



Looking Forward: Mining & the Sustainable Development Goals

Workshop Report

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Executive Summary

The launch of the Sustainable Development Goals in September 2015 provided a watershed moment for alignment between the private sector, governments, international institutions, and NGOs. The attention galvanized by the SDGs in the months since their launch has resulted in growing interest from various industries and sectors to better understand the ways in which their particular business models and activities may have unique implications for realizing some or all of the 17 goals. In February 2016, the Devonshire Initiative convened a workshop among its NGO and industry members, joined by representatives from government and international institutions, to explore the way forward for Canadian mining companies on the SDGs.

Following a general introduction to the key features of the SDGs, the conversation turned to the particular interest that has emerged around the potential role of the mining sector in contributing to many of these goals. Unlike the 'minimum needs' focus of the MDGs, the attention on building inclusive, equitable, and sustainable social and economic growth under the SDGs aligns closely with conversations that have been evolving in the mining sector over the last decade. An important first step in helping companies and their stakeholders to better ascertain the connection to the SDGs has been the jointly produced [*Mapping Mining to the Sustainable Development Goals: A Preliminary Atlas*](#). Through the contribution of the Atlas, it is hoped to encourage mining companies of all sizes to incorporate relevant SDGs into their business and operations, contextualize and reframe current efforts and spark new ideas. Workshop participants noted the usefulness of the Atlas in facilitating efforts by individual companies to map the SDGs against their existing CSR / Sustainability frameworks, programs, and policies.

For many participants, a key launching point for the SDGs and the role of industry (including the mining sector) is the broad-based agreement that 'business as usual' will not lead to the kind of scale and results needed to achieve the ambitions of the SDGs. Achieving this will be supported by the use of language and concepts that makes the SDGs accessible and relevant to business units not traditionally engaged in these discussions. At the same time, a number of participants explored the importance of engaging industry's other stakeholders – government, NGOs, community groups – in enhancing the overall contribution of mining to development. It is widely acknowledged

that external context – local, sub-national, national, and regional, all have a significant influence on the challenges, and opportunities, for the mine to contribute to social and economic development. There are many elements of mining's contribution to development that cannot be solely, if at all, controlled by the company. Equally, mining companies vary significantly in terms of their capacities, resources, and level of experience with contributing to the development agenda. In all respects, increasing the contribution of the industry to the SDGs will benefit from, and require, engagement and collaboration with a broad coalition of other stakeholders.

The workshop rounded out with a discussion among participants on how to practically move forward on the alignment between mining and the SDGs. This conversation is clearly in early days, though a number of promising concepts were put forward. Many participants noted the need for a mapping to complement the Atlas by showing what is already being done by companies – of all sizes and across geographies – to implement the SDGs. An industry-wide mapping on a company-by-company basis would help to illustrate the breadth and totality of mining sector alignment to the SDGs early on.

Introduction

The launch of the Sustainable Development Goals in September 2015 provided a watershed moment for alignment between the private sector, governments, international institutions, and NGOs. Continuing from the agenda initially set in the Millennium Development Goals, the SDGs present a comprehensive agenda for achieving broad-based and lasting social, economic, and environmental progress for the next 15 years. An important feature of the SDGs that distinguishes them from their predecessor objectives is the prominence given to the role of the business community in participating in, catalyzing, and achieving sustainable and inclusive socio-economic development.

The attention galvanized by the SDGs in the months since their launch has resulted in growing interest from various industries and sectors to better understand the ways in which their particular business models and activities may have unique implications for realizing some or all of the 17 goals. This is particularly true in the mining sector, which has long been familiar with and interested in its contribution to local and national development. In February 2016, the Devonshire Initiative convened a workshop among its NGO and industry members, joined by representatives from government and international institutions, to explore the way forward for Canadian mining companies on the SDGs.

Trends for the year ahead in mining and development

The workshop was opened with a panel discussion featuring representatives from the mining industry and international development community (including both NGO and government donor perspectives), each presenting on the current trends in their sector and offering a prognosis for the year ahead.

Mining: continued downward pressure and trends toward cost containment. After a number of years of strong economic and operational performance in the mid- to late-2000s, the mining industry has experienced persistent and growing weakness in commodity markets over the last 5 years. This has led the sector as a whole to enter a prolonged period of cost containment and contractionary pressure. Many individual companies have experienced unprecedented disruption to their business models, including dramatic write-downs and sell-offs of assets and widespread workforce reductions. The exploration sector and junior producing companies have in some ways

been hit the hardest, with many going out of business, consolidating, or being acquired at heavily discounted rates. While the majority of mid-tier and global companies have managed to survive these weak commodity markets, companies of all sizes have redefined themselves around a small core group of low-cost, high-performance assets. With a focus on minimizing (containing) costs, and responding to near-term investor uncertainty, the industry is in a substantially different place today compared to 5-10 years ago.

Yet, underlying fundamentals in the market and for many companies remain promising. Many executives are hopeful that signs of commodity market improvement are on the horizon. During this time, it is expected that external stakeholders will continue to focus on the core tenants of responsible business conduct as the expectation for social and environmental performance from the industry. Issues which speak to the 'core business' of mining, such as tailings management (environment) or local content (social/socio-economic), have become the topics defining conversations between companies and external stakeholders. As well, macro level issues around transparency and governance are providing the most contemporaneous lens on the industry's contribution to national economic development and growth. In all respects, this points to a near-term environment in which the expected contribution of mining to sustainable development will be through leveraging the 'core' business of the industry, as opposed to the ancillary benefits (e.g. philanthropic contributions) that were more commonly the focus a decade earlier.

Perspectives on development: the SDGs are substantively different from the MDGs. The year 2015 was an important one for the development community, with three major global summits in Addis Ababa, New York, and Paris, coming to define the expectations around social and environmental progress (and each sector's commitments toward those objectives) for the coming two decades. Much of the commentary on the SDGs thus far has tended toward the obvious expansion from 8 goals under the MDGs, toward the present 17. While there are some similarities and commonalities underlying the goals espoused in the MDGs and SDGs, this does on balance reflect an expanded agenda for development. Early expectations are that achieving the SDGs will require considerably more effort, and financial resources, than what was laid out under the MDGs' agenda.

The SDGs are substantially different in other important ways as well. To start, they are much more interconnected than previous goals. This will almost certainly lead to greater attention on holistic, multi-dimensional development programs, which tackle underlying root causes of poverty from a number of directions at once. This also inherently requires greater collaboration, as more stakeholders – from across government, civil society, and industry – have influential roles in addressing different aspects of these objectives. The attention to collaboration also casts light on the need to involve stakeholders – including beneficiaries – that were traditionally excluded from the development process previously. In this respect, the SDGs are an important change in direction as they call attention to poverty and sustainable development not only in the Low Income Countries, but in all regions of all nations, no matter how affluent or 'developed': the SDGs apply in Canada and Cambodia, equally.

The interconnected nature of the SDGs is perhaps most apparent in the relationship between social and economic development and progress, with climate change featuring heavily throughout the SDGs. In this regard, the timing between the SDGs and COP21 was fortuitous, as it has created the semblance of a joint social and environmental agenda for development. This is an important shift as it is increasingly recognized that the effects of climate change go far beyond the apparent environmental conditions, and also lead to significant social and economic fragility and crises around the world.

Just as they set out different expectations from the MDGs, the SDGs are likely to be confronted with some new challenges. The global nature of the goals and their applicability in all states has led to fears by some of least development countries who fear further dilution or marginalization from the development agenda (many of these countries first expressed concern about marginalization during the mid-2000s as aid and trade became increasingly interwoven, and the least attractive trading nations were subsequently de-prioritized by many Northern governments' development agencies).

As well, the SDGs will increasingly be confronted by, and attempt to address, challenges that are incredibly complex and systemic in nature. For example, in regions undergoing dramatic demographic change, such as Sub-Saharan Africa, sizable (if not majority) populations under the age of 30 are increasingly leaving low population density rural areas for urban centres in search of education, livelihoods, and new opportunities. Demographics, economics, social pressure, and environmental fragility due to climate change, are coming together to present a very complex ecosystem of challenges. New resources, combined with collaboration and innovation, will be paramount to equipping NGOs, governments, and donors to achieve the ambitious agenda set out by the SDGs. All sectors are in agreement that business as usual will not suffice.

A first look at the SDGs and the mining sector

“How can we use the SDGs to have a conversation with a common language with the stakeholders and communities?”

Following a general introduction to the key features of the SDGs, the conversation turned to the particular interest that has emerged around the potential role of the mining sector in contributing to many of these goals. Unlike the 'minimum needs' focus of the MDGs, the attention on building inclusive, equitable, and sustainable social and economic growth under the SDGs aligns closely with conversations that have been evolving in the mining sector over the last decade. For many years, governments and NGOs cast attention to – and often collaborated with – the sector in efforts to mitigate the potential for social, economic and environmental risk may accompany mining. The interest in mining and the SDGs reflects an evolution of that collaboration model, as it is increasingly well acknowledged that the responsible management of these natural resources can have substantial, transformational positive effects; realizing these benefits requires new and innovative forms of collaboration in order to drive progress aligned toward the SDGs.

For mining companies and their partners, it will be important to understand and differentiate between those SDGs on which the mining sector has a direct connection and bearing. While many SDGs may fall into this first category, for many others the role of mining companies will be less systemic and more supporting. Making this differentiation will be an important starting point toward harnessing the power of the sector and establishing the right kind of collaborative efforts. This nuanced understanding will also be important internal to mining companies, to better understand where the connections to, and drivers for, engagement with the SDGs reside: in many cases, it will not be the CSR or Sustainability departments that have the greatest stake or role in supporting alignment and progress toward the SDGs.

An important first step in helping companies and their stakeholders to better ascertain the connection to the SDGs has been the jointly produced [Mapping Mining to the Sustainable Development Goals: A Preliminary Atlas](#) (for short, “the Atlas”). This document developed to help the mining industry navigate where its activities – from exploration, through production, and eventually mine closure – can contribute to the achievement of the SDGs. The Atlas presents a first look at the complex relationship between mining and

each of the SDGs, including from most direct to least direct impacts, and from positive to negative within each degree of impact. Through the contribution of the Atlas, it is hoped to encourage mining companies of all sizes to incorporate relevant SDGs into their business and operations, contextualize and reframe current efforts and spark new ideas.

Within the Atlas, each SDG is considered in a standalone chapter; chapters provide:

- Suggestions for incorporating each SDG into mining companies' core business activities and functions;
- Proposed ways for mining companies to collaborate with other stakeholders and leverage additional resources to address each SDG; and,
- Case studies upon which mining companies and other stakeholders can draw in building innovative, systematic and sustainable contributions to achieving each SDG.

Through the expert consultation process underlying the development of the Atlas, seven SDGs were identified as being likely the most relevant to the mining sector:

- SDG1 (Poverty)
- SDG6 (Clean Water and Sanitation)
- SDG7 (Energy Access and Sustainability)
- SDG8 (Decent Work and Economic Growth)
- SDG9 (Infrastructure, Innovation and Industrialization)
- SDG13 (Climate Change)
- SDG15 (Life on Land)
- SDG16 (Peace, Justice and Strong Institutions)

Finally, in order to enhance the sustainable development outcomes from the mining sector, the Atlas focuses on four broad areas of policy and practice that require the greatest attention:

1. Knowledge: Deepen the understanding about how the sector can enhance contributions to specific goals;
2. Capacity: Capacity building of stakeholders for implementation, monitoring, enforcement;
3. Policies & practices: Align mining policies & regulations with SDGs and national development priorities. As well, integrate sustainability into and across business practices.
4. Dialogue & partnerships: Systematize & institutionalize dialogue and partnership in the sector.

From 2016 onward: charting first directions on mining and the SDGs

“If the SDGs are viewed as just-another-requirement, they risk not being integrated across the totality of the business”

Building on the framing presentation offered through the Atlas, workshop participants spent the remainder of the day engrossed in small-group discussions focused around three themes:

1. *Feedback on the Atlas:*
 - Are the points of intersection accurate? Helpful?
 - Are any points of intersection missing? Are any over-stated?
 - Are there any useful examples, case studies, or initiatives to include in the Atlas?

2. *Feedback on the practical implementation of the SDGs across the mining sector::*
 - What have been the experiences of companies trying to understand or integrate the SDGs to date?
 - Which business units should be involved?
 - What are the internal and external challenges?
3. *Feedback on the way forward*
 - What are the complementary roles of different stakeholders in supporting implementation of the SDGs?
 - What types of tools, support, or partnership would be useful?
 - How can the DI support/advance these next steps?

Workshop participants noted the usefulness of the Atlas in facilitating efforts by individual companies to map the SDGs against their existing CSR / Sustainability frameworks, programs, and policies. In this respect, the Atlas offers a focused approach to considering which SDGs are most relevant to mining. As well, rather than presenting “another set of requirements”, the Atlas gives attention to activities and processes that are useful for aligning company actions with the SDGs; guidance and illustration of this nature is welcomed and found to be helpful by practitioners. Similarly, the Atlas helps contribute to a ‘common language’ between mining and the development community, which is of immediate concern given the growing interest in collaboration and partnerships across sectors. This last point is particularly important, with many participants noting that as we enter the ‘new SDGs era,’ there needs to be a refreshed effort to legitimize the meaningful contributions that mining can make to sustainable development. The Atlas is an important early contribution across each of these considerations.

While the Atlas in its present form offers a helpful first-look at the SDGs for the mining sector, it was felt that there are some areas of additional insight that would ensure the Atlas made a substantially “net new” contribution to the wider discussion around mining and sustainable development. For example, it was noted that there need to be more case studies of companies of all sizes. Similarly, it was felt that many of the same companies and cases are found to recur throughout similar literature; selecting illustrations and examples from a wider assortment of companies, including those that are less well-known, would be welcomed.

Participants from across the different sectors represented at the workshop – including both NGOs and corporate representatives – noted the importance of local context in shaping the particular contribution of mining to the SDGs. As such, greater guidance on interpreting the nature of contextual factors for SDG alignment to the mining industry would be a valued addition to the advice currently available. Similarly, it was felt that some key topics for the mining sector – such as artisanal and small-scale mining, as well as upstream and downstream value chains – were missing from the existing Atlas.

Discussions around the Atlas repeatedly came back to the requirement for practical tools and guidance that will help company practitioners – and their NGO and government partners – at all levels of the business, from the Boardroom to the community. Along that point, it was noted that to the extent possible there should be an avoidance of creating new tools or frameworks; instead, adaptation and evolution of existing instruments and standards would likely achieve the greatest buy-in and uptake from industry. Also on this point, it was noted that despite the interest in leveraging ‘core business’ of mining companies to substantially scale-up their development contributions, this would be a long and slow process; there is a perceived need to have ‘low hanging’ opportunities early on to demonstrate (both internally and to external stakeholders) the value of alignment to the SDGs. Similarly, the Atlas could be more explicit in terms of the degree to which mining’s contribution to the SDGs was aligned to the typical mine lifecycle, as well as providing

additional insights into how this SDG alignment may change during times of greater austerity or prosperity for the industry.

“While the SDGs are a responsibility for the entire company to consider, there needs to be a business unit and champion that ‘owns’ them. This person or group provide the centre of excellence on how their company can contribute in all ways to the SDGs, and they will support leadership – from the Boardroom to the coalface – on integrating the SDGs into daily business.”

Finally, there was a degree of healthy skepticism expressed by some participants, who felt that the SDGs did not – or should not – reflect a wholesale change in direction for mining’s contribution to development. One industry representative noted that with all the interest around creating ‘core business strategies,’ doing so with 17 different goals would be nearly impossible. Furthermore, there is likely to be some incredulity from senior management when the CSR / Sustainability department attempts to bring *more* goals around social and environmental performance into the boardroom during times of financial austerity and business fragility. Many leaders well versed in elevating social and environmental issues to the top of their companies’ priorities expressed concern about the proliferating goals and targets of the SDGs, noting from experience how “internally, these conversations need to be focused, not overwhelming.” These concerns and challenges should provide additional insight into the next iteration of guidance required by the industry and its partners if alignment with the SDGs is to be realized in any substantial manner.

Adding to the industry perspective, a number of NGO representatives presented options for future improvements to the Atlas. There was a widespread feeling that cross-cutting themes relevant to the SDGs and on which mining has an important relationship, such as climate change and gender, could be addressed through the Atlas as well. As well, there was some interest in whether, and how, multi-stakeholder platforms will play a role in improving the contribution of mining to the SDGs.

“How do we repackage the SDGs in a way mining companies can more easily understand and implement?”

Implementing the SDGs across the mining sector

For many participants, a key launching point for the SDGs and the role of industry (including the mining sector) is the broad-based agreement that ‘business as usual’ will not lead to the kind of scale and results needed to achieve the ambitions of the SDGs. For companies, this is particularly true, as substantial contribution toward the SDGs will need greater engagement by, and alignment with, business units across the company; though as one participant noted “all business units should be involved, but they don’t need to be reminded every day they’re involved.” At a practical level, involvement of multiple business units requires modest and scalable timelines, built around the common understanding that the initial steps toward integrating the SDGs across the company will happen at a slow and deliberate pace (though some participants disagreed, and felt that the enormity and gravity of the challenges facing the planet required bold leadership and decisive action from all stakeholders).

Achieving this will be supported by the use of language and concepts that makes the SDGs accessible and relevant to business units not traditionally engaged in these discussions. Some companies are making targeted investments to improve their contributions to sustainable development (for example by supporting business units

engaging in development-related activities for which they traditionally have not been involved). These investments are often framed in value creating opportunities for the firm and society alike. They also reflect a potential trend away from under-funded, silo'd CSR departments, toward greater adoption of business-wide strategies on key social and environmental issues. Risk mitigation remains a common frame of reference for many companies, and this reality should be considered when seeking strategies for practical implementation of the SDGs across the industry. Case studies will be a useful tool for helping to demonstrate the potential practical ways forward for interpreting the SDGs within different business models (it is worth noting that some participants felt that the requirement was not *more* case studies, but a focus on studying a wider variety of companies, including exploration companies, and not just the 'usual suspects').

At the same time, a number of participants explored the importance of engaging industry's other stakeholders – government, NGOs, community groups – in enhancing the overall contribution of mining to development. It is widely acknowledged that external context – local, sub-national, national, and regional, all have a significant influence on the challenges, and opportunities, for the mine to contribute to social and economic development. There are many elements of mining's contribution to development that cannot be solely, if at all, controlled by the company. Equally, mining companies vary significantly in terms of their capacities, resources, and level of experience with contributing to the development agenda. In all respects, increasing the contribution of the industry to the SDGs will benefit from, and require, engagement and collaboration with a broad coalition of other stakeholders.

The workshop rounded out with a discussion among participants on how to practically move forward on the alignment between mining and the SDGs. This conversation is clearly in early days, though a number of promising concepts were put forward. First, speaking to the adage of 'what gets measured gets managed,' it was noted that reporting guidelines (e.g. the GRIs) may offer a very practical way of supporting greater alignment, by linking reporting requirements to the 169 targets of the SDGs. To this point, it was felt that many sustainability management systems would be readily adaptable to integrating or mapping the SDGs.

As well, there was noted interest in exploring whether alignment with the SDGs could be a risk management instrument that contributes to a reduced instance of company-community conflict, by offering a common frame of reference on mining impacts and opportunities for the widest group of stakeholders. This consideration may offer a practical way forward on engaging smaller companies with the SDGs, given the scarcity of resources (and focus on core operations, if not outright survival at times) in junior mining companies and their heightened sensitivity to the risk side of their business.

Finally, many participants noted the need for a mapping to complement the Atlas by showing what is already being done by companies – of all sizes and across geographies – to implement the SDGs. While some felt that the Atlas, though useful, was largely aspirational, there was a concomitant request for an overview of the here-and-now on SDGs implementation by early adopters. As with earlier comments on the value of case studies, an industry-wide mapping on a company-by-company basis would help to illustrate the breadth and totality of mining sector alignment to the SDGs early on (this would be of further use if it could be similarly broken down by geographic region).

“We’re really going to see where the rubber hits the road when we have the indicators set.”

The Devonshire Initiative

The Devonshire Initiative (<http://devonshireinitiative.org>) is a forum for leading international development NGOs and mining companies to come together in response to the emerging social agenda surrounding mining and community development issues. We believe that the Canadian mining and NGO presence in emerging markets can be a force for positive change. The group came into being on March 5, 2007 at an initial workshop conducted in Toronto on cross-sector partnerships, which featured a case study of the Kimberley Process on Conflict Diamonds.

The ultimate objective of the Devonshire Initiative (DI) is improved social and community development outcomes wherever Canadian mining companies operate overseas. One avenue to that goal is through deeper collaboration between industry and on-the-ground development NGOs, leveraging the many decades of experience these organizations have in developing countries. However, these sectors have traditionally operated independently, both at head office and in-country, and there are very few points of contact currently in existence between them. The result is that companies are unable to harness the expertise of NGOs in development, while NGOs miss the opportunity to steer private sector development in a more socially sensitive and equitable direction. Before the DI, there was no iterative, long-term venue in Canada to build relationships, trust and partnerships between the private sector and development NGOs.

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