

INFACT

INNOVATIVE NON-INVASIVE & FULLY
ACCEPTABLE EXPLORATION TECHNOLOGIES

Social risk and social acceptability: an industry perspective

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In the beginning

A mine engineer and a resource geologist have a conversation in a bar at Raw Materials Week... about an opportunity linked to an redundant gold mine in an accession state in South Eastern Europe...



The Goldova Project



Mining History: surface and underground



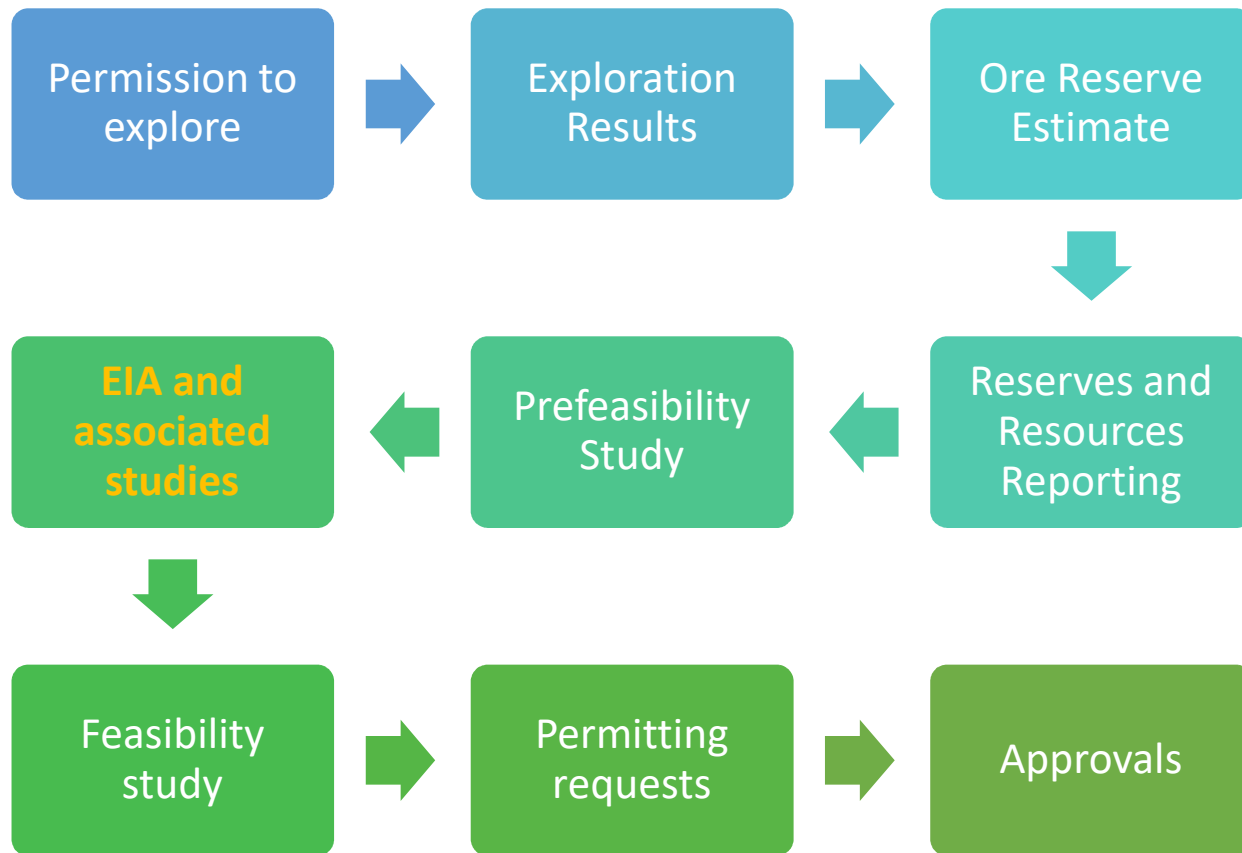
Mining Legacy: heritage, pollution, tourism



Existing Land Use



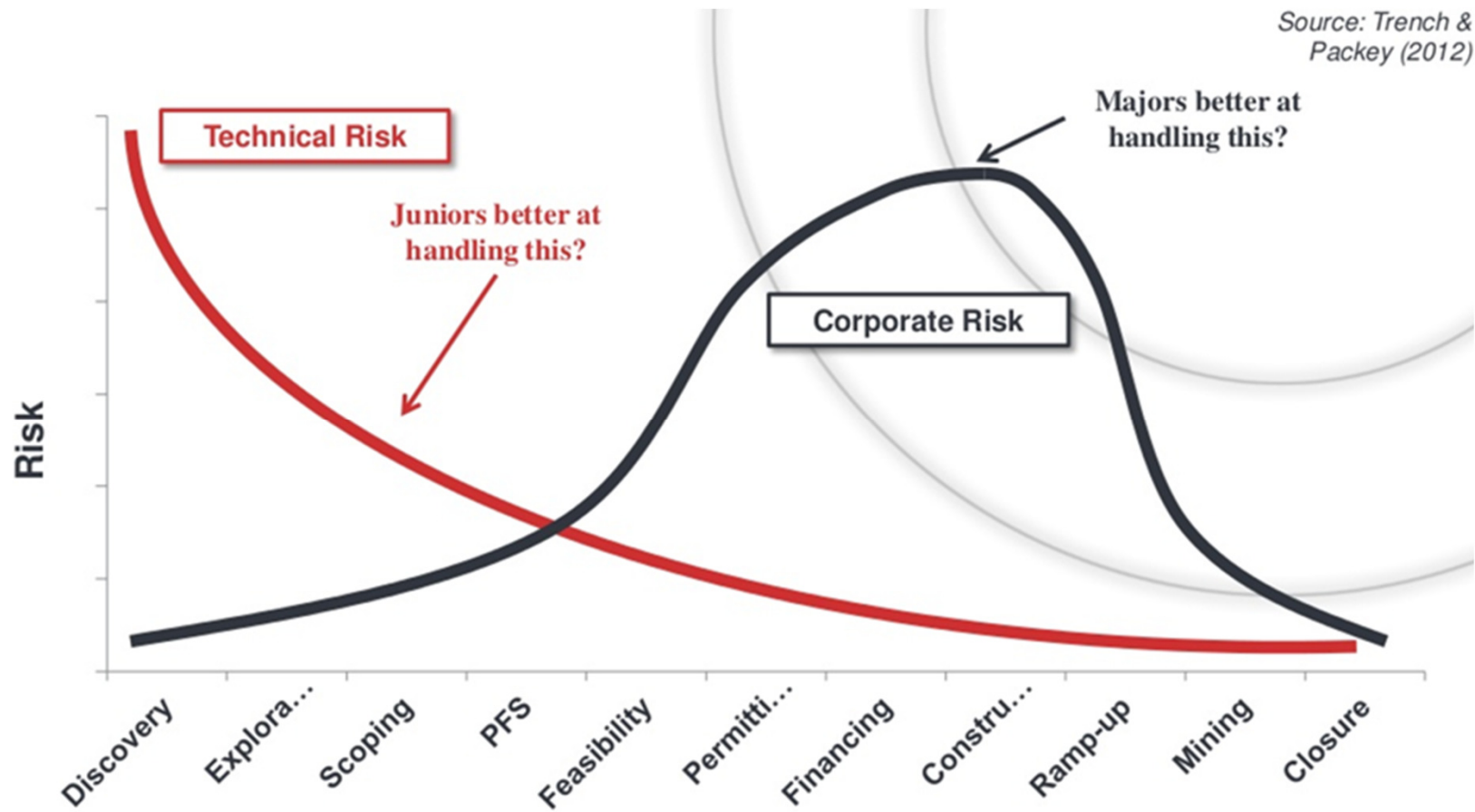
Mine development process



Social acceptability and social risk

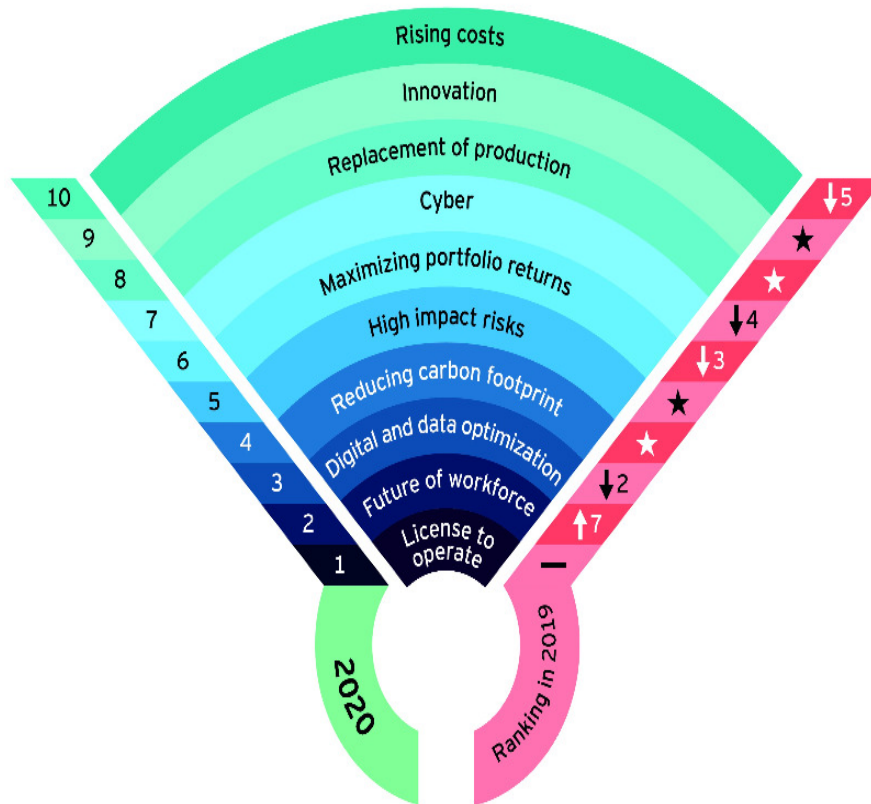


Mining and risk



Scale of risks.... A financiers perspective

Top 10 business risks facing mining and metals



↑ Up from 2019 ↓ Down from 2019 — Same as 2019 ★ New to the radar

Risk No 1: License to operate

- An intangible and complex concept without a clearly defined process
- Socio-political dimensions
- Consideration of pre-existing social context
- Lack of perceived shared benefits
- Local content
- International agitators
- Reputational damage

Understanding a projects propensity to both generate social harm and potentially be harmed from the outset is essential for effective risk management

International Standards: non OECD Countries

PERFORMANCE STANDARDS



Lessons from within Europe

- **Lack of trust between stakeholders** and barriers often result from perception of few shared benefits;
- Pre-existing land use and control of natural resources presents challenges
- Transition from State owned to foreign owned mining operations (especially in SEE) - resource nationalism
- Alignment with EU regulations improves investors confidence
- Environmental conditions are prioritised over social context
- Underlying fear and suspicion of new technologies
- Implications of political allegiances are not fully understood by investors



Policy and practice recommendations



Vision for mining in the EU

- A subsidised sector which is geographically- and commodity-focused, with the acceptance that there will be no-go areas that are heavily populated, protected, or of natural or cultural importance;
- **Societal acceptability and inclusion should be a focus from the outset;**
- Exploration and exploitation should be combined with resource recovery of legacy sites and recycling, linked to a circular economy;
- High-tech, innovative approaches should be prioritised to reduce impact and increase efficiency; and
- Linking mineral extraction to downstream operations in the EU as part of a broader strategic framework.

Policy recommendation for EU

- Social context, impact and acceptability are regarded as a discrete discipline to environmental risk and acceptability, from an EU regulatory perspective, in the same way that they have achieved parity in international standards for non OECD countries.



THANKYOU

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