

Rethinking health and safety in Mining - what is an organizations responsibility?

I recently presented at the DRC Mining Week Digital Event on a new "modus operandi" for health and safety in mining. There was some good dialogue and I have had multiple follow ups and conversations since on an organizations responsibility. Thought it would be good to share some views on this.

In the past few weeks alone there have been various health and safety incidents in the news. Despite the extractives and industrials industries existing for centuries, with focus on health and safety and a host of advanced H&S measures in place, people are still getting injured and dying. Covid-19 has certainly added its own sets of challenges to the mix, with mining companies having to make decisions on keeping mines open, having minimal operational presence and ensuring the safety of those that continue to work. One of the main implications that faced the mining companies was health and safety in general of their employees and host communities, and whether its a factor of their mining operations or not – but more importantly – what their duty is in this time. Despite what we all might hope for - this is not a one off: there will no doubt be other phenomena and risks as the global operating environment becomes more volatile with increased risks relating to climate change, pandemics etc. As a result, mining and other companies are re evaluating their role around health and safety, not just from an employer perspective, but from a human rights and ethical perspective!

It is fair to say that Covid-19 has placed a spotlight on the need for more ethical business practice and a higher standard to aim for across industries. Mining is indeed, one of the sectors that has seen some of the more extreme examples of unethical or questionable business practices (mining accidents, damage to water supplies, exacerbating or complicity in gender-based violence, resettlements of communities) - there is no shortage of scrutiny and negative press in the mining space. Alongside this, the expectations of people and regulators are rising and there is a fairly pervasive view that business is not doing enough. There is immense public and media scrutiny of business, with real separation being drawn between the wheat and the chaff, and there are signals that businesses are embracing ethical principles for the longer term. This raises the question - What is an organizations responsibility to their employees, stakeholders and the broader community?

In general, we have seen a shift across business towards a more expansive view of key external stakeholders. Historically, the buck stopped with owners, investors and direct users, but now there is a recognition that a companies responsibility extends well beyond this. We are seeing shifts in sectors such as tech and FMCG where 2nd and 3rd order effects are being considered in the remit of evaluating

stakeholder impacts. In mining, there is a strong ethical case for taking a more expansive view of responsibility: we find ourselves in scenarios whereby foreign demand for natural resources is met by companies who are not sufficiently accountable to citizens of those lands/communities and whereby communities lack the information or channels of influence (e.g. due democratic process) to have a say in the management of their own resources or land. This raises some big questions around the extent to which the ethical principles of popular sovereignty, property and land rights are being realised. Based on these principles, mining companies have a clear responsibility to the communities and citizens of lands - both individually and collectively in the form of interest groups, community associations etc. (in which they are operating) and to national/local governments (particularly representative democracies) as the structures and institutions representing the interests of communities.

Over the past few months, we have seen many organizations face some of the most difficult decisions they have had to deal with. Leaders have had to make ethical decisions that impact thousands of direct employees and even more so indirectly. We have certainly seen organizations step up to the plate and really consider their ethical responsibility to their employees, their stakeholders and broader society.

In order for mining companies to address ethical decision-making, it is important to turn to and subscribe to relevant accountability enhancing policies and instruments: For instance, a legal regime already exists in terms of natural resources and the right of peoples. The right to freely dispose of their natural resources is affirmed in art. 1 of the 1966 International Covenants on Civil and Political Rights, and Economic, Social, and Cultural Rights. In addition, many policies for supporting public accountability in resource-exporting countries are already in existence. These focus on transparency, anti-corruption, resource validation (e.g., US laws require corporations to perform due diligence on supply chains if there is a suspicion that products may contain conflict minerals), commercial disengagement to prevent foreign revenues from empowering unaccountable state or non-state actors, and revenue distribution. These necessary policies to strengthen public accountability already exist. But ethical decision-making is not just about bare minimums and what you HAVE to do according to law and regulation, but rather what businesses CAN do and what they have the POWER to do.

So what can mining companies do when rethinking health and safety or broader / bigger decisions?

Use businesses voice to help shift incentives to strengthen popular sovereignty through public accountability (e.g. making Ruggie principles mandatory)

Zaheera Soomar, June 2020, Doctorate in Business Administration
Haskayne Business School, University of Calgary

Ensure organizational values, principles and purpose are robustly integrated into decision-making processes across the organization - guarding you to always do the right thing.

Extend beyond general and courtesy engagement with miners and communities themselves to inform decision-making processes: help strengthen their awareness, understanding and voice to make informed contributions and give consensus.

About the author:

Zaheera Soomar has over 17 years of experience leading on business strategy, sustainability, organisational culture and large-scale transformation across multiple industries. Her main expertise lies in the oil & gas, mining, public/ government, education and tech & telecom sectors. Zaheera has worked extensively across Africa, Middle East, Europe, and North America advising both C-Suite leaders and working at the front line to drive change. She has an MBA from UCT GSB and is currently doing her Doctorate through Haskayne Business School. Zaheera sits on the board of a few organizations focused on women empowerment, diversity and inclusion and implementing change in the public sector.