

Social Licence to Operate (SLO) Guidelines for Europe

D4.3 Deliverable 28/02/2021

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the related task and the deliverable. Extract from DoA Within the MIREU regions, a survey of existing SLO-related guidelines addressing the nature regarding good a not so good practices. As this type of work is new to regional authorities, coaching wit the region will be undertaken in close collaboration with Task 2.1 of WP2. Using information compiled in Tasks 4.1 to 4.3, in combination with the survey, EU St Guidelines will be produced that fully incorporate SLO into the extractives value chain special focus of the Guidelines will be the inclusion of SLO into the mining and metallur related permitting and environmental review processes. The draft EU SLO Guidelines v subsequently be benchmarked against national practices and policies in mining countri outside the EU, such as those from Canada, Australia, USA, and Chile as well as again international guidance identified in Task 4.1. The final version of the Guidelines will available both as web pages and in hard copy.							egarding good and es, coaching within f WP2. Using the survey, EU SLO ves value chain. A ing and metallurgy LO Guidelines will n mining countries as well as against		
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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 us to understand what has been conducive and what is 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 cooperation 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



European

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EXECUTIVE SUMMARY

As the MIREU project is about networking Europe's mining and metallurgy regions through the regional administrations, originally the SLO (Social Licence to Operate) Guidelines (Deliverable 4.3) were intended to be guidance for both regional administrators and mining companies. Hence, the Guidelines were envisioned to be a blend of research that could aid regional administrations in policy-making but also provide pragmatic on-the-ground advice for companies to better understand the differing local contexts across Europe and how to build long-term meaningful relationships with communities. In the first public consultation round it became clear that two contradictory positions needed to be reconciled. The first is that achieving and maintaining SLO in the European context differs from other countries because the existing governance framework is already strong, and in general, it is also well trusted. The space for SLO, typically understood as being the voluntary measures companies take to obtain community acceptance, is limited - but it is growing. SLO is not a formula; it is essential to understand the 'why' of the differences. This leads to the second contradictory position, which is that delving deeply into the 'why' is traditionally the domain of research since the contribution to practical application is minimal. For regional administrators and industry, SLO is just one objective they need to fulfil among many others and the 'how' is the most important. Hence, we endeavour to satisfy both needs by splitting the Guidelines into 1) the Deliverable aimed at policy-makers and the research community and 2) the SLO Guidelines, which is a stand-alone document intended for government administrations, industry and the public. While the Guidelines are included as an Annex to this Deliverable, again it is a separate and distinct document.

The Deliverable describes the background and process of establishing the SLO Guidelines for Europe as part of the EU project MIREU. It includes a brief description of the key inputs: the three SLO Stakeholder Workshops, the SLO SWOT analyses, development of the SLO model, the 'Perceptions of Mining in Europe' survey, and 47 case studies of exploration and mining projects where either a dispute is present or there are evident good practices of SLO. In the European context, as legislation and regulation set the framework for mining activities and governance plays an important facilitating role in SLO, an overview of the regulatory environment is provided in order to highlight those areas that appear to already encourage SLO and those areas that could be improved. Finally, the document concludes with findings and recommendations to ensure that mining in Europe can proceed in a way that helps communities thrive, society as a whole to further goals of equity and sustainability, governments to use existing tools in a more consistent and balanced manner, and for industry to continue producing materials vital both for the transition to renewable energy to help combat climate change and for everyday life as well.

The SLO Guidelines are intended to support stakeholders in building relationships based on trust amongst each other. They include a description of SLO in the European context and SLO principles that have been created by those involved in the MIREU SLO work the past three years. As SLO can often be used as a catch-all for addressing everything from environmental concerns, to worries about jobs and the economy, to social cohesion and gender issues, a model of SLO tailored to Europe is presented in order to organise, and therefore be able to discuss, the most essential components of SLO. The model incorporates the local perspective of community acceptance of a mining project and adds a dimension emphasising the role of the broader



society. This is important because whether or not the public is aware of raw materials and mining drives the degree to which they feel connected to raw materials and internalise their importance, whether that has to do with their everyday lives or more long-term goals of transitioning to renewable energy and addressing climate change. For both of these reasons there is a need to guarantee availability and security of supply, or in simpler language, to guarantee that mining exploration and development activities can occur. But, and this is crucial for SLO, those activities cannot be supported at any cost. They must be done in the most responsible and respectful way possible.

1. INTRODUCTION

In 2008, the European Commission (EC) adopted the Raw Materials Initiative (RMI) which sets out a strategy for tackling the issue of access to raw materials in the EU and makes raw materials a political priority. This strategy has three pillars which aim to ensure:

- Fair and sustainable supply of raw materials from global markets
- Sustainable supply of raw materials within the EU
- Resource efficiency and supply of "secondary raw materials" through recycling (European Commission, 2008)

Aligned with this strategy, the MIREU project suggests a narrative for SLO in Europe. This includes the local perspective of community acceptance of a mining project, but also an additional dimension concerning the awareness and acceptance of broader society for raw materials and mining, as European society is highly engaged in many of the issues that touch directly on mining, e.g. climate change, the energy transition and protection of natural habitats.

Recently, the EC reconfirmed its commitment to raw materials with the launch of the Action Plan on Critical Raw Materials (European Commission, 2020) and the European Raw Materials Alliance late September 2020.

2. THE MIREU SLO PROCESS

2.1.Contributors to the Guidelines

Creating the SLO Guidelines has been a continuous work in progress for over three years. From the beginning of the project in late 2017, there have been monthly digital meetings involving not only the partners in the project but also a wider network of stakeholders and experts that were interested in the topic. This network includes partners in other H2020 projects that also look at the subject of public acceptance, members of the SLO International Stakeholder Panel (SLO ISP) created within the MIREU project, non-governmental organisations (NGO), industry and others in various research organisations interested in the work.

While producing guidance and tools for SLO in the European context has always been the main aim, it was clear early on that advice from experts in other countries where SLO is well integrated into the mining culture, lexicon and most importantly practices, was essential in order not to "re-invent the wheel". A combination of these international experts with other stakeholders not already represented in MIREU became the SLO ISP.

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Table 1: Members of the ISP

2.2.Inputs to the Guidelines

Crucial to the work was the organisation of the three SLO Workshops held over an 18-month period in 2018-2019 in Rovaniemi (FIN), Leoben (AUT) and Brussels (BEL). Each workshop focused on a different theme with the first looking at the link between sustainability and SLO; the second discussing the role of SLO in regional development; and the third taking a more future-oriented approach with the topic 'ensuring SLO is adaptive and resilient'.

The first deliverable of this work package, entitled the 'Regional cultural identity and stakeholder mapping report', served as the foundation for understanding how SLO is defined and functions in the global context, what SLO is in the European context, what it should be and it also served as the basis for the MIREU SLO Model that was developed subsequently.

There have also been three SLO SWOT analyses conducted for societal initiatives to further SLO in Europe:

- The Finnish Network for Sustainable Mining
- The education programme to promote raw materials awareness as part of the Saxon Raw Materials Strategy (Germany)
- The Communities of Interest Protocol from Canada's Toward Sustainable Mining programme adopted by the Spanish national standards organisation (UNE)



The results of these analyses can be found <u>here</u>.

In conclusion, the key takeaway of the SLO SWOT analyses is that to promote a national-level initiative of SLO, the government needs to be supportive. Regional-level initiatives have the potential of being more visible to the public and more concrete but they have to be sustained and continually updated.

Illustrative examples (47 in total), with the goal of covering as many projects across the MIREU partner regions as possible to understand where SLO is present, where it is not and why, have been included in the SLO Toolbox and have also helped inform the Guidelines. The examples include projects that enjoy different levels of SLO but also projects where there are disputes and even conflicts present. Accompanying maps show where the projects discussed are located within the country. Link to case studies

The last important input for these Guidelines is the Perceptions of Mining in Europe online survey, which was translated into seven languages, distributed across Europe via the MIREU partner regions and open from September to December 2019. There were 278 responses and the information has been used to help inform the section of the Guidelines focusing on stakeholders.

There has been close collaboration with other H2020 and EU funded projects over the three years. As mentioned previously, many organisations involved in various raw materials H2020 projects participated regularly on the calls, and each of the three SLO Stakeholder Workshops also had either designated clustering sessions or else integrated clustering projects throughout the workshop sessions.

At the first SLO Workshop, the clustering session had the theme – SLO as a driver of innovation - and consisted of <u>REMIX</u> (Smart and Green Mining Regions of EU), <u>MinGuide</u> (Minerals Policy Guidance for Europe), SCRREEN (Solutions for Critical Raw materials - a European Expert Network) and SCALE (Scandium Aluminium Europe). The clustering session at the second workshop also had a theme – international projects – and included the following: <u>SLIM</u> (Sustainable Low Impact Mining solution for exploitation of small mineral deposits based on advanced rock blasting and environmental technologies), INTERMIN (International Network of Raw Materials Training Centres), FAME (Future of the Atlantic Marine Environment), **REMOVAL** (Removing the waste streams from the primary Aluminum production in Europe) and INFACT (Innovative, Non-Invasive and Fully Acceptable Exploration Technologies). The third workshop differed from the previous two in that there was not a separate clustering session but the projects were integrated throughout the workshop. The theme was 'policy, R&D, socioeconomic projects' and included SOCRATES (European Training Network for the sustainable, zero-waste valorisation of critical-metal-containing industrial process residues) and SCALE as well as an afternoon session organised by the NEMO (Near-zero-waste recycling of low-grade sulphidic mining waste for critical-metal, mineral and construction raw-material production in a circular economy), CROCODILE (Recovering Cobalt) and TARANTULA (Recovery of Tungsten, Niobium and Tantalum occurring as by-products in mining and processing waste streams) projects.

In a last step, the draft of this deliverable, including the SLO Guidelines, was sent twice to the MIREU stakeholder network for consultation. 27 stakeholders responded in the first round, with the majority coming from industry (including associations and consultants). Geographically, the majority of responses came from the UK, followed by Finland and Spain. In the second

round, which was mainly editorial, six stakeholders responded. The feedback from these consultations has been incorporated into the final deliverable.

Despite some signatories having participated in the wider stakeholder network of the project and having been invited to provide input during the two consultation rounds, on 24 August 2020, a Joint Civic Statement on the European Horizon 2020 project MIREU was submitted to EASME and DG GROW by civil society organisations from Bosnia, Finland, Ireland, Portugal, Slovakia and Spain raising concerns regarding the MIREU project itself and the SLO Guidelines. The following are the major points raised:

- The current definition of European SLO does not match the initial one used in the • SLO video which notes the importance of decision-making power of local communities because select participants in the process have had disproportionate input.
- Conflict case studies lack a consistent research design and have been carried out not • by social scientists but by technical experts. No field work was done
- The term 'stakeholder' and 'SLO' as 'pejorative denominations born within a context of socio-political risk management of industrial enterprises'. The term 'concerned public' as a neutral designation per Aarhus Convention and also 'host communities' or 'affected communities' on a local level should be used. The terms NIMBYism, stakeholder screenings and community profiling also should not be used.
- A right for 'comprehensively informed self-determination and decision power of • local communities, confronted with the implementation of mining and metallurgy projects' is requested.

Although the focus of the MIREU project has always been on both mining and metallurgy, within the SLO context, an initial query revealed that with the exception of eastern Europe, mining and metallurgy are often perceived to be unconnected and two distinct types of projects with different impacts. Mining tends to occur in rural and sparsely populated areas whereas metallurgical plants often are close to urban locations where people see the facility constantly and assume, like any industry, it is highly regulated. The exception is eastern Europe where metallurgy is often as contentious, if not more so, than mining because it is seen as providing fewer jobs and contributing less to the economic growth of the area. In addition, former communist countries appear to have more environmental issues due to older equipment when compared to Western European countries with more capital for improvements and more stringent regulations enacted earlier, especially those concerning air and water quality. It should be noted, however, there has been no systematic study done in MIREU of the perceptions of metallurgy, nor is there academic literature on the topic. A more detailed description based on input from MIREU partners from these countries, can be found in Annex 2.

Within the SLO work package, the conclusion is that studying SLO and metallurgy is sorely needed, but mining and metallurgy are perceived to be different and the baseline understanding, at least in terms of SLO, is non-existent for metallurgy. Thus, there is first a need to learn about how the contexts of metallurgy vary, their historical role and if there are environmental legacies, the perceptions of metallurgy as an industry and its potential to contribute to future economies. Even with this gap in knowledge about metallurgy itself, because the 'mechanism' of SLO appears to be widely applicable as seen in examples from forestry, tourism, agriculture, aquaculture, and airports, it is likely applicable to metallurgy as well.



European

2.3. Drivers of SLO in the European Context

SLO can be viewed as both a process and an outcome. It is a process in that it involves a continual renewal of trust and the strengthening of relationships among stakeholders throughout a project's lifetime. It is an outcome because the process results in something – acceptance of a project at a particular moment in time. The SLO Guidelines focus on the process of gaining and then maintaining SLO. There is another Task (4.6) that is developing SLO indicators, and hence, focuses on SLO as an outcome.

SLO links mining companies to communities and society, building and nourishing long-term relationships and partnerships between companies and communities, to achieve beneficial outcomes including continuously improving mitigation of environmental and social impacts. This long-term process is covering all stages of the mining life cycle, starting from pre-exploration (i.e. land use planning) to the post-mining phase. SLO is a permanent process of (re)acceptance, which is responding to (changed) internal and external conditions and drivers, practises, socio-cultural values and local needs – all of which can and do change over time. Thus, the local community, and society more broadly, can grant but also revoke the particular SLO since it is a dynamic and continuous process.

Traditionally, SLO refers to the community/ local level, managing relationships at a microscale. The actual situation of mineral extraction in Europe is cross-scalar (from local to global) and touches different policy and societal tiers (mining, environment, land use, circular economy, etc). Hence, there is the need to take a multi- and cross- scalar perspective and acknowledge that SLO on the community level is complemented by a societal level SLO. Trust in government to regulate the industry is the common ground between the two. To give an example: a project might achieve SLO because a community perceives its environmental impact on a river to be acceptable (community level) or because its contribution to climate change mitigation is accepted by an NGOs (societal level).

The MIREU SLO model, adapted from Thomson and Boutilier (2011) and Moffat and Zhang (2014), is proposing an integrated model of *Community SLO* and *Societal SLO*. The Community SLO is driven by three different aspects: (i) Contact Quality, (ii) Perceived Procedural Fairness, (iii) Social Benefits. Community SLO is linked to Societal SLO which is driven by (iv) Legal and Procedural Fairness, (v) Confidence in Government and (vi) Distributional Fairness (see Figure 1).

(i) *Contact Quality*: This is the most important aspect of SLO on the community level. It describes the relationship between the company and community with government facilitating if necessary.

(ii) *Perceived Procedural and Distributional Fairness:* The community believes the company is following the laws and treating them respectfully.

(iii) *Social Benefits:* Beyond jobs and municipal revenue, the community believes the company respects its values and will help realize its future vision.

(iv) Legal and Procedural Fairness: Government and regulatory frameworks have legitimacy and industry adheres to the laws and behaves respectfully.

(v) Confidence in Government: Society feels the entire governmental system (judiciary included) protects their interests and will hold industry accountable.

(vi) Distributional Fairness: Government shares mining revenues in a way that balances affected communities and the common societal good.

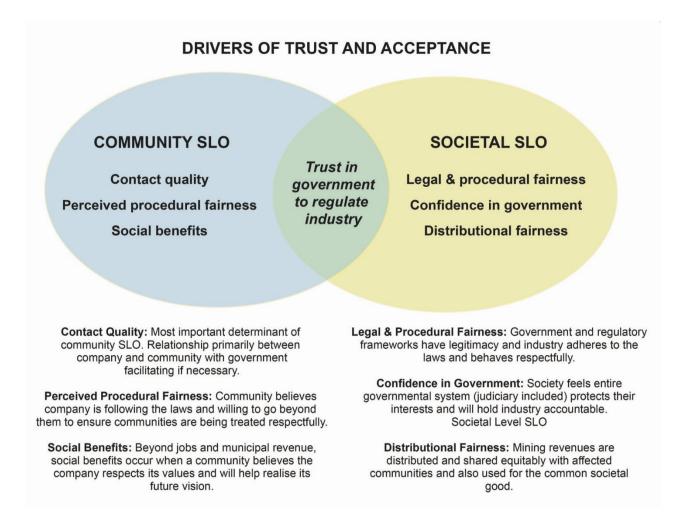


Figure 1: Drivers of trust and acceptance for community level and societal SLO in Europe (Lesser, Gugerell, Poelzer, Hitch, & Tost, 2020)

The final SLO model has been incorporated into the SLO Guidelines as shown in Annex 1.

3. SYNERGIES BETWEEN PERMITTING AND SLO

The intent of this section is to address the requirement in Task 4.4 which states 'A special focus of the Guidelines will be the inclusion of SLO into the mining and metallurgy related permitting and environmental review process'. This poses a dilemma, however, in that one of the major debates throughout the MIREU project has been over whether SLO can be legislated or not. While there is a consensus that SLO should neither be overly prescriptive nor force company behaviour into a rigid relationship-building process as this will be beneficial for no one, there are ways that the permitting and environmental review processes can enhance the interactions between communities, society, government and company. Referring back to the earlier discussion of SLO as a process and outcome, the idea would be to complement existing legal processes with incentives that would encourage collaborative behaviour. The idea is not to regulate a specific outcome. With that in mind, we turn to a summary of existing public participatory processes as part of mine permitting processes.



European

The MIREU report '<u>Review of the applicable regulatory and policy conditions in the MIREU</u> regions' has been developed with the objective of providing insight into the existing regulatory and policy conditions in the MIREU regions relevant to the mining and metallurgy sector and focused on understanding the role and involvement of the community in the permitting process of mining and metallurgy operations.

Prior to MIREU, in 2016 the <u>MINLEX</u> study investigated the legal framework for mineral extraction and permitting procedures for exploration and exploitation in the EU. The final report of the study extensively covers the principal legislation governing mineral exploration and extraction at national, regional and local levels, licensing procedures for exploitation, and EU legislation affecting the permits for exploration and exploitation.

Activities with the purpose of gaining social licence are traditionally extra-legislative, and must be intended to rectify the problems that legislation cannot or will not tackle. At the same time, to know what can be done to supplement legislation requires an understanding of what falls under legislation and how the legislation is interpreted. Hence, the intent of this deliverable and the SLO guidelines is not to suggest that legislative change is currently required, but rather legislation that is perceived as legitimate and functions as intended is a 'prerequisite' for SLO in the EU context. In order for both communities and societies to accept or support mineral extraction, the law must ensure the benefits outweigh the costs. In countries with indigenous communities, FPIC (Free, Prior and Informed Consent) is a basic prerequisite for SLO to be considered (e.g. Finland, Sweden). Legally, community involvement and social acceptance are present in the mining activities as part of the exploration and extraction permitting procedures.

Such participation requirements are also part of the mandatory Environmental Impact Assessment (EIA), which is a well-established procedure for large-scale projects, including mining and metallurgy projects, and has the potential to work as a carrying structure to enhance different aspects of SLO. Some examples of this can be the building of stronger relationships between company and communities, as well as between government and communities, through stronger community collaboration. EIA is an environmental regulatory process with a mandatory public participation component; however, the level of participation can vary widely and the implementation of the consultative process also can be very uneven. Feedback and submitted statements must be duly taken into account but it is not obligatory to consider and implement community concerns in the result.

In some member states where there is a centralised permitting regime, it is common to have situations where the relevant legislation allows for applicants to obtain permits from the concerned ministry despite rejection from landowners or local authorities. It might be anticipated that strengthening the scope and role of community stakeholders in the existing legal provisions related to EIAs and the mine permitting process can have an overall positive impact on the business – community relations and ensure a smoother permitting process. For example, while the on-going expansion in Kiruna and simultaneous relationship-building with Sami reindeer herders is not tied directly to legislative change in the Swedish Minerals Act, these practices affect the future work of all mining companies, including LKAB who owns and operates the Kiruna mine, and their ability to gain a SLO. Sweden has recognized this as in the past, much of the built-in consultations rested within the Environmental Code which was previously only triggered after the exploitation concession was granted, limiting the effects of the participatory elements. Since 2018, however, the legal requirements for consultation expanded to the concession stages of the process. Thus, actors beyond rights holders can give input into the decision around a concession.

To enhance the building of relationships, the following is suggested:

- Clear, defined roles of both the National Government and the State/Local Authorities in granting permits in their respective areas. It has been observed that within the permitting process, there are instances where the role and decision of regional and local level authorities could be overruled by the national government if mining companies approach them with an appeal. Such provisions, although intended as a way of trying to balance the needs of affected communities and the common societal good, may act as a deterrent to community participation procedures.
- > Strengthen existing EIA provisions relevant to community participation. As it is mandatory in all EIA processes to have at least one opportunity for public consultation (draft EIA), there are a number of countries that allow the public to comment during the scoping stage as well. In addition to consultation, all EIAs require that public comments made during the consultation be tracked and responded to. Hence the consideration and integration of public feedback is an important mechanism that could perhaps be extrapolated to other processes that occur throughout the life of the mine. Debates also exist around re-opening the EIA after a certain number of years to ensure circumstances have not changed and also to require an EIA Monitoring Plan, which ensures the mitigation measures achieve what is intended. Re-opening an EIA would then allow for another public consultation, and an EIA Monitoring Plan could provide an opportunity for continuous community participation in the monitoring of all project mitigation.
- > Establish and maintain consistency, transparency and dialogue between involved stakeholders. In cases where authorities serve as a facilitator for information sharing and dialogue between involved actors, they should be transparent about their role. For project proponents to gain SLO in Europe, predictability from regulators is a necessity.
- > Strengthening transparency when it comes to companies making it public how the opinion and feedback of the community during the EIA (and permitting) consultation process is incorporated in the mine project design. Such practice is expected to be ensured via the EU directive on EIA which is in force across all member states and requires the publication of "reasoned" decisions including consideration of information gathered during the public consultations. But, based on the response of regional experts, who were part of the D3.1 survey, which contributed to the report 'Review of the applicable regulatory and policy conditions in the MIREU regions' mentioned earlier, it was observed that such practices are not diligently followed across various member states in the MIREU regions.
- > Promoting Social Impact Assessment (SIA) as a requirement and an integral part of the permit application and review process. As of now, SIA in the permitting process is not widely used. There are exceptions, such as in Finland and Slovakia where SIA is included as part of the EIA process.

4. CONCLUSIONS

To encourage mining within the EU, a two-pronged approach is suggested: sound governance systems and collaboration with communities. Europeans defer to legislation and believe this is the foundation for responsible mining. The law provides the security of knowing there are



processes in place to guarantee outcomes that protect and benefit society. Across Europe, communities do expect companies to go beyond the legislative requirements for engagement but they want the approaches to complement the legal system, not compensate for it, as this could result in uncertainty and variation between projects. This is very different from other countries where people expect companies to fill legislative and governance gaps. At the same time, it is important that companies work transparently and collaboratively with the communities affected by operations.

In terms of governance, SLO is seen as of equal importance to mining and environmental legislation and should be non-political, fair and just. Bureaucrats overseeing the processes must have capacity, be competent and trusted. The permitting authorities must take a more active role not just in the permitting activities, but in the relationship-building activities as well – with the affected community, other stakeholders, and the company. This includes communicating to the public information received during all stages of the mine life cycle. In cases with open contestation, Europeans want government to act as a mediator between communities and companies. To do this effectively, governments should be transparent in terms of their goals and strategy for mediating conflicts. The efforts of companies will likely be ineffective in areas where mining is not wanted or if legislative and procedural mechanisms are weak and the government is not trusted. In places where the value of mining is debated, companies cannot gain and maintain SLO all by themselves.

While governments play a role in SLO, the activities of companies are key. Although legislation requires consultations, this does not negate the importance of the company role in terms of contact quality as this is crucial and different from a one-time public consultation. As priorities shift within society, communities set new expectations regarding resource development and companies must develop strong lines of communication to address these expectations. In many cases, this requires collaboration on sharing benefits and mitigating costs. Failure to do so, in combination with weak governance systems, produces environments where companies will never be able to gain and maintain SLO.

EC	European Commission
EIA	Environmental Impact Assessment
EU	European Union
FPIC	Free, Prior and Informed Consent
NIMBY	Not in my backyard
NGO	Non-governmental Organisation
RMI	Raw Materials Initiative
SIA	Social Impact Assessment

LIST OF ABBREVIATIONS

SLO	Social Licence to Operate
SLO ISP	SLO International Stakeholder Panel

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Annex 1

SOCIAL LICENCE TO OPERATE (SLO) GUIDELINES FOR EUROPE





SOCIAL LICENCE TO OPERATE (SLO) GUIDELINES FOR EUROPE





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MIREU MINING AND METALLURGY REGIONS OF EU

ABOUT THE SOCIAL LICENCE TO OPERATE **IN MIREU**

The Horizon 2020 project MIREU (Mining and Metallurgy Regions EU) aims to establish a network of mining and metallurgy regions across

Europe that exchanges good practices and ensures a consistent domestic supply of mineral raw materials. One of the work packages in MI-REU, the Social Licence to Operate (SLO), focuses on the social dynamics around mining in Europe. The starting point does not assume exploration and/or mining can happen at any cost, but rather acknowledges that mines can have both positive and negative impacts and there must



be a fair trade-off between benefits received and impacts experienced particularly by those who are most affected. Since MIREU as a who-

le is about networking regional administrations, the two main outcomes, the SLO Guidelines and accompanying Toolbox, were initially thought to be most useful for regional administrators.

As the work continued, it became clearer that the SLO conversation across Europe is only now emerging and the Guidelines and Toolbox would be more beneficial if designed for all stakeholders rather than solely for regional administrations.

PARTNERS





European

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EXECUTIVE SUMMARY

Europe is an advanced economy reliant on raw material imports. Citizens generally have high confidence in government and have traditionally perceived legislation as best practice. In this context, the Social Licence to Operate (SLO) concept, which is broadly understood to describe the challenges that mining companies face in building relationships with local communities to achieve social acceptance for their projects, only played a minor role due to strong institutions and governance mechanisms that were conditioning: (i) the mining sector itself and (ii) environmental and social aspects of mining.



Approximately 15 years ago with higher global demand and rising raw materials prices, the number of new mining projects throughout Europe increased. In parallel, other factors such as environmental accidents, a decline in trust of governmental institutions, the growing awareness of communities elsewhere both suffering and benefiting from mining projects, foreign companies importing new practices derived from international standards, in addition to the requisite European Union (EU) and Member State (MS) standards, all of these in combination changed expectations and the view of communities. The 'mining sy-

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stem', by which is meant not only the legal and regulatory framework but involved actors and the intersection of their interests, has evolved and it is increasingly difficult to build a new or expand an existing mine without some form of opposition and societal discontent. The resulting effects of opposition are well-known and include everything from significant delays and cost overruns to the potential cancellation of activities or halting of operations, all of which can ultimately endanger the reputation of both a company and the mining industry as a whole.

These SLO Guidelines are intended to support all stakeholders in building relationships based on trust with one another. In tangible terms this means that companies and governments should be open and straightforward about potential risks, listen to stakeholder input and design the project or activity accordingly. Companies should be responsive and adaptive, respect customs and political and authority structures, and, where appropriate, gain FPIC (free, prior and informed consent). While these are now widely considered to be global good practices, the Guidelines approach SLO from the European perspective. Section 2 includes a description of SLO in the European context and SLO principles. As SLO can often be used for addressing everything from environmental concerns, to worries about jobs and the economy, to community identity and human rights issues, a model of SLO tailored to Europe is presented in order to organise, and therefore be able to discuss, the key components of SLO. The model consists of both the local perspective of community acceptance of a mining project and adds a dimension emphasising the role of broader society. It also describes the different levels of SLO as well as the loss of SLO. The higher the level of SLO, the lower the risk that a project will have significant opposition. Overall, risk is reduced by aiming for higher levels of SLO.

The core of the Guidelines is Section 3: Impact Management and Stakeholder Expectations and the emphasis is on understanding and engaging stakeholders. The accompanying SLO Toolbox is oriented toward operationalising Section 3, as its purpose is to support all stages of relationship-building; Presented in this section are newly developed stakeholder frames intended to complement existing stakeholder mapping techniques by highlighting peoples' attitudes toward mining and what they believe is important to achieve and maintain SLO. The frames help to understand the priorities of a community and how those priorities should be addressed. The section also includes guidance on how to avoid conflict and reach resolution as well as highlights significant points during the mine lifecycle where SLO may be difficult to achieve.

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European

Section 4 of the SLO Guidelines lists a number of international standards and SLO tools that should be useful for a project to achieve and maintain SLO while Section 5 wraps up the Guidelines with the key take-away lessons, **also listed in the box below**:

1. SLO in Europe consists of two dimensions - community and societal:

Shared values and a common worldview underlie both dimensions while policy and legislation at multiple levels of governance set the legal framework. Community and Societal SLO are not necessary always aligned, in which case challenges will likely arise and the project as a whole is considered to have the lower level of SLO.

2. Good governance can play a strong role in SLO:

For the mining 'system' to function well, permitting and regulatory authorities should not be passive in the process, but rather be a consistent and active participant in their traditional permitting and licensing roles, as well as in the relationship building process. This includes relationships and partnerships with communities, civil society, companies and other governmental authorities at the local, regional, national and EU levels. But there is also support in Europe for authorities to assume a fair, impartial mediation role if there are intractable disputes between community and company.

3. Achieving and maintaining SLO is a two-way street:

While European society needs to understand and consider the importance of raw materials for both short- and long-term goals, the mining industry also needs to acknowledge that societal expectations are continuously evolving and that raw materials and their production are not accepted at any cost.

4. SLO is a process and an outcome:

It is a dynamic and continuous process because it is based on perceptions which change over time, but it is also an outcome, as it is synonymous with community and societal acceptance.

5. Long-term engagement with stakeholders is the way to build trust:

Meaningful and timely avenues for two-way dialogue are essential. Companies and governments should be open and straightforward about potential risks, listen to stakeholder input and design the project or activity accordingly. Companies should be responsive and adaptive, respect customs, political and authority structures, and where appropriate, gain FPIC (adopted from (Franks, 2011)).

6. Risk is reduced by aiming for higher levels of SLO:

As shown in the model (*link*), the levels of SLO begin at Acceptance then move up to Support and the highest level of SLO is Collaboration. If a company wants to reduce its risk, it will aim for the higher levels of SLO. It should be noted that to reach the Support or Collaboration levels means that companies will have to go beyond legal compliance.

7. Implementation of applicable international guidelines and MIREU tools:

These SLO Guidelines list a number of international standards that could also be considered for projects in Europe. As mentioned previously, the MIREU project developed SLO tools that should be useful for a project to achieve and maintain SLO.



INTRODUCTION AND PURPOSE

Europe is dependent on raw materials. Ensuring their stable and sustainable supply is crucial for the functioning and future of Europe, given they are essential not only for everyday living, but also for society to realise the energy transition. The European Commission (EC) has recognised this in their Raw Materials Strategy (European Commission, 2008) and very recently in their Action Plan on Critical Raw Materials (European Commission, 2020).

With the EC's interest and support in increasing mining activities domestically, companies have taken a keener interest in mining in Europe, and exploration as well as exploitation activities are rising. The problem is that a gap exists between government and companies acknowledging mining is important and the greater public also acknowledging this. Overall, mining is no longer a major part of the European identity and is often perceived as a 'dinosaur' industry made redundant by concepts such as the circular economy. Hence, the increase in mining activities is met with a number of different responses ranging from welcoming companies with open arms to municipal referendums held to stop mining.

Although Europe is not a 'mining region', it does have a long history of mining in particular areas and currently there are about 80 metal mines, and many more for industrial minerals and construction materials, successfully operating within the EU. Most of these have been operating for years and reflect the fact that the existing legislative and regulatory framework, coupled with existing well-established company protocols, were enough to garner SLO. Today it is easier to continue a project/operation than start a new one.

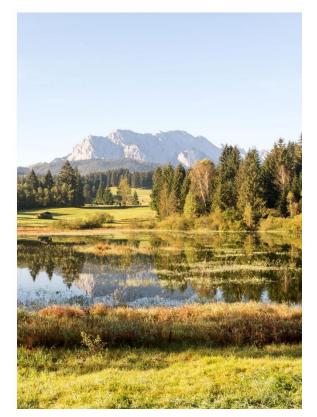
Society is continuously evolving and now expects to have more of a say over an activity that affects large swaths of land over long timeframes with significant effects - beneficial and adverse. Newly proposed exploration and exploitation activities can be the source of optimism but also of controversy. Delaying or even stopping projects is a growing concern to industry, but also to government, attesting to the fact that concerns are not consistently addressed in a satisfactory way for potentially affected communities or for society at large.

Mining has always been a 'system' of complimentary and competing interests. It is the intersection

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of these interests, the area where aligning interests is possible, where attention needs to be paid most - and this is the realm of SLO. What those interests are and how consensus is reached so they are aligned will differ according to the local context, but what is equally clear is that the 'mechanism' of SLO is the same everywhere in the world. SLO is fundamentally about building relationships based on trust and achieving trust requires time and the belief that another has your best interests at heart. But there is utility is understanding the European nuances of SLO as these can help advance responsible mining in Europe, lead to more supportive permitting processes, contribute to societal concerns such as sustainability, and provide value and benefits to communities.

The term SLO itself might be misleading, since no actual licence is granted by anyone. Terms such as 'social acceptance' or 'social performance' might in fact better describe the underlying concept. The same is true with the term 'stakeholder', where the terms 'concerned public', 'interested public, 'host communities' or 'affected communities' (at the local level) might be better suited. However, the European Commission currently uses the terms 'SLO' and 'stakeholder' and therefore they are also used in the Horizon 2020 project MIREU with respect to what the concept of SLO should mean in Europe, how it functions and how it can be improved. The SLO Guidelines and the related tools are at the core of this work.





European

The SLO Guidelines are intended for new exploration and exploitation projects, however, they should also be useful for existing mines, in particular when major operational changes are planned such as expansions, closure or post-closure activities, or for metallurgical projects.

They consist of five sections:

• Section 1 provides the introduction to and purpose of the SLO Guidelines.

• Section 2 shifts the focus of SLO to the European context. It includes a model showing different levels of SLO, including levels of the loss of SLO, and also integrates the community and societal dimensions.

• Section 3 addresses impact management and stakeholder expectations. It concentrates on stakeholders: understanding, engaging and building relationships with them and also suggests a new way of thinking about stakeholder concerns and what is important to achieve and maintain SLO. The section ends with a discussion on dispute management and resolution.

• Section 4 provides a summary of international guidelines and performance standards deemed useful for European mining projects as well as SLO tools developed during the MIREU project that are meant to encourage meaningful engagement and foster collaboration.

• Section 5 summarises the key take-aways from the Guidelines.

The SLO Guidelines are for all stakeholders including exploration and mining companies, communities, governments (in particular permitting authorities and regulators) and civil society.

For communities, they are useful for the following reasons:

1. The SLO Guidelines provide insight as to what communities might expect from a mining project in Europe

2. They help people, but most importantly affected communities, understand what SLO means and what level of SLO "their" project has at a given moment.

3. This understanding could form the basis of future engagement by defining a target level of SLO.

4. Summaries of international performance and management standards and guidelines appli-

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cable to Europe are presented. These are good practices that should help manage expectations communities have from a mining project.

5. The Guidelines are integrated with the SLO tools that support stakeholders in their efforts.

For companies, they are useful for the following reasons:

1. Ideally the Guidelines are to be used to avoid problems before they begin. Understanding what SLO is in the European context, how stakeholders should be understood and engaged with, and the importance of complying with regulations and openly demonstrating that is crucial to starting out on the right foot.

2. By having a common accepted approach toward SLO, companies will know what is expected of them and can employ similar approaches across Europe.

5. The model (Section 2.4) shows what companies need to address to achieve different levels of SLO and what could lead to the loss of SLO. Depending on the level of SLO, projects are also subject to more or less risk. The model therefore helps guide companies to develop strategies to move to a higher level of SLO and decrease their risk.

4. Stakeholder engagement requirements are provided and stakeholder frames suggested (Sections 3.1-3.4), which incorporate values into the stakeholder mapping process. Four essential questions to ask under each frame aim to bolster the understanding of 'traditional' stakeholder groups. The SLO Toolbox provides made-up situations and sample dialogues between a community and company to demonstrate how the frames can practically be used.

5. The Guidelines and Toolbox have been developed together with the idea that relationship-building is at the center of both. All of the tools (Section 4.2) are for relationship-building and implement mainly Section 3 of the Guidelines.

6. International performance and management standards, as well as guidelines considered to be the most relevant for Europe, are included.

For governments, they are useful for the following reasons:

1. The SLO Guidelines include a description and model of SLO in Europe, which should help develop new – and more responsible – mines in Europe.

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2. Potential new roles and responsibilities for government in the context of SLO are suggested, such as that of mediator between companies and communities.

3. Summaries of international performance and management standards and guidelines applicable to Europe are presented as examples of good practices. These can help support European governmental strategies for SLO.

For civil society, whether external NGOs or local citizen platforms, they are useful for the following reasons:

1. It describes the current SLO debates (Section 2.2) across Europe giving a quick overview of the different issues not only in one country but in all of Europe.

2. The SLO model (Section 2.4) shows both how to gain and lose SLO and the reasons for why either would happen. Knowledge of how SLO functions in the European context is valuable in and of itself.

3. The model also includes a community dimension and a societal dimension. As NGOs often engage in both dimensions, i.e. at the local, because better salaries are wanted at the mine, or the societal, because renewables are preferred over uranium, they can see what it would take to move up or down the pyramid whatever the issue is.

4. The Guidelines are the first foray into defining the rights, roles and responsibilities of all stakeholders. Although these will forever be in flux, this document provides a starting point for dialogue.

5. The SLO Toolbox is also introduced in the Guidelines and several of the tools are specifically designed for local communities (e.g. Community Agreements).

Readers interested in further information regarding the process of developing the SLO guidelines, stakeholders involved, etc. are encouraged to read the MIREU report D4.3 SLO Guidelines for Europe (Deliverable 4.3 | MIREU).



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European

2. SLO IN EUROPE

Although Member States are responsible for mining legislation, companies operating within Europe will have to interact at the EU, national, regional and local levels. For example, environmental legislation is housed at the EU level while issues such as regulation, sales and transport involve multiple EU nations. Having to cope with multiple layers of government simultaneously with numerous countries and their cultures makes understanding pan-European values essential to navigate the mining sector.



Given Europe's diversity and the task of developing European Union SLO Guidelines, the key question has always been - can SLO be standardized? To an extent it can be, since there is broad-based consensus (Thomson and Boutilier model) on what is termed here the 'SLO mechanism': legitimacy, credibility and trust are the core components of SLO everywhere in the world. The Guidelines use the EU as the starting point for asserting member countries have enough institutional and cultural commonalities to create a pan-European framework for SLO. The framework is then derived by combining the SLO mechanism with the work on European attitudes towards mining and the preferred approaches to SLO. This said, Europe is not homogeneous (i.e. language, culture, worldview etc.) and the different SLO debates that are currently taking place across the continent must be understood as a manifestation of their specific local contexts.

2.1 Institutional and cultural commonalities

Membership in the European Union requires adherence to many policy requirements all intended to enhance harmonisation and coordination. The EU and Member States share different responsibilities for legislation and regulations that affect mining and metallurgy; although, EU regulations are always the minimum requirements. EU Directives frame environmental legislation and regulatory processes related to mining and metallurgy, although the permitting

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of mining itself is not an EU competence. EU Directives are used to streamline and harmonize national legislation on certain topics, but the Member States (MS) are deciding on the specific implementation and transposition. All EU Member States have mining and environmental legislation, including the requirement for Environmental Impact Assessments (EIA) for projects and Strategic Environmental Assessments (SEA) for plans and programs. Although these are only two instruments among many, they are important because there is some debate across Europe as to whether the public participation requirements in each are enough to gain SLO. Both Directives include minimum levels of public participation and public involvement, focusing on the two main groups: (i) the general public, and (ii) the public concerned (based on the Aarhus Convention). However, it is crucial to note, that EIA and SEA are not considered SLO tools in these Guidelines; these are tools for environmental policy integration and implementation.

As for the cultural commonalities, in Europe, traditional values such as the fulfillment of duties, family security, a feeling of togetherness, preserving the environment and preventing pollution are of utmost importance and widely shared. Values around self-enhancement, such as authority, wealth, ambition and influence are consistently viewed as contrary to core values (Perceptions of Mining in Europe Summary Report, 2020). Even with the growing desire to consume more 'stuff' in Europe in the second half of the 20th century, the broader discourse has remained surprisingly similar across the EU as one of universal values, human rights and civic solidarity (European Union, 2012). From the beginning of the 'European' project post-World War II to the present day, there have always been shared values and a shared identity, differences not-withstanding.

2.2 SLO debates across Europe

It is not surprising there are different SLO debates across Europe, including around the concept of SLO itself. For example:

• the Nordic countries are the only region in Europe where SLO as a term and concept are familiar. Here the debate revolves around 1) post-materialism, which questions whether we should be consuming so much as a society and 2) how to value the protection of nature and indigenous rights.

 In Eastern Europe, at least in part a result of the Soviet legacy, the SLO debate revolves around jobs and employment, regional development and distrust in government and institutions. • In Central Europe there is little new mining but a desire on the part of government to potentially restart mining to produce materials for the energy transition, hence the debate largely centers on legislation, the environment and land use planning.

• On the Iberian Peninsula there are more anti-mining demonstrations than generally seen in other parts of Europe. In this region, the debate is around corporate power over self-determination, preservation of the environment and the involvement of NGOs as the peoples' voice.

2.3 Commonalities emerging from MIREU

A consensus was developed on how to describe SLO and what its principles should be in Europe:

Description of European SLO

• SLO is both a process and an outcome. It is a dynamic and continuous process in that it is based on perceptions which change over time, but it is also an outcome, as it is synonymous with community and societal acceptance.

· SLO is context specific, hence process and outcome will vary, but it is based on common attitudes and values shared across Europe.

 SLO is a description of present-day practices and future ideals that are embedded within the broader concept of sustainability.

• SLO operates simultaneously within the community and societal dimensions as European values on good governance, fairness of process, perceived benefits and burdens, representation, and distribution of power affect local behaviours, attitudes and perceptions.

• At the minimum, affected stakeholders must believe that a mining or metallurgy project confers an actual benefit for them, whether that benefit is cultural (i.e. a company adopting ILO-convention 169 principles), physical (i.e. land placed in a trust to be preserved in perpetuity) or economic (i.e. a job).

European Principles of SLO

. In the community dimension, those who are most interested in and affected by a project should be able to effectively influence the project throughout the entire lifecycle, from pre-exploration to closure, rehabilitation and bevond.

. In the societal dimension, the public, government and industry should work together to make certain, through regulation and good practices, that the mining industry operates sustainably, responsibly and is accountable to society.

· Within both the community and societal dimensions, processes aimed at establishing SLO should focus on building long-term relationships between the public, government and industry based on trust and acceptance, throughout all phases of mining and metallurgy projects.

 Trust that government institutions will actively and responsibly regulate Europe's mining and metallurgy industry is the bridge between SLO in the community dimension and SLO in the societal dimension. How this trust manifests across Europe will vary, but at its centre are values synonymous with the European identity an informed citizenry, fairness, cultural respect, good governance and accountability.

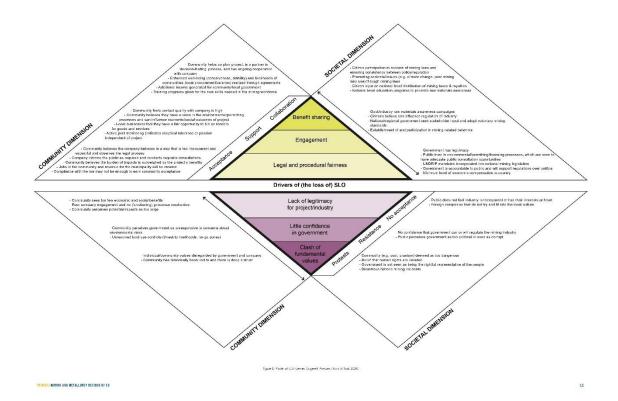
2.4 The SLO model

The values described above helped adapt the conceptual model of SLO from the classic pyramid developed by Thomson & Boutilier (2011). The SLO model developed in MIREU includes both the community and societal dimensions and asserts that the drivers of gaining SLO and losing SLO are the same. In the simpler version immediately below (Figure 1), the three yellow layers show what it takes to achieve and maintain SLO. The higher up the pyramid one goes, the higher the level of SLO. The amount of SLO a project has is shown on the side as either Acceptance, Support or Collaboration. The purple layers show how SLO is lost. The lower down one goes, the more opposition a project will encounter. The amount of opposition is shown on the side beginning with No acceptance, Resistance and Protests. The model in Figure 2 overlays the SLO model with examples of what each level looks like in practice across Europe.

There are two things to note in the model: 1) the levels build on one another and 2) at any given time, the levels of SLO may or may not be the same in the Community and Societal dimensions. For example, in the case of lignite mines, there can be support from the community because of the need for jobs but not across the country because lignite is associated with increased global warming. While the community dimension is the most important determinate of whether a company has SLO or not, in the long term, the societal dimension will be useful to understand because it could be a bell-weather of future policy directions and the broader public opinion around mining and metallurgy.

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3. IMPACT MANAGEMENT AND STAKEHOLDER **EXPECTATIONS**

For an exploration or mining project to achieve and maintain SLO, the actual need for it must first be demonstrated by the company. For communities, the reasons for acceptance will differ although the main ones in Europe tend to be economic, especially the desire for jobs and local financial benefits. In places where mining historically has played a strong, positive role in a community, another reason for acceptance could be the strengthening of an existing mining identity. For society, the basis of acceptance is less tangible and has longer time horizons. It may include ethical reasons, such as responsible sourcing and sustainable development, as well as geopolitical ones such as security of supply. There may also be clashing community and societal values centered on a commodity, as in the example above regarding coal, or centered on location, such as a deposit situated within a Natura 2000 area where locals are in favor but environmental NGOs may be opposed. These are just a few concrete examples of differing expectations, but they show how difficult yet important it is to acknowledge and address concerns about social and environmental impacts, along with ethics and belief systems, not just at one point in the project but along the full life cycle of an exploration or mining project given expectations change with time and the progression of a project. This should be done through stakeholder engagement processes that build trust and relationships because impact management and stakeholder expectations are "two sides of the same coin" and both central to SLO.

The SLO model presented in Section 2 is one way to help both identify and take into account expectations within the community and societal dimensions. But it also shows where there is opposition centered on peoples' values, SLO may not be possible and there may be little chance of obtaining it. At present, 'no-go areas for mining' do exist in Europe and they are typically pristine places where new mines are proposed or in places where communities do not want a specific commodity, such as coal or uranium. The cost and risk may make these types of projects financially infeasible and pursuing them would be futile. The model is useful because it can help identify a situation early before significant amounts of time and money are committed therefore avoiding grievances and difficulties in the long run. When exploration and mining companies look

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to establish new operations, the effort put into complying with regulatory requirements should at least run in parallel, or even after, the effort dedicated toward building strong relationships in the community. Early participation should be foundational to corporate engagement protocol and practices. In many cases, this requires some initial work by the companies involved in exploration to establish these lines of communication and relationships before any work is conducted in the field. And, once these relationships are developed, methods are needed to ensure they are maintained as transitions occur between personnel and companies as well as throughout the different stages of the project. When these early engagement practices fulfil their purpose, they can prove instrumental in building the trust in the community necessary to handle potential disputes



Internationally, a number of standards, guidelines and tools for assessing and managing social and environmental impacts, some specific to certain stages of the exploration or mining life cycle, have been developed and the ones considered most relevant for Europe are referenced in Section 5 below. The MIREU project developed additional SLO tools specifically to aid in relationship-building between all stakeholders, including tools to ensure that commitments are kept and carried out, rather than tools for assessing and managing impacts.



European

When has broad-based consensus been achieved?

Knowing when SLO has been achieved will rarely be crystal clear, and the level of SLO will forever be in flux as issues, people, expectations and concerns constantly change. In addition, interpreting what SLO even is comprises an ethical component that will vary with the perspective of the individual stakeholder. Even if the level of SLO achieved could somehow be measured, the question remains if everyone has to accept a project for it to have SLO or whether it is enough to have the majority of people agree.

In MIREU, the view is that having broad-based consensus is enough to have at least the minimum level of SLO. There are many points during an exploration or mining project when it will be needed, ranging from the permitting, to the building of infrastructure, developing environmental management plans and possible benefit sharing agreements.

So how to know when broad-based consensus has been achieved?

While the details of each will differ, broad-based consensus will always be the interplay between process and outcome. When the outcomes are not contested, it can also be assumed the process in place is deemed fair and reaching consensus is straight-forward. But when the outcomes are contested, it indicates a problem some people or groups may have with the process itself. In these cases, broadbased consensus will only be achieved if there is a critical mass of people who believe the process is fair and can live with the outcome - whatever it is.

The process in the European context includes both the governmental regulatory authority and company behaviour, and the utility of SLO is in helping to make the process as a whole more fair, transparent and collaborative. Broad-based consensus is not about everyone agreeing with a decision; rather, it is about a critical mass of people agreeing that the process has been fair and are therefore able to live with the decision.

3.1 Understanding and engaging stakeholders

The first step in understanding who the stakeholders of a given project are is to directly engage with them so that connections are made early. Eventually, individual stakeholders and their relationships with one another will become clearer as will the broader social and political dynamics in a community. (Please see Tool 1.1, PEST analysis template, in the SLO Toolbox for a step-by-step guide on how to conduct this broader type of mapping.) Understanding stakeholders is widely acknowledged as being an essential early step for a company to take in order to begin building relationships with communities. Stakeholder mapping practices have existed for a long time, including for example the OECD Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector (OECD, 2017), the ICMM Stakeholder Research Toolkit (ICMM, 2015) and the IFC's A Strategic Approach to Early Stakeholder Engagement: Good Practice Handbook for Junior Companies in the Extractive Industries (IFC, 2014).

3.2 Stakeholder relationships

When an exploration or mining company engages with stakeholders, the objective should be to achieve and maintain SLO. Collaborative relationships produce the strongest likelihood of doing so as they allow problems that arise to be worked out immediately and informally. In order to achieve this objective, stakeholders need to be consulted and engaged in a meaningful way and beyond what might be legally required as part of permitting or EIA processes. There need to be processes for ongoing public participation (e.g. community groups, environmental monitoring, economic development programmes), information sharing (e.g. regular meetings with stakeholders, annual sustainability reports, comprehensive and updated websites in understandable national language(s) directed towards stakeholders and not only towards international investors) and mechanisms for handling grievances and feedback. Such processes must be transparent, inclusive and culturally appropriate.

While the SLO Guidelines are intended to be applicable to all of Europe, the Sami of northern Finland and Sweden deserve special mention as they are Europe's only recognised indigenous peoples. As such they are legally and culturally entitled to special rights that must be respected. The international guidelines and standards listed below should be used in conjunction with national legislation (i.e. reindeer herding and land use rights) and guidance. Most importantly, local factors, such as history, cultural identity and the need for self-determination should be considered in relation to indigenous rights and SLO. The motto of the European Union, 'United in diversity', which signifies how Europeans have come together to work for peace and prosperity while at the same time being enriched by its many different cultures, traditions and languages, exemplifies what these SLO Guidelines are aiming to achieve - a foundation of common understanding complemented by the diversity of local contexts.

3.3 Should we think about stakeholders in a different way?

The ability of companies and governments to understand their stakeholders is crucial if the goal is real dialogue and not just consultation. Beyond knowing whether someone is a local resident, member of industry, a government official, an NGO, or a student, it is also important to think about what they value in terms of historical identity, cultural integrity, trust toward both the mining industry and government, financial security, protection of the environment and the role of mining in the future of a community and society as a whole. Given the increasing contention across Europe over new and even existing mines proposed for expansion, this type of understanding is still sporadic varying widely from project to project and region to region. While mapping itself is only the first step toward achieving SLO, it is an important one that subsequently has to be followed up with specific measures ensuring that stakeholders' particular concerns are understood by 1) reacting to the concerns by speaking with



those individuals and 2) taking action to address them.

The early work in MIREU showed the difficulties inherent in traditional stakeholder mapping categories. For example, in many smaller villages, the same person may be a government authority, a home-owner and enjoy fishing in the nearby river. Which role is dominant when it comes to attitudes toward mining? How do you reconcile one role with the others? In addition, Europe is far from being a homogeneous entity. How do we account for factors that affect an individual's perception of a specific situation and context?

The need to rethink traditional stakeholder categories in a world beset by globalization, constantly changing technology, and a greater number of voices in the mix is crucial if we are to understand people's perspectives on the mining industry and their evaluation of a potential mining project that could affect them personally. In MIREU, we have developed 'stakeholder frames' based on survey answers to questions looking at values and preferred approaches to SLO. There are solid data that validate SLO is based on perceptions and values, so understanding what people believe ensures responsible mining is key to addressing their expectations and building better relationships based on trust.

3.4 Stakeholder SLO Frames

What are Stakeholder SLO Frames and why are they important?

Engagement with stakeholders is the main way to build trust - meaningful and timely avenues for two-way dialogue are essential. Stakeholder histories must be understood, relationships and networks, as well as the values that shape attitudes and behaviours. A useful way to do this are the stakeholder frames described in this guideline.

The Stakeholder SLO Frames are a new way of appreciating what SLO means to a given stakeholder and the reason behind developing them is to supplement more traditional stakeholder mapping techniques, centred on what someone does, by contributing knowledge about what someone values. While the word 'frames' implies that people will be slotted into certain categories, this is not the intent; rather, it is to suggest that attitudes are complex and people likely do not fit neatly into a single frame but are situated within several frames simultaneously and can change frame priority throughout the life of a project. The negotiation between company and community will vary between individuals and groups, so having these frames identified is a method to



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prepare the company for the range of potential issues it will need to face and the tasks they will need to focus on. The utility is that by addressing all of these frames, a company or authority can cross-cut traditional stakeholder categories and be assured they are speaking to all SLO-related concerns. It is unlikely an individual's expectations will be confined to a single frame. But what is likely is that every person will match with one or more of these frames as the frames encompass the broad swath of expectations about what it takes to give acceptance.

The Frames were developed from several questions in the Perceptions of Mining in Europe (21 September 2020) survey, which tested the drivers of SLO in the model (Figures 1 and 2 above). There is no emphasis on one frame being more prominent than another. In part this is due to the limited sample size used to create the Frames and also because prioritizing undermines the idea that for an individual or group, whatever it takes to bestow SLO, though it may be different should be all equally valid. Communities and societies need to prioritize these themselves and context will have a significant effect on which will be the most important for SLO. The company also needs to assess which frames to prioritize as they work with the community. Again, the Frames are not a replacement for current stakeholder mapping approaches but rather a supplement to existing approaches. Traditional mapping is still important to understand the legal rights, roles and responsibilities of stakeholders. For example, landowners possess different rights than members of a nature conservation organization in the mine permitting process.

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Several issues should be noted up front:

1. The Frames should be used as starting points for discussion since they each contain one or more of the SLO drivers in the model.

2. They should be viewed as the way to both understand the priorities of a community and the means to address those priorities. This work goes hand-in-hand with traditional stakeholder identification, regulatory compliance, consultation and collaboration.

3. The Frames do not reflect ways in which communities group themselves.

4. The Frames have been developed based on the assumption that exploration and/or mining conceptually is accepted.

5. They only identify attitudes and beliefs around SLO based on the Perceptions survey. There are many different frames related to mining activities in general, but the ones here only focus on SLO.

6. The Frames reflect existing beliefs, the here and now, and not what should be. The intent therefore is not to use them for policy-making but simply to better understand the present situation and attitudes toward SLO.

7. The Frames should be used in conjunction with other methods of stakeholder mapping. They are one piece of a company's outreach strategy.

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Table 1 below shows the Frames and the suite of issues attached to each one. For example, if someone is interested in Stakeholder Frame 4: Local Self-determination and Partnerships as a driver of SLO, then 'A process that gives equal voice to all interested actors', Those most affected by a mi-ning project should have the most power to affect the outcome', and 'Action in response to community concerns' will likely need to be addressed. The frames act as a prompt for a company that if self-determination, or any one of those four issues come up during community engagement, they should start thinking about all the associated issues.

Table 1: Suite of issues that comprise a frame

Stakeholder Frame 1: The Company Works with the Local Community	Stakeholder Frame 2: Mining is Accepted and Contributes to Society	Stakeholder Frame 3: SLO Grounded in Effective Legislation and Regulation	Stakeholder Frame 4: Local Self- Determination and Partnerships	Stakeholder Frame 5: Self-Governing Industry
Ensuring part of the profits are reinvested in society	Mining companies have social acceptance for their operations.	Legal and procedural fairness (society believes government and regulations are trustworthy and industry observes the laws)	A process that gives equal voice to all interested actors	Keeping things as they are
Sharing the reve- nue from resources development with the local community	Acceptance for mining exists at the national, regional and local levels	Perceived procedural fairness (the com- munity believes the company follows the laws and treats them respectful)	Those most affected by a mining project should have the most power to affect the outcome.	Trust in the mining industry to regulate themselves
Distributional fairness (benefits from mining are distributed fairly to society)	Mining companies are accountable to both government and the public.	Pre-established, unbiased dispute re- solution processes	Action in response to community concerns	Ensure responsible mining.
Contact quality between company and community	Companies follow the existing legislation	Confidence in governance (people trust the government will not politicize projects and regulate the mining industry according to law)		Economic growth
Companies develop and use voluntary Corporate Social Responsibility stan- dards/sustainability protocols in addition to legal tools.	Companies volunta- rily go beyond what is required by legislation	Government capacity to regulate the mining industry		
Social benefits (more than money, the community believes the company will help realise their future vision)	Companies develop an on-going relation- ship with the general public and govern- ment			
Open communication between companies and affected actors				

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How should they be used?

Table 2: Examples of stakeholder groups across Europe

It is useful for everyone to understand the frames, but in terms of concretely doing something, the frames are most important for the company. For companies, the benefit is more localised, in that by understanding what drives the beliefs and actions of affected actors, the company can more precisely target areas of real concern or those issues which are most widely held. They are not meant to be policy measures for government, although they can be turned into such. Policies that include all of these different vantage points will therefore be more successful as they address the breadth of concerns at the community and societal levels.

How do you determine who is a project affected person?

Although the frames do not identify actors, knowing who your stakeholders are is central to stakeholder mapping, however, there is a difference between developing stakeholder lists and conducting an actual stakeholder analysis. Stakeholder lists are exactly as described, lists of different groups that are geographically proximate to the project or may have an interest in it. Below are some examples of stakeholder groups found across Europe (Table 2) but this is by no means an exhaustive list. These have been derived from the 47 illustrative examples prepared for the SLO Toolbox.

Local Stakeholders	Regional/National Stakeholders	International Stakeholders
Local communities	National level politicians	Large environmental or social NGOs
Land owners	Parliamentary members	Investors
Interest groups	National authorities	Religious organisations
Local politicians	Ministries	Media
Nearby industries such as tourism, agriculture, and downstream manu- facturing	Regional environmental authorities	
Second home-owners	Political parties	
Reindeer herders	Unions	
Local sports clubs	Professional associations	
Religious organisations	Other social/political movements	
Nature special interest groups	National Parks	
Parish councils	Environmental Trusts	
Media	National Heritage	
	Media	

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The 4 questions that should always be asked

For an exploration or mining company, time horizons are usually vastly different than those of the host communities. So how to build trust in two years when the benefits or detriments will not be visible for 20 years? An initial step should be to ensure each and every one of these frames is considered during the exploration or exploitation phase. The intangibility of SLO makes it challenging, but one way to concretise it is by asking the 4 questions below which neither takes a lot of time nor consumes a lot of resources.

Stakeholder Frame 1: The Company Works with the Local Community

This frame exemplifies the 'traditional' perspective of SLO where the company holds the responsibility to become partners with the local community aligning interests around economic, environmental, and social outcomes in order to together define the future of the community. People that share this frame believe companies should share revenue and social benefits at the local level. As part of this, good communication between communities and companies to negotiate this distribution is essential.

Question 1:

How should profits be shared with the local community?*

Question 2:

How do we ensure the benefits and burdens from mining are distributed fairly?

Question 3:

Beyond revenue distribution, what types of social benefits (i.e. job training, building community facilities) will help realise the community(ies) future vision?

Question 4:

What ways of communicating appear to be beneficial?

*Although Q1 brings up the issue of what the law requires versus what a community might want, this tension exists in many areas. If the goal is to achieve and maintain SLO, both need to be paid attention to.

Stakeholder Frame 2: Mining is Accepted and Contributes to Society

The second frame broadens the focus of SLO to the acceptability of the mining industry beyond the local level. Mining companies must adhere to

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the legislative framework in place and should also go beyond it. Government has a role in this frame to both produce legislation viewed as legitimate and hold companies accountable that deviate from the law. People in this frame believe that legislation and accountability are the foundations of societal SLO but that companies should also be more communicative with the public at large.

Question 1:

How is mining perceived outside the local community?

Question 2:

What should a mining company do to be responsible and accountable?

Question 3:

How can we, as a company, build a relationship with the public?

Question 4:

Is there support for the project by people who do not have an immediate interest in it?





Stakeholder Frame 3: SLO Grounded in Effective Legislation and Regulation

The third frame shifts part of the responsibility for SLO to government. In order for mining operations to achieve acceptance, the processes that govern the development, operation, and closure of the mine must be carried out fairly. This specifically focuses on /requires government to employ and train the proper administrative personnel and consistently apply the available instruments even though it applies to all frames. In short, this group values capable public officials and processes. People also want to have assurances that companies will do what they are supposed to and be held accountable for following the regulations. Although this frame emphasizes the role of government, it is also about the importance of governance, because strong governance allows stakeholders to engage with the company on issues beyond basic compliance, which means richer and potentially more value-adding engagement.

Question 1:

How would you characterise a fair and consistent permitting process?

Question 2:

What is your opinion regarding how well companies follow the laws and are held accountable if a problem occurs?

Question 3:

What are the basic elements of a pre-established, unbiased dispute resolution process?

Question 4:

What does real accountability look like?

Stakeholder Frame 4: Local Self-Determination and Partnerships

The fourth frame emphasizes local empowerment and the desire for communities to have more influence. Greater weight should be given to those most affected, including requiring action from the responsible party. Companies and governments should be open, transparent and straightforward about potential risk, listen to stakeholder input and design the project or activity accordingly. Where appropriate, companies should gain free, prior and informed consent (FPIC).

Question 1:

How do you view your influence over the permitting process for a mine? Is it greater/the same as/equal to those of other stakeholders?

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Question 2:

As local community members who are physically closest to a proposed project, do you feel you are able to influence the outcome?

Question 3:

In addition to putting a grievance mechanism in place, how can we as a company be more responsive? (See Tool 4.3: Grievance Mechanism)

Question 4:

As a member of an affected community, what is your future vision for the community and how can we best help to realise it? (See Tool 3.1: Community-Company Vision Statement)

Stakeholder Frame 5: Self-Governing Industry

This Stakeholder frame values the status-quo and believes that mining results in regional development and economic growth and therefore is beneficial for all. Persons within this frame consider existing legislation and regulatory oversight to be sufficient and that industry should be given latitude to govern itself should they decide to exceed what is legally required.

In so doing, companies should anticipate problems and fix them without needing government to step in. They also should not make the community responsible for flagging problems; rather, companies must be vigilant and proactive.

Question 1:

How could the current mining system, meaning how the legal framework and company voluntary practices work together, be improved? Or should it remain as is?

Question 2:

Are there instances outside of the existing regulatory framework when it is alright for government to intervene? If so, can you provide an example?

Question 3:

How does industry behaviour currently ensure responsible mining?

Question 4:

In what ways is mining important for economic growth?

3.5 Conflict avoidance and resolution

While existing legislation in the EU is robust and includes multiple opportunities for public consultation during the various permitting processes, there are still disputes which arise when it comes to exploration and exploitation activities and these also appear to be on the rise. Whether it is via permitting processes or voluntary measures by companies, there is space for improvement. This section does not tackle the existing legal framework but rather provides suggestions for companies as to how they can ideally avoid, or if not then figure out how to resolve, disputes using voluntary approaches.

To prevent the development of a new project (or existing operations) from turning into a conflict, communication between the company and stakeholders is a prerequisite. In order to facilitate discussions around difficult issues, the relationships between a company and affected stakeholders must benefit from some degree of confidence to navigate problems as they arise. Dispute management requires that functional stakeholder engagement processes and a level of mutual trust are in place.

Disputes in the mining sector take many forms including those between a company and community, communities and the state, and also within communities. In each of these cases, the company interested in extracting mineral resources looks for methods to resolve disputes to minimize potential delays in development and operations, but the path to solving problems is complex. That said, the core of solving problems is the ability of the company to understand the importance of company-community relations, and this leaves both the type of engagement and the willingness to live up to the promises, commitments and obligations agreed upon in the hands of companies. However, these corporate practices are outside the bounds of regulation, and unless there is some type of signed agreement between a company and community, these voluntary measures are not enforceable. While existing legislation may not designate a specific role for government in this grey area of SLO, that does not prohibit governments from playing an active role.

As evidenced in the SLO workshops and the Perceptions survey, there are certain groups of stakeholders who would advocate an involvement of government institutions in the informal process leading to SLO or even that such processes are made formal with enforceable conclusions. Governments could also play a more significant role in providing support to prospective and ongoing mining projects in several ways:

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• ensuring that considerations outside of mining legislation, such as land use or development plans, support mining-related activity;

 facilitating discussions between the company and community (providing the necessary resources, such as meeting space and compensation for time):

· carrying out regulatory activities in a responsive and transparent manner; and

 acting as a mediator in dispute when necessary.

The final piece to managing disputes is the ability to reach resolution, and aside from seeking judicial remedies, resolution rests on the ability of companies and communities to negotiate compromises. This entails arranging regular meetings and establishing an on-going series of negotiations with different community groups to solve both current and potential future problems.

In terms of local communities securing benefits, one proven method is through negotiated agreements directly with mining companies (see Tool 5.2 Community Agreement in the SLO Toolbox). These types of agreements include:

- commitments regarding preferential employment opportunities for local communities;
- procurement from local companies;
- support to education and training schemes;
- · provisions regarding monitoring and protection of the environment;
- direct financial support; and

• the establishment of funds for long-term investments and economic diversification.

Dispute management requires a comprehensive stakeholder engagement strategy including an unbiased, robust mechanism for raising concerns and allowing the company to respond quickly and effectively. A combination of strong engagement and communication, the active presence of regulatory authorities and the capacity to find solutions are needed to effectively manage disputes and reach resolution.



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3.6 Considering the mining life cycle

The requirements for assessing and managing the social and environmental impacts (for further reading see e.g. Franks, 2011; IAIA, 2015; NSW DPE, 2017; Anglo American, 2020) and related stakeholder engagement vary across the life cycle of a mine. The assessment and stakeholder engagement should begin as early as possible in the exploration phase and continue into post-closure. While there are large variations by stage and it is very important to understand these, the SLO Guidelines focus on the continuous relationship-building throughout the entire lifecycle and do not explicitly address each individual stage. Nevertheless, there are several stages and activities which deserve special mention.

Certain stages of the mining life cycle, as well as certain activities, stand out as they could have significant social and environmental impacts – they either carry higher risks or they offer greater opportunities than others and thus require special attention. The stages are exploration because it may or may not lead to mine development (including a potential discontinuity between these stages, e.g. when project ownership changes) and designing for (post-) closure, and the activities are local procurement and waste/tailings management. Specific guidelines are available for these stages; e.g. (SveMin, 2019), (ICMM, 2019), (PDAC, 2009), (Engineers Without Borders Canada, 2017).

Companies also should have a special focus on managing the impacts of technological innovation (Anglo American, 2020), as technologies such as driverless trucks or continuous mining systems can have a significant impact on community level SLO (e.g. local communities do not understand the technology, reduction in local jobs or procurement vs. safer workplaces with higher education requirements). The perception of technology can also affect societal SLO, as the Edelman Trust Barometer 2020 (Edelman, 2020) showed a significant loss of trust in technology by the public. It should be clarified that technology in the Edelman Trust Barometer refers to technology in the general sense and is not specifically mining-related.

Peoples' perceptions of the mining lifecycle also are important, and while the work in MIREU shows there is little differentiation when it comes to people's beliefs in the importance of different phases of the mining lifecycle in Europe, the following points should be noted:

- **1.** People assume exploration automatically leads to exploitation and this could raise undue expectations both positive ('we will all be millionaires') and negative ('doom to people and the environment'). Both have to be managed, as overly optimistic expectations can later become the basis for disillusionment and anger, while overly negative expectations of impending harm lead to a polarized conflict from the outset. Even if people do not assume exploration automatically leads to exploitation, the potential raises expectations. As these timescales are so long, it can be a lingering unease which can affect a person's wellbeing.
- 2. The necessity for early and ongoing communication between communities, companies and government.

3. Regarding current operations, the emphasis should be engaging on current topics and collaboratively as well as proactively working on closure/post-closure plans.

Addressing the current concerns in Europe regarding exploration, mining development, closure and post-closure is crucial both for engaging people now and also for achieving and maintaining SLO for new mining projects.



ADDITIONAL RESOUR-CES FOR STAKEHOLDER RELATIONSHIP AND IM-PACT MANAGEMENT

This section includes additional resources that could prove useful for European mining and metallurgical projects. Included are international guidelines and performance standards and tools developed as part of the MIREU project.

4.1 International guidelines and standards

Beyond compliance with applicable European legislation, a number of international guidelines and performance standards should be considered relevant for gaining SLO for extractive projects in Europe. They should be considered individually and as relevant for the given circumstances of a project (e.g. a small quarry vs. a large metal mine; expansion vs. new project; type of commodity).

• Sustainable Development Goals (SDGs): To gain SLO a project should make a positive contribution to local communities and to society above and beyond any taxes and royalties they might be required to pay. Whilst this contribution will vary with the particular context of application, identifying these should be a participatory process led by the community. The United Nations SDGs are worthwhile goals to consider in this process. (United Nations, 2020) https://www.undp.org/content/undp/en/home/sustainable-development-goals.html

• Free, prior and informed consent (FPIC): FPIC is premised on the principles that Indigenous People have the right to self-determination and, central to that, the right to be consulted and have influence over future resource development. The concept began to gain traction with its inclusion in the International Labour Organization (ILO) Convention 169 on Indigenous and Tribal Peoples (ILO, 1989) and, later, the United Nations Declaration on the Rights of Indigenous Peoples (United Nations, 2007). In the minerals sector, the 2013 ICMM position statement (ICMM, 2013) recognized FPIC as a fundamental piece of Indigenous engagement. https://www.un.org/development/desa/indigenouspeoples/publications/2016/10/free-prior-and-informed-consent-an-indigenous-peoples-right-and-a-good-practice-for-local-communities-fao/

• Human rights: The 'Guiding Principles on Business and Human Rights' (UN, 2011), the 'Voluntary Principles on Security and Human Rights' (Voluntary Principles Initiative, 2000) and the revised IFC Performance Standards (IFC, 2012) address the responsibility of the private sector to respect human rights. The IFC has sponsored an online guide for human rights impact assessments (IBLF and IFC, 2010). https://www.ohchr. org/documents/publications/guidingprinciplesbusinesshr_en.pdf

• OECD Guidelines on Multinational Enterprises (OECD, 2011) including the OECD Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector (OECD , 2017) the latter document implementing the Guidelines on Multinational Enterprises and providing practical guidance to mining, oil and gas enterprises specifically on engagement with local communities. https://www.oecd.org/publications/oecd-due-diligence-guidance-for-meaningful-stakeholder-engagement-in-the-extractive-sector-9789264252462-en.htm

• Equator Principles (EP): The EP are a corporate social responsibility and sustainability framework for the global finance industry (Equator Principles Association, 2020). For operational guidelines, the EP requires compliance with the IFC Environmental and Social Performance Standards. https://equator-principles.com/

• European Bank for Reconstruction and Development (EBRD) Performance Requirements: EBRD-financed projects are expected to be designed and operated in compliance with good international practices relating to sustainable development. They have defined ten performance requirements covering key areas of environmental and social issues and impacts (EBRD, 2019). https://www.ebrd.com/who-we-are/our-values/environmental-and-social-policy/performance-requirements.html

• ISO 26000 Guidance on Social Responsibility (ISO, 2010) and other multi-stakeholder initiative standards, mostly developed by civil society and business actors. https://www.iso.org/iso-26000-social-responsibility. html

• Industry codes: These can be generic, such as the Initiative for Responsible Mining Assurance (IRMA) (IRMA, 2020) or the Mining Association of Canada's (MAC) 'Towards sustainable mining' guidelines' (MAC, 2004), which have been adopted in Finland and Spain, or dealing with specific issues or specific stages of the mining life cycle (see next section). https://responsiblemining.net/ and https://mining.ca/towards-sustainable-mining/

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4.2 SLO tools and synergies with Guidelines

In addition to the standards and guidelines mentioned, the MIREU project developed additional SLO tools that focus on how to build relationships primarily between communities and companies but also between communities and government. Together the tools comprise the SLO Toolbox and are housed in the SLO Toolbox. As the tools target the crux of SLO – developing relationships based on trust – they primarily correspond to Section 3 in the Guidelines. Table 3 below presents the tool and corresponding Guideline section.

Table 3. Tools and corresponding Guideline section

	Guidelines sections	Section 2 SLO in Section 3 In Europe			npact management and stakeholder expectations			
	Sub-section	Section 2.2	Section 2.3	Section 3.1	Section 3.2	Section 3.3	Section 3.5	Section 3.6
SLO Toolbox		SLO debates across Europe	Common- alities emerging from MIREU	Under- standing & engaging stakehol- ders	Sta- kehol- ders relation- ship	Should we think about stakeholders in a different way?	Conflict avoi- dance & resolu- tion	Conside- ring the mining life-cycle
Activity 1 Famil- iarise	Tool 1.1: PEST analysis template			Tool 1.1				
larise	Tool 1.2: Regionally appropriate approaches	Tool 1.2		Tool 1.2				
	Tool 1.3: Stakeholder frames			Tool 1.3		Tool 1.3		
Activity 2 Introduce	Tool 2.1: Connecting Checklist for first meetings between community- company			Tool 2.1	Tool 2.1			
	Tool 2.2: Connecting Checklist for first meetings between community- government			Tool 2.2	Tool 2.2			
	Tool 2.3: SLO Video		Tool 2.3					
Activity 3 Reach out	Tool 3.1: Community- Company Vision Statement			Tool 3.1	Tool 3.1	Tool 3.1		
out	Tool 3.2: SLO Card Game			Tool 3.2		Tool 3.2		
	Tool 3.3: Financial Incentives			Tool 3.3	Tool 3.3		Tool 3.3	
Activity 4 Establish	Tool 4.1: Community Engagement Plan			Tool 4.1	Tool 4.1		Tool 4.1	
	Tool 4.2: SWOT analyses - template and examples	Tool 4.2	Tool 4.2		Tool 4.2			
	Tool 4.3: Grievance Mechanism			Tool 4.3	Tool 4.3		Tool 4.3	
	Tool 4.4: SLO Indicators				Tool 4.4		Tool 4.4	Tool 4.4
Activity 5 Strength-	Tool 5.1: Community Envi- ronmental Monitoring Plan				Tool 5.1		Tool 5.1	Tool 5.1
en	Tool 5.2: Community Agreement				Tool 5.2		Tool 5.2	Tool 5.2

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The SLO Toolbox consists of five relationship building activities organised as follows:

- Familiarise
- Introduce
- Reach out
- Establish
- Strengthen

The choice of tool depends on your relationship with a particular individual or group. There is no chronology and they apply across every stage of mining. Most of the tools were developed as part of the MIREU project, but there are several tools adapted from Canada and International good practices - Tool 3.3: Financial Incentives, Tool 4.1: Community Engagement Plan, Tool 4.4: Grievance Mechanism, Tool 5.1: Community Environmental Monitoring plan and Tool 5.2: Community Agreement.

LINK to all tools

5. **SUMMARY OF KEY** POINTS

1. SLO in Europe consists of two dimensions community and societal:

Shared values and a common worldview underlie both dimensions while policy and legislation at multiple levels of governance set the legal framework. Community and Societal SLO are not necessary always aligned, in which case challenges will likely arise and the project as a whole is considered to have the lower level of SLO.

2. Good governance can play a strong role in SLO:

For the mining 'system' to function well, permitting and regulatory authorities should not be passive in the process, but rather be a consistent and active participant in their traditional permitting and licensing roles, as well as in the relationship building process. This includes relationships and partnerships with communities, civil society, companies and other governmental authorities at the local, regional, national and EU levels. But there is also support in Europe for authorities to assume a fair, impartial mediation

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role if there are intractable disputes between community and company.

3. Achieving and maintaining SLO is a two-way street:

While European society needs to understand and consider the importance of raw materials for both short- and long-term goals, the mining industry also needs to acknowledge that societal expectations are continuously evolving and that raw materials and their production are not accepted at any cost.

4. SLO is a process and an outcome:

It is a dynamic and continuous process because it is based on perceptions which change over time, but it is also an outcome, as it is synonymous with community and societal acceptance.

5. Long-term engagement with stakeholders is the way to build trust:

Meaningful and timely avenues for two-way dialogue are essential. Stakeholder histories must be understood, as should relationships, networks, and the values that shape attitudes and behaviours. Companies and governments should be open and straightforward about potential risks, listen to stakeholder input and design the project or activity accordingly. Companies should be responsive and adaptive, respect customs, political and authority structures, and where appropriate, gain FPIC (adopted from (Franks, 2011)).

6. Risk is reduced by aiming for higher levels of SLO:

As shown in the model, the levels of SLO begin at Acceptance then move up to Support and the highest level of SLO is Collaboration. If a company wants to reduce its risk, it will aim for the higher levels of SLO. It should be noted that to reach the Support or Collaboration levels means that companies will have to go beyond legal compliance.

7. Implementation of applicable international guidelines and MIREU tools:

These SLO Guidelines list a number of international standards that could also be considered for projects in Europe. In addition, the MIREU project developed SLO tools that should be useful for a project to achieve and maintain SLO.



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LIST OF ABBREVIATIONS

EBRD	European Bank for Reconstruction and Development
EC	European Commission
EIA	Environmental Impact Assessment
EP	Equator Principles
EU	European Union
FPIC	Free, Prior and Informed Consent
ІСММ	International Council on Mining & Metals
IFC	International Finance Corporation
ILO	International Labour Organisation
IRMA	Initiative for Responsible Mining Assurance
MAC	Mining Association of Canada
MS	Member States (of the European Union)
NGO	Non-governmental Organisation
OECD	Organisation for Economic Cooperation and Development
SDGs	Sustainable Development Goals
SEA	Strategic Environmental Assessment
SIA	Social Impact Assessment
SLO	Social Licence to Operate
UN	United Nations

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Annex 2

OVERVIEW OF METALLURGICAL OPERATIONS AND PROJECTS IN SELECTED EU COUNTRIES

Austria

In Austria, there are two iron ore blast furnaces (largest single CO₂ emitters by far in Austria) and various steel plants, one aluminum one copper plant and various metal manufacturing plants. There used to be issues with air emissions but they cleaned their operations about 30 years ago. These days there might only be minor, localised issues around noise or dust.

Belgium

There are many metallurgical operations stretching back to colonial times in Congo. Umicore operates a massive metallurgical complex in Schelt in the Antwerp suburb in Hoboken. It is a modern facility that has positively addressed environmental concerns.

Nystar company, one of the largest zinc and lead traders in the world, runs Europe's largest zinc smelter (#3 globally) at Balen, east of Antwerp, and associated zinc and lead fabrication plants at Pelt (just east of Balen) and Aubay (south of Lisle in north France). Nystar has another smelter not far away at Budel (almost a suburb of Eindhoven) in south-east Holland receiving feedstock through Antwerp.

Aurubis (a German company based in Hamburg and global player in copper) operates a state of the art copper smelter at Olen, also east of Antwerp. The plant was built by Umicore and only recently sold to Aurubis.

Finland

From the economic and political points of view in Finland, metallurgy is important. It adds value to the raw materials produced and has an important role in Finland, for example, as part of the mining cluster, and industrial infrastructure. In this sense, the EU differs from many developing countries that are only exporters of raw materials, but many times they are not even processed or smelted.

SSAB Raahe (former Rautaruukki) is a steel plant. It produces around 7% of Finland's carbon dioxide, which is more than the two next largest polluters combined, Neste refinery in Porvoo and Hanasaari's Powerplant B.

Kylylahti in Northern Karelia was in a dispute with a processing plant (not a smelter) and it ended when the local concerns were attended to. The main local concerns were the mine and processing plant expansion, emissions into the lakes, and traffic. The company (Boliden, Europe's 2nd biggest zinc producer) made the requested modifications.

There are also smelters in Kokkola (Boliden), Tornio steel plant (Outokumpu Oy), and Harjavalta (Boliden). Harjavalta smelter's main products are copper, nickel, gold, and silver, as well as by-products such as sulphuric acid. There have been no major disputes and the only



case was a couple of years ago when there was a nickel leakage from Harjavalta smelter into the Kokemäki River. It was, however, short-lived with a protest lead by the former Green Party Minister of the Environment.

The last example is Europe's biggest gold mine, which is in Kittilä and owned by the Canadian company Agnico Eagle Mines. The refinery next to the mine handles 3000-4000kg ore per day.

Greece

There is one big aluminum factory in Agios Nikolaos in the prefecture of Boeotia owned by Aluminium Greece. The annual production capacity of this industrial complex is around 800 000 tonnes of alumina and 165 000 tonnes of aluminum. There are no conflicts or plans for new smelters.

Poland

In Poland, there are operations in Lower Silesia and Upper Silesia. In 2009, the United States Geological Survey (USGS) released a compilation of mineral resource data on MVT (Mississippi Valley Type) deposits that showed Upper Silesia as one of the world's largest MVT districts as ranked by its contained metal. Rathdowney Resources (RR), a Canadian company, is developing Project Olza and aims to mine world-class Mississippi Valley-type zinc-lead in the Upper Silesian Mining District. All of the necessary infrastructure (highways, railways, and electrical grid) and skilled (and young) workforce exists for the project. While it is unclear whether they plan to build a smelter, current plans call for the use of the ZGHB smelter about 25km from the project site and connected by a railway line.

Project Olza is facing opposition from employees of the other company in the region, CMC Poland, whose criticism mainly focuses on environmental issues and in particular water quality, accessibility, and prices; however, this is related to mining and not to the use of ZGHB's smelter.

In Lower Silesia, KGHM (Polish multinational corporation) operates large-scale mining and metallurgy facilities in the region and the operations are strongly connected. KGHM is also headquartered in Lubin, Lower Silesia.

There are no other plans for new smelters in Poland and no major conflicts.

Romania

The Maramures region had two big smelters, copper and lead, but both of them were shut down years ago. The state-owned copper smelter was also a gold refinery. After the Romanian Revolution, it was sold to an Indian-owned company Allied Deals (involved in one of the largest Ponzi schemes concerning bank fraud in legal history) for a cheap price. Their plans for boosting production failed and after a few years, they sold it. Due to the new owners having difficulties with management issues, after a few years the smelter was shut down.

The lead smelter was closed after the EU forced Romania to shut down uncompetitive mines. An Australian company is proposing to turn it into a gold tailings retreatment plant, but it is currently on hold and it is unclear if operations will resume in the future. There are a few active metallurgical operations in Maramures, however they are small scale and generally low profile, and therefore not impacted by conflicts.

In Baia Mare, there are conflicts between the municipality, citizens and the Romaltyn Mining company about the location of the plant, which is close to the residential area. Residents want to move the plant, but the owner argues that it has been there before the residential area developed. The conflict is related to both regulations and environmental concerns.

In Rosia Montana, there is the Montana Gold Corporation project and it has encountered acceptance problems related to environmental, heritage, and social issues. The Baia Mare and Rosia Montana project issues are complex with the main issue being environmental due to the use of cyanide in the treatment process and the lingering legacy of cyanide-related problems.

Concerning smelters, issues in Romania are different from other MIREU regions. There are problems with the number of smelters, the scale of them, difficulties with EU regulations due to commodities, land use conflicts, environmental legacy issues (cyanide) as well as current environmental problems.

Slovakia

U.S. Steel Košice is the biggest employer in the Kosice self-governing region and local and state governments are very much in support of the company. It is also the biggest steel plant in Slovakia. There are no plans for new smelters in Slovakia and thus no conflicts related to metallurgy. Environmentalists are mainly protesting mining and new projects, and locals are more concerned about employment and higher salaries in the metallurgy/mining industry. Smaller smelters are key employers in the rural region and locals do not want to shut them down.

Spain

In Andalusia, there is a smelter that has been built in the industrial area before people located there. Now that they are living proximate to it, they have issues like air pollution and adverse smells. This is a complex problem, sometimes caused by bad land use planning. The smelter likely is in environmental compliance, but even so compatibility with nearby neighborhoods is an issue.

