



Responsible Minerals Sector Initiative (RMSI)

Housed at the Simon Fraser University Beedie School of Business

GEMM 2014: Global Exploration, Mining and Minerals **Implementing Responsibility and Sustainability in the Mineral Sector**

“Creating Mutual Value – What’s Important to You?”

The fifth in a continuing series

April 9 – 10, 2014

(April 11 - Working Sessions and “Institute Day”)

Wosk Centre for Dialogue, Asia Pacific Hall

580 West Hastings St, Vancouver, BC, Canada

The invitational GEMM Dialogues are not typical conferences, but rather continuing conversations to tackle some of the toughest questions that must be addressed if the mineral sector is to truly demonstrate sustainability and responsibility. While some participants are new, many others are repeat attendees, all reflecting diverse perspectives from communities, NGOs, companies and governments as experienced and knowledgeable practitioners, decision makers and researchers to share insights and concepts, develop strategies and tools and build networks and relationships.

GEMM 2014 is about what it takes to begin, and then sustain, the relationships integral to “Creating Mutual Value”. The Dialogue will do this by addressing two key themes: i) the **organizational dynamics and human interactions** that shape thinking and acting within communities, companies and governments and, ii) the **financial considerations** that drive or impede the transformation of this thinking and acting from a risk/cost to an opportunity/investment. How is it possible to build resilient and effective working relationships given the different organizational cultures and “currencies” of value? Once established, what does it take to sustain a relationship? Is the proliferation of standards, guidelines and rights creating value for communities and companies on the ground, for investors and governments, or only generating reports and websites? Together, these questions, and others identified below in this preliminary agenda, will allow us to explore what it takes to “create mutual value”, and the value equation of truly understanding “what’s important” to the other. We will identify straightforward, practical steps that can taken to translate insights into a mindset (like safety is a part of the DNA of many companies), and what different parties can do to support this transformation.

The dialogue uses a **fictional story presented as a video** to provide a common platform and keep discussion grounded on real challenges. The story is based on events, places, perspectives and people which could be real but are entirely fictional and not based upon any specific country, company,

community, or constituency. It could be anywhere and nowhere. The story reflects complex dynamics among diverse players and environments within a context that changes over time.

The goal of GEMM is to provide space for this dynamic conversation to happen. Collaborative Working Groups will meet together at intervals throughout the dialogue to inform what participants can do, each in their own ways, to advance the ideas generated. An opportunity for follow up meetings will be provided on April 11, prior to the start of additional programming related to a newly established Canadian Institute dealing with Resources and Development.

April 8, 2014

*An Opening Reception will be held on Tuesday, April 8th from 5:00 – 7:00 pm
Segal Graduate School, 500 Granville Street, Vancouver*

April 9, 2014 – Building the Relationship: What does it take to begin?

8:00 – 9:00 Continental Breakfast and Networking

9:00 – 10:00 Welcome, Introductions and Dialogue Overview

10:00 – 10:30 BREAK

10:30 – 12:45 Understanding the Context: Organizational Dynamics from two World Views

Corporate and Industry:

- *What are the implications of hierarchical, departmental and business unit structures present in majors, on building effective resilient relationships on the ground at the community level?*
- *What are the implications on building resilient relationships of smaller, less structured and differently resourced junior companies?*
- *What are the competencies, language and tools needed to communicate and implement sustainability into the organizational DNA?*
- *Will this require new structures and mindsets for sustainability inside corporate organizations, as it has been for safety, that expand the responsibility mandate across the organization from finance to operations, from the rockface to the boardroom table?*
- *What are the implications of changing ownership and people as the life cycle of a mining property unfolds?*

Community and Regions

- *What is the nature of organizational structures and decision making cultures within communities, indigenous and non-indigenous, and governments at different levels?*
- *What is “a community”? What importance does geographic location bear? How is representation of a community determined? What is the role of advisers?*
- *What are the implications of the much more prominent and enlarged role of ‘rights’?*
- *What are the expectations of a community in terms of ‘consultation’? Or are they looking for a deeper relationship? Can this relationship be build within regulatory-based processes?*
- *How far can standards and norms - ‘soft law’- take us, in building relationships?*
- *Is it ever possible “to turn the page” with a community or is history and memory ever present? What realities of community memory do newcomers need to come to terms with?*

- *How is it possible to realistically inform reasonable expectations around revenue, jobs and timelines?*
- *Can large scale industrial mining and small scale mining coexist?*
- *How does the role of NGO's, Unions, and governments connect into the fabric of life and work at the community level, and what implications flow in terms of their structures and decision making cultures that become part of the dynamic?*

12:45 – 2:00 LUNCH

2:00 – 3:30 Understanding the Context: Financial Considerations

- *What implications arise from the particular imperatives to which exploration and junior operators must respond (given their size, the nature of their operations, and their financing arrangements)?*
- *What is material risk?*
- *Do present financial metrics and due diligence procedures adequately reflect risks and opportunities at mine sites?*
- *To what extent will project development and operations be driven by how effectively companies integrate into financial analytics key social and environmental factors?*
- *Is there a “mismatch” between when relationships (positive or negative) are formed, and when mining revenues begin to flow? How might investors assess companies in a way that doesn't only value short-term (ie quarterly earnings) results?*
- *How should due diligence on investment, mine development and regulatory decisions deal with mixed signals and uncertain information in respect to environmental effects and the way a project is being received at the local level?*

3:30 – 4:00 BREAK

4:00 – 5:00 Responding to the Challenge

- *How do you begin difficult conversations when there is a legacy of distrust and conflict among parties, often with different worldviews? If you were trying to “begin” what would you want to know about the other party?*
- *Can “all this complexity” be translated down to “people talking past each other,” taking different meanings out of the same words and situations? What can be done to address the different organizational cultures leading to this disconnect?*
- *What are the fundamental lines of accountability that must flow from Boards of Directors down through organizations, and back up? How can governance structures be designed to create a context of individual empowerment, while ensuring that every decision taken has consequences and attracts responsibility?*
- *How have changes in power influenced the dynamics among different parties in the mineral sector? How significant a role has the media played? And civil society through NGOs?*
- *Are voluntary standards and codes being seen and used in different ways by different players in the mineral sector? If so what are the implications “on the ground” and “at the top”?*
- *Are these codes and standards achieving the outcomes they purport to embody? Are they improving accountability? Or being translated into beneficial outcomes?*
- *What are the instruments of public policy, regulatory responses, and analytical tools that will create the internal drivers – developing enablers and reducing resistors- to motivate change?*

- *Is information both a potential solution (“now that I know that, perhaps...”) and a problem (“you got your facts and I got mine”)? How is the way we develop and introduce information integral to the manner in which it’s received? What are some key lessons learned? What are the other governance structures, management practices and corporate and personal competencies needed to build mutually credible information bases?*

5:00 Next Steps and Adjourn for the Day

Participants are free to share a meal and continue conversations.

April 10, 2014 - Sustaining the Relationship: What does it take?

8:00 – 8:45 Continental Breakfast and Networking

8:45 - 9:00 Welcome and Recap

9:00 – 10:30 Responding to the Challenge (cont’)

- *What might be done to support efforts to improve mineral supply chains supporting responsible behaviour? How might a “Social Chain of Custody” between exploration and operation be useful?*
- *What can be learned from experiences on local procurement, than can be better leveraged for mutual value?*
- *What are the metrics, financial instruments and mechanisms that are emerging within the financial and other professional communities to measure how effectively “CSR and Sustainability” risk factors are being managed, and value being created is reflected? Can they be improved? In what way?*
- *Are these risks being appropriately reflected in acquisitions across the industry “supply chain” from juniors to majors, and in financing arrangements? To what extent are these considerations being incorporated into “due diligence” prior to closing? Should a set of standards and practices be developed to guide the valuation process to consistently reflect these risks? How could such a set of standards be developed?*
- *Can corporate and individual performance incentives be effectively driven and measured without integrating financial, social and environmental factors? How might appropriate measures be applied across the mineral sector supply chain?*
- *What level of responsibility is reasonable to expect of companies in respect to subcontractors and subsidiaries? What are the implications of this on communities, for example during the construction phase? How might these be addressed?*

10:30 – 11:00 BREAK

11:00 – 2:45 Towards Continuity and Resiliency - Sustainable Legacies through Sustainable Relationships

(12:30 – 1:30 LUNCH)



- *How do you build and maintain a relationship among parties throughout a mine life cycle, given its different phases and the reality of changes in ownership and production with fluctuating commodity prices, and evolving community demographics and dynamics?*
- *What do we mean by “capacity”? What players within the sector need “capacity building?” And in what ways?*
- *What do norms and standards tell/guide us about how to build effective, sustainable relationships?*
- *What special challenges are associated with different worldviews in respect to time, value and memory?*
- *What will it take to build and strengthen governance structures? Are there incentives in place for sustainable decision making? How can different parties work to build effective ways of making decisions and dealing with differences?*
- *What kind of investment vehicles can contribute to longer term thinking about resource development projects?*
- *What information from what sources do institutional investors and analysts rely on in making decisions and recommendations?*
- *How can communication between socially responsible investors and exploration and mining companies be improved and valued?*
- *What kind of investment vehicles can contribute to sustainable community legacies through resource development?*
- *What type of community investments provide versatile and long-lasting economic stimulus to diverse communities?*
- *How can strategic community investments stimulate regional economic linkages?*

2:45 – 3:45 Sustainable Legacies - Unpacking the Opportunities

Dialogue Leaders help to deepen conversations on possible directions, opportunities and actions identified from GEMM, with an aim to inform further collaborative working sessions on Friday.

3:45 – 4:00 BREAK

**4:00 – 5:00 Closing Spotlight on Converging Media
Observations, Next Steps and GEMM 2014 Closing**

If “we” are to tell our stories in a way that makes sense to others we will need a solid grasp of new ways of communicating and how different media can play a role. A closing panel to reflect on new conversational forms (e.g. documentaries, social media, webcasting etc.) and how they are interacting with Traditional Knowledge, formal disclosure, regional and community identities, corporate brands and reputations. Key themes from GEMM 2014 will be woven into this discussion.

A Closing Reception will follow immediately in the lobby from 5:00 – 7:00 pm



April 11, 2014 – Working Sessions and “Institute Day”

*SFU Beedie School of Business
500 Granville Street*

8:00 – 9:00 **Continental Breakfast and Networking**

9:00 – 11:00 **Follow up Working Sessions arising from GEMM Dialogue**

11:00 – 12:00 **Update from Canadian International Institute for Extractive Industries and Development**
(tentative)

12:00 – 1:30 **CIIEID “Learning Lunch”, with presentation from World Bank Institute and Discussion**
(tentative)

Thank you for your time, we realize it is a precious resource. Your contributions and participation are appreciated. A summary of the discussion will be distributed.

Safe Travels Back Home!
