

# The transparency debate in mining & minerals

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# Introduction

- Who are we, and why are we here?
- How are we investigating sustainable development? The Mining & Minerals Sustainability Survey 2001
- The survey process, and key themes
- What do we mean by transparency, and why is it important?
- Debate - addressing themes of “transparency” in the industry



# Who are we, and why are we here?

## Mining Minerals Sustainable Development Project (MMSD):

- an independent two-year project of participatory analysis
- seeks to understand how the mining and minerals sector can contribute to the global transition to sustainable development
- engages a cross-section of groups and individuals through workshops, interviews, surveys, information sessions and other outreach activities
- is a project of the International Institute for Environment and Development (IIED) commissioned by the World Business Council for Sustainable Development (WBCSD) on behalf of the Global Mining Initiative (GMI)



Key theme: “how can we ensure meaningful access to information for all stakeholders?”



# Who are we, and why are we here?

## PricewaterhouseCoopers:

- audits 55% of world's top mining and metals companies, and provides services to 65%
- has relationships with CEOs and CFOs
- seeks to invest in thought leadership in mining
- thinks about the future of transparency and reporting for its clients from a regulatory and voluntary perspective

Key theme: “what information could a company make public, and how can it get maximum value from its efforts?”





# Together, we are investigating sustainable development

## **Undertaking a survey of sustainable development practices in world's top 58 mining & minerals companies**

- Aim to assess the company's understanding of sustainability issues, and management's response
- Will form a baseline against which future developments can be measured
- Will stimulate a broader debate on best practice for incorporating sustainability concerns into company decision-making and operation



# What is the survey process?

- Questionnaire derived and piloted by PwC and MMSD, with input from an independent Review Panel
- Questionnaire distributed to CEOs of top 58 companies
- Responses followed up by face to face interview with CEO and/or senior management responsible for the issues
- Results collated and combined into survey report (ready end of July '01)
- Companies presented with individual feedback against collated response
- Collated information will inform MMSD process going forward



# Which companies are participating?

- Alcoa
- Alcan
- Noranda
- Arch Coal
- Falconbridge
- Barrick Gold
- Caemi Mineracao
- Homestake Mining
- BHP
- MIM
- Sumitomo Metal Mining
- Nippon Mining & Metals
- WMC
- Pasminco
- Iluka
- Anglo American plc
- Anglo American Platinum
- Harmony Gold
- AngloGold
- Rio Tinto
- Billiton
- Minas Luismin
- Newcrest Mining
- Iscor
- Impala Platinum
- Lonmin
- Gold Fields
- De Beers
- Outokumpu
- Normandy
- Codelco





# What will be the key themes?

Companies were questioned on:

- their strategic response to sustainable development (corporate governance, policy, strategy, key drivers)
- current management practice on economic, environmental and social issues
- the likely future response to sustainable development in the next 10-15 years





# The report will comment on questions like...

- Do companies really understand sustainable development?
- What are the key areas of focus, and why?
- How are companies integrating sustainable development?
- What is driving the allocation of capital for sustainable development issues?
- What is driving environmental efforts and social practices?
- What do companies expect from their business partners?
- What is on the horizon? How should the industry change in the next 10-15 years?



# What have the companies told us about transparency?

We asked companies what it means to be a transparent company. They told us that being transparent means:

- Being open to engagement
  - Engagement is about interaction, working with stakeholders, obtaining agreement
- Building trust
- Being part of the community



# Stakeholders are demanding accountability

Local communities

Shareholders

NGOs

Ethical Investors



Government

The media

Employees

Business partners

Contractors

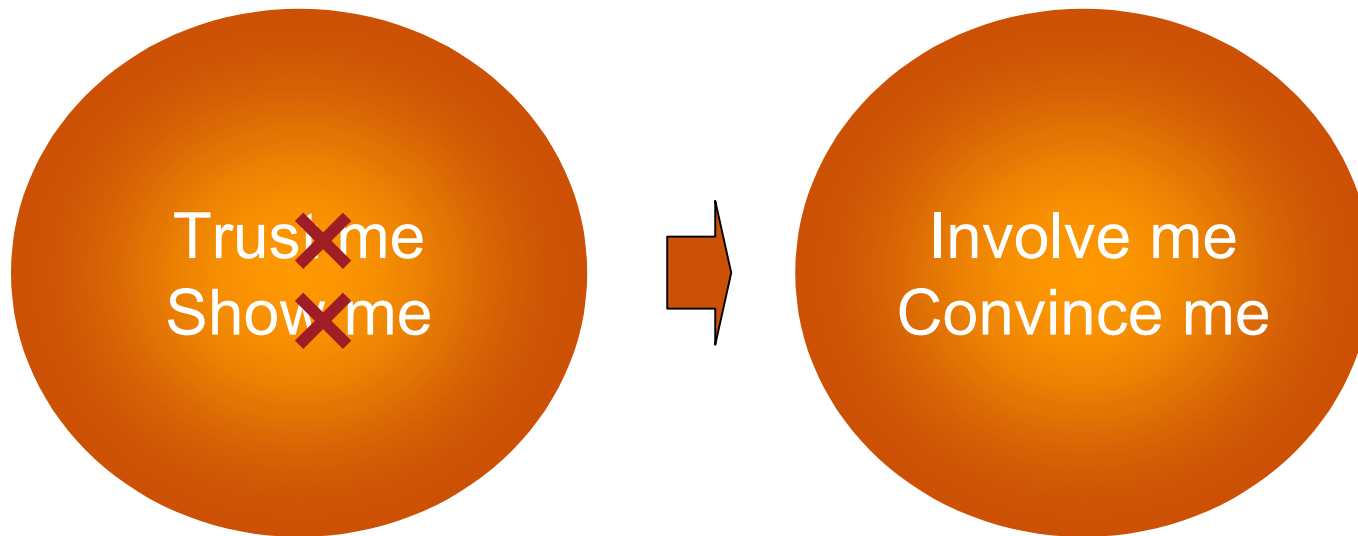
Suppliers





And companies have to actively engage with them

More needs to be done to convince and engage stakeholders





# The boundaries of transparency are blurred

- In order to inform the MMSD process on this issue, we propose a discussion of the issues
- Four groups, 20 minutes discussion, 5 minutes feedback each



# The debate

## Group 1

- What do stakeholders want to know, that companies currently don't release?
- Of this, what information is it reasonable to expect?

## Group 2

- How should transparency apply to stakeholders themselves?
- What should companies expect from stakeholders?



# The debate

## Group 3

- What are the most effective methods of engagement with stakeholders?

## Group 4

- What are the most effective methods of reporting?



Get the survey report on our web  
site

The report will be out at the end of July

It is completely free!

Visit

[www.mining-survey.com](http://www.mining-survey.com)

for a copy of the questionnaire and to download the report

