



SLO Benchmarking Report

30/04/2021

Michael Tost¹, Pamela Lesser² & Katharina Gugerell¹

¹ *Montanuniversität Leoben, 8700 Leoben, Austria*

² *University of Lapland, 96300 Rovaniemi, Finland*

Disclaimer

The information in this document is provided as is and no guarantee or warranty is given that the information is fit for any particular purpose. The user thereof uses the information as its sole risk and liability.

The document reflects only the author's views and the Commission is not liable for any use that may be made of the information contained therein.

Dissemination level		
PU	Public	X
CO	Confidential, only for members of the consortium (including the Commission Services)	

Deliverable administration			
No & name	SLO Benchmarking		
Status	Finished	Due	M41
		Date	2021-04-30
Author(s)	Michael Tost, Pamela Lesser, Katharina Gugerell		
Description of the related task and the deliverable. Extract from DoA	<p>Task 4.4 SLO Guidelines and Toolbox and Benchmarking Report</p> <p>The draft SLO Guidelines and Toolbox will be benchmarked against other guidelines and toolboxes that have been developed internationally i.e. Canada, Australia, USA, and Chile.</p> <p>This report supplements deliverables D 4.3 and D 4.4</p>		
Participants	Michael Tost, Pamela Lesser, Katharina Gugerell, Gregory Poelzer and external contributors		
Comments			
V	Date	Authors	Description
1	30/4/2021	MT, PL, KG	Version 1 – summary description of benchmarking

About MIREU

The project MIREU aims to establish a network of mining and metallurgy regions across Europe with a view to ensure the sustained and sustainable supply of mineral raw materials to the EU. The network will help the regions to share knowledge and experiences when facing the challenge to establish and maintain an extractive industry. MIREU will facilitate an exchange between all interested stakeholders in the regions, namely regulatory authorities, political and administrative bodies, development agencies, mining companies, non-government organisations, as well as the general public. The project will develop a shared knowledge base, taking into account the region-specific geographic and economic features, cultural, societal and language diversity, and their historical developments. The network will also learn from experience in other regions of the World. This knowledge base will allow to understand what has been conducive and what hampering to the development of extractive and metallurgical industries. It will also provide the context for a bottom-up integration of these activities into their respective socio-economic and socio-cultural context. Development is about people and, therefore, bringing people into the decision-finding procedure in order to achieve a ‘social license to operate’ will be a key aspect of the project. Guidelines and recommendations for actions to be taken to foster a sustained and sustainable development of the extractive industries will be developed in close co-operation with a range of selected regions from the European Union. These regions will form a nucleus and multipliers for a more extensive network beyond the life-time of the project.

Partners



1. INTRODUCTION

Part of MIREU’s Task 4.4 concerning the development of SLO (Social License to Operate) Guidelines and a Toolbox for Europe is also to benchmark these “against national practices and policies in mining countries outside the European Union, such as those from Canada, Australia, USA, and Chile as well as against international guidance identified in Task 3.1.”

This is a summary of the benchmarking exercise. It describes the approach, countries, international organisations and industry standards considered, as well as key results.

The detailed working sheet can be found [here](#).

2. METHOD

The benchmarking is done in a descriptive, narrative way. It includes a description of the country or standard concerned but is otherwise based on key characteristics of the new SLO Guidelines:

- a generic description of SLO characteristics, including if the approach is SLO process and/ or outcome oriented or focused on social impact management
- a description of the hard or soft law requirements regarding SLO for all stages of the mining process, from exploration to post-closure
- a consideration of levels of SLO (based on the MIREU Scalar model), ranging from benefit sharing to (lack of SLO) clash of fundamental values
- the focus area; whether it is on local communities or also considering broader societal aspects
- an open field to capture any other issues or key concerns.

The countries, international organisations and industry standards considered are:

Countries	International organisations	Industry Standards
Finland	UN (SDGs and Guiding Principles on Human Rights)	ICMM
Canada (Saskatchewan)	IFC Performance Standards and World Bank EHS guidelines	Mining Association of Canada Towards Sustainable Mining (TSM)
Australia	OECD Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector	IRMA
USA (Alaska)		Anglo American’s Social Way

Chile		Mining Council of Australia's Enduring Value Principles and Framework
		Euromines

The country descriptions were provided by (external) experts with SLO related experience in these countries or based there.

3. RESULTS

The concept of SLO still seems to have different meanings, as well as recognition and importance in the countries benchmarked. Whilst it is well recognized in Canada (where it originated) and Finland (due to the Talvivaara disaster some years ago and the following Finnish Network for Sustainable Mining), it is less so in Australia (SLO remains a topic of suspicion; CSR is used instead), the USA (SLO within US mining comes up primarily as part of interactions with Native American communities) and Chile (concept of SLO is in early stages and the approach towards public participation is strongly based on environmental legislative requirements). Hence, there are weak legal requirements for SLO or its components, other than consultation requirements as part of environmental impact assessments or concerning indigenous peoples (including, at the international level, a requirement for FPIC (free, prior and informed consent)).

The mining stages are covered in all the countries considered through legal requirements, with SLO aspects such as consultation requirements playing a role as mentioned above. The mining standards considered cover mostly all stages of the mining life cycle, and except for the OECD Guidance (which is covering all stages of the mining life cycle with a focus on integration of stakeholder engagement into core business processes and strategic decision making), they include detailed requirements for certain stages (mainly discovery/exploration, construction and closure/ post-closure) or issues (mainly concerning FPIC, resettlement, community health and safety or water management).

Regarding the levels of SLO (and lack of), the legal requirements in the benchmarked countries mainly deal with engagement (consultation) requirements. It is however apparent from the descriptions that the lack of SLO at all three levels of the Scalar Model exist in these countries (i.e. concerning indigenous peoples), hence there is an opportunity for guidance in this space, as provided by the SLO Guidelines as well as international and industry standards considered. For example, the OECD Guidance includes a section on "Responding to external challenges to engagement", which lists a number of challenges to the engagement process, e.g. power dynamics, legislative requirements and repressive regimes, violence and opposition that cover our 'lack of SLO' categories. It also lists strategies on how to deal with them. The Guidance, as well as ICMM, IRMA and Anglo American require grievance, remediation and/or conflict resolution processes.

The standards and guidelines from industry/ industry associations show a stronger focus on social performance (which a company itself can influence and manage) rather than achieving SLO (for which a company relies on outside stakeholders).

Other than e.g. the SDGs, most of the standards and guidelines, especially the mining specific ones, have a community focus rather than a societal focus (although the organisations themselves might also be involved with societal issues such as climate change). Anglo American's Social Way requires also the consideration of 'areas of influence' to "assess the geographical extent of each of the site's potential social and human rights impacts, including cumulative impacts."

In summary, the MIREU SLO Guidelines and tools with their focus on relationship and trust-building between stakeholders, supported by issue specific tools and references to international standards, are considered more relevant for Europe and go beyond legal requirements concerning SLO in the countries analysed. They compare well with international and industry standards and guidelines, in certain parts exceeding their requirements. They should certainly raise the understanding of SLO and prove useful to European mining in improving SLO, as the two European examples analysed - Finland (concerning legal requirements) and Euromines (with its less developed requirements compared to e.g. MAC) - show.
