Stakeholder Engagement*, July, 2004. www.fivewinds.com/publications/publications.cfm?pid=119