Taking action for a sustainable future

Dr Kieren Moffat, CEO & Co-founder
Working together to achieve the Sustainable Development Goals

“The SDGs provide a framework through which companies can demonstrate, via their integration and reporting activities, that they are managing the full range of economic, environmental, social and governance issues in a responsible manner.”

Responsible Mining Foundation and Columbia Center on Sustainable Investment (2020), ‘Mining and the SDGs: a 2020 status update’
Working together to achieve the Sustainable Development Goals

Review: 38 geographically dispersed large-scale mining companies, which together account for around 28 per cent of the global value of mining production.

Many companies have paying attention to and doing good work on SDGs, a few doing excellent work integrating them into their core business.

But mostly…

• Simple mapping of SDGs to ESG issues deemed to be material
• Prioritisation often superficial
• ‘Cosmetic’ reporting
• Reporting can be selective
ESG performance tracking

Environment
- GHG emissions
- Biodiversity impacts
- Water
- Waste
- Inputs

Social
- Customer relations
- Employee satisfaction
- Health and safety
- Human slavery
- Community relations

Governance
- Board practices
- Succession planning
- Diversity, equity, inclusion
- Data privacy and security
- Regulatory compliance
ESG performance tracking

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## ESG and SLO – links and parallels

<table>
<thead>
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</tr>
</thead>
<tbody>
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**Community relations**

And good community relations leads to a strong social licence to operate
SDGs, ESG, and SLO

• This is a ‘family’ of concepts that are complimentary
• But they all require:
  1. collaborative efforts from companies, markets AND from government to reward and encourage good company practices
  2. to look at the issue through the lens of risk – *i.e. from the perspective of community*

Robust social data built on science  Tracking data over time  Making good performance visible
Robust social data built on science

Analyses show the shaded issues are most important within each main trust driver to focus on in building trust.

Example issue covered include:
- Dust
- Noise
- Water quality
- Contractors spreading weeds

Example items:
- People in my community are able to participate in decisions made by the company
- Company listens to and respects community opinions
- Company takes action based on community concerns

Example items:
- State government holds the company to account
- The company's policies ensure it does the right thing
- Community is able to hold the company to account

Strongest drivers of trust:
1. Company responsiveness
2. Reducing environmental impacts
3. Confidence in accountability mechanisms

Following Moffat & Zhang, 2014
Tracking data over time

- Identifying thresholds for conflict/improvement
- Documenting social performance against actions
Making good performance visible

Path Model Details
The path model shows the top factors for influencing trust and acceptance of Rio Tinto in the communities surveyed in Ahearne 2021. In the path diagram above, the direction of the arrow indicates the direction of influence and the thickness of each link indicates the strength of the relationship. Items that make up each factor (or scale) are determined using factor analysis and the survey items that belong to each factor. Please click on the node of Procedural Fairness is a predictor of Acceptance (B = 0.19, p < 0.05), Procedural Fairness is a predictor of Trust (B = 0.26, p < 0.05).

The company listens to and respects my opinions with regard to community issues
The company is prepared to change its practice in response to community concerns
The company has changed its relationship with the community for the better
The company follows through on its commitments to my community
The company always tries to address concerns raised by the community
People in my community have an opportunity to participate in decisions about community issues made by the company
Making good performance visible
So that...

- We use the language of companies to understand and drive better social performance...
- ...that is robust, defendable, transparent
- ...visible to those that will reward that behaviour (markets)
- ...and show governments that it is also in their best interests to support and reward companies that are working meaningfully to achieve the SDGs

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