

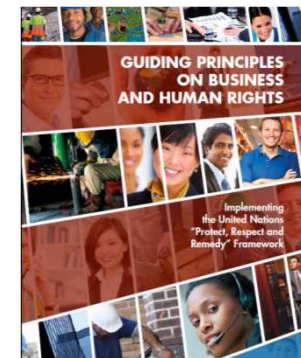


# New Dimensions in Corporate Responsibility

CIM 2016 – Vancouver, BC  
Management and Finance Day  
May 4, 2016

The number and significance of corporate responsibility challenges have multiplied exponentially over the past 25 years, reflecting societal expectations

- Increased environmental regulation
- Biodiversity and ecosystem services
- Dialogue with stakeholders
- Community development and sharing benefits
- Human rights concerns
- Revenue transparency
- Indigenous rights and Free, Prior and Informed Consent



The industry should be proud of how these have been embraced

The industry has been struggling with greatly reduced profitability

- Attention is focused on cost cutting and operational optimization

Corporate responsibility performance is a fundamental business element for most senior mining and metals companies

The rapid evolution of corporate responsibility issues has spawned a whole set of standards that establish best practice



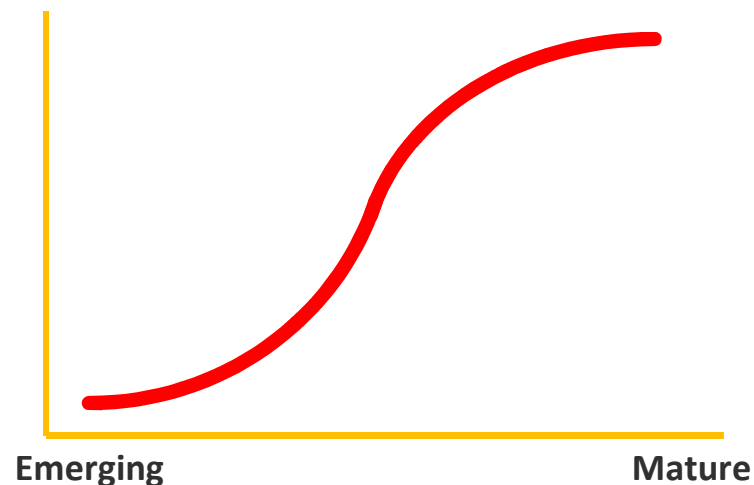
IFC Performance Standards on  
Environmental and Social Sustainability  
Effective January 1, 2012



These efforts have, generally-speaking, raised all boats

Company performance has matured

- Fewer material corporate responsibility concerns are emerging
- Gaps between companies' performance have shrunk
- Gaps often remain between company commitments and on-the-ground performance



Two questions define new dimensions in corporate responsibility for mining and metals companies

- What are the emerging issues that can affect our business and what can we do about them?
- How can we distinguish ourselves from our competitors with improved performance and reputation?

Reputation is the cumulative outcome of the quality of the relationships you forge and on-the-ground performance

The answers to these questions must have a strong business case



### Indigenous rights and Free, Prior and Informed Consent

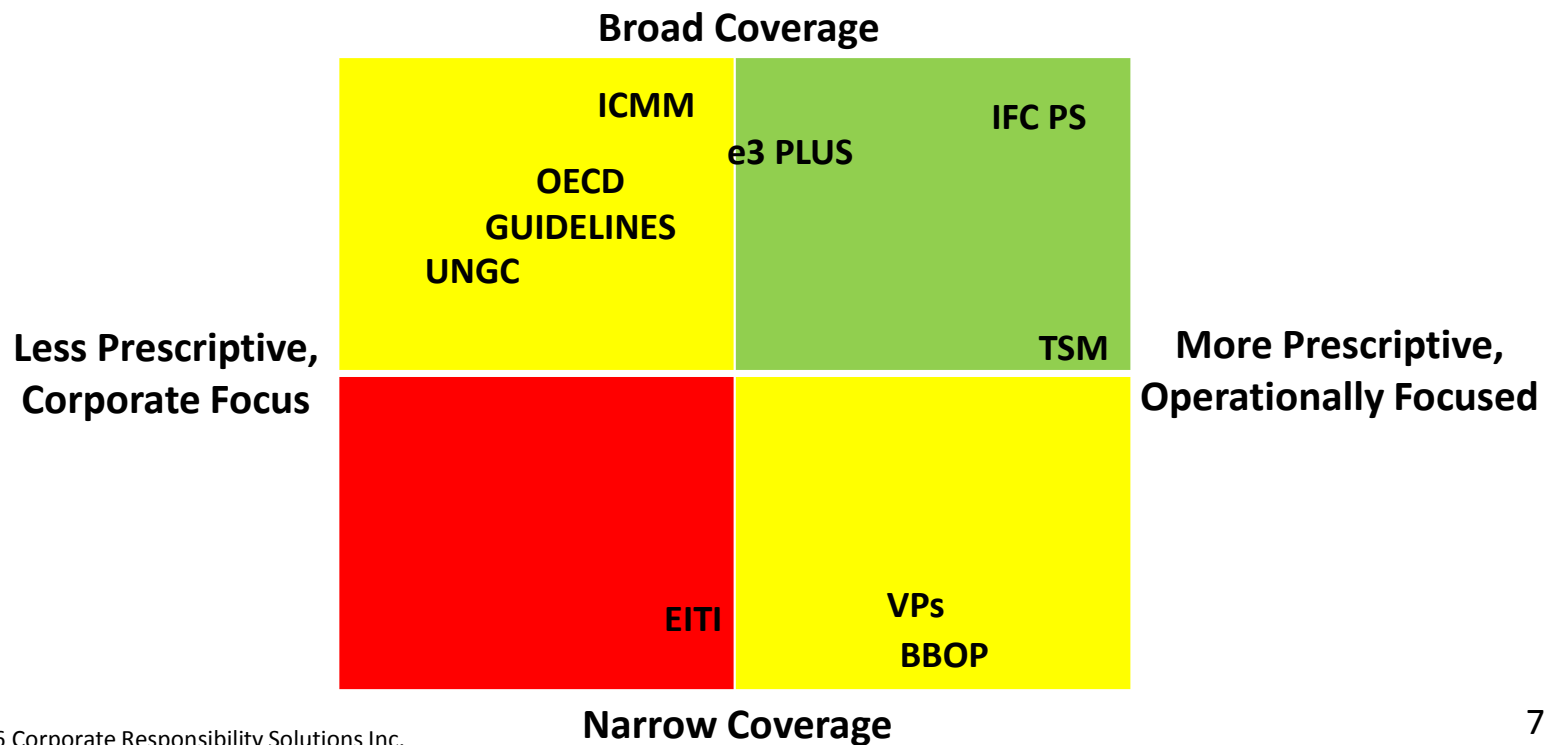
- Self-determination and catalyzing the development of truly sustainable communities
- Embracing the ambiguity

### Human rights vs. social justice

- There is a widely accepted set of human rights
- Social justice is fraught with ambiguity
- There is a wide spectrum of grey between these two which can create difficulties for our sector



Navigating the value of the increasingly numerous and complex international best practice standards



### Revenue transparency

- Influencing governments to improve their reporting on how mining-related revenues are spent

### Loss of institutional knowledge

- The impending retirement of a generation of experienced corporate responsibility will create challenges for the industry
- Will the mistakes of the past be repeated?



Demonstrate that you do what you say by adopting mine-site standards and associated assurance

- Encourage metals end-users to require the adoption of standards
- Initiative for Responsible Mining Assurance



External stakeholder advisory panels to challenge and criticize all aspects of corporate responsibility performance

Challenged assets

- Revisiting difficult projects to create potential opportunities

Develop and implement comprehensive management systems

### External reporting and the Global Reporting Initiative

- How to embrace integrated reporting and retain annual corporate responsibility reporting



### Engaging with the financial community

- Ethical investing is becoming mainstream and this will place additional requirements on our sector
- Semi-annual corporate responsibility calls
- Encouraging sell-side analysts to understand and incorporate these issues into their analysis

The playing field in corporate responsibility has been levelled by its rapid evolution, creation of standards and lack of new, material issues

It is increasingly challenging for mining and metals companies to distinguish themselves in corporate responsibility

Nevertheless, there are both emerging issues and mechanisms to improve performance and reputation that offer ways for forward-looking companies to create competitive advantage