



# Unpacking the Social in ESG: What this means for how industry works with communities

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Australian Government  
Department of Industry,  
Science and Resources

**AusIndustry**  
Cooperative Research  
Centres Program

CRC  
**TiME**  
Transformations in Mining Economies



CRC TiME acknowledges the Traditional Owners of the lands on which we meet today.

We pay our respects to Elders past and present.

We also acknowledge other Aboriginal and Torres Strait Islander people here today.





## Who we are

- Part of Australia's flagship innovation program
- World's only dedicated research organisation examining mine closure and post-mine transitions
  - Economic
  - Social
  - Governance
  - Environmental
- Our mission is to bring together diverse partners to help reimagine and transform mine closure and transitions for the benefit of all Australians.



# What I've heard

**I'm just a geologist.**

I'm focused on making a big discovery – that hopefully leads to a mine.

Why can't I just focus on my work?

How can I make a difference?

What is being expected of me?

Why do I keep getting these information requests?





## But ...

Project geologists are one of the first people communities meet.

You'll probably be held responsible for past poor behaviour by others.

Your decisions will shape how people see and feel about the project.

Getting this 'right' increases the chance of taking a discovery to a mine.

# TAKING A WIDER LOOK

## Social used to mean:

- Regulatory compliance (e.g native title, land rights, cultural heritage, social impacts)
- Local jobs and training
- Local spend
- 'A social licence' from a 'community'

## Social

- Focuses on people, communities and their wellbeing, relationships, rights and interests as well as the relationships between these

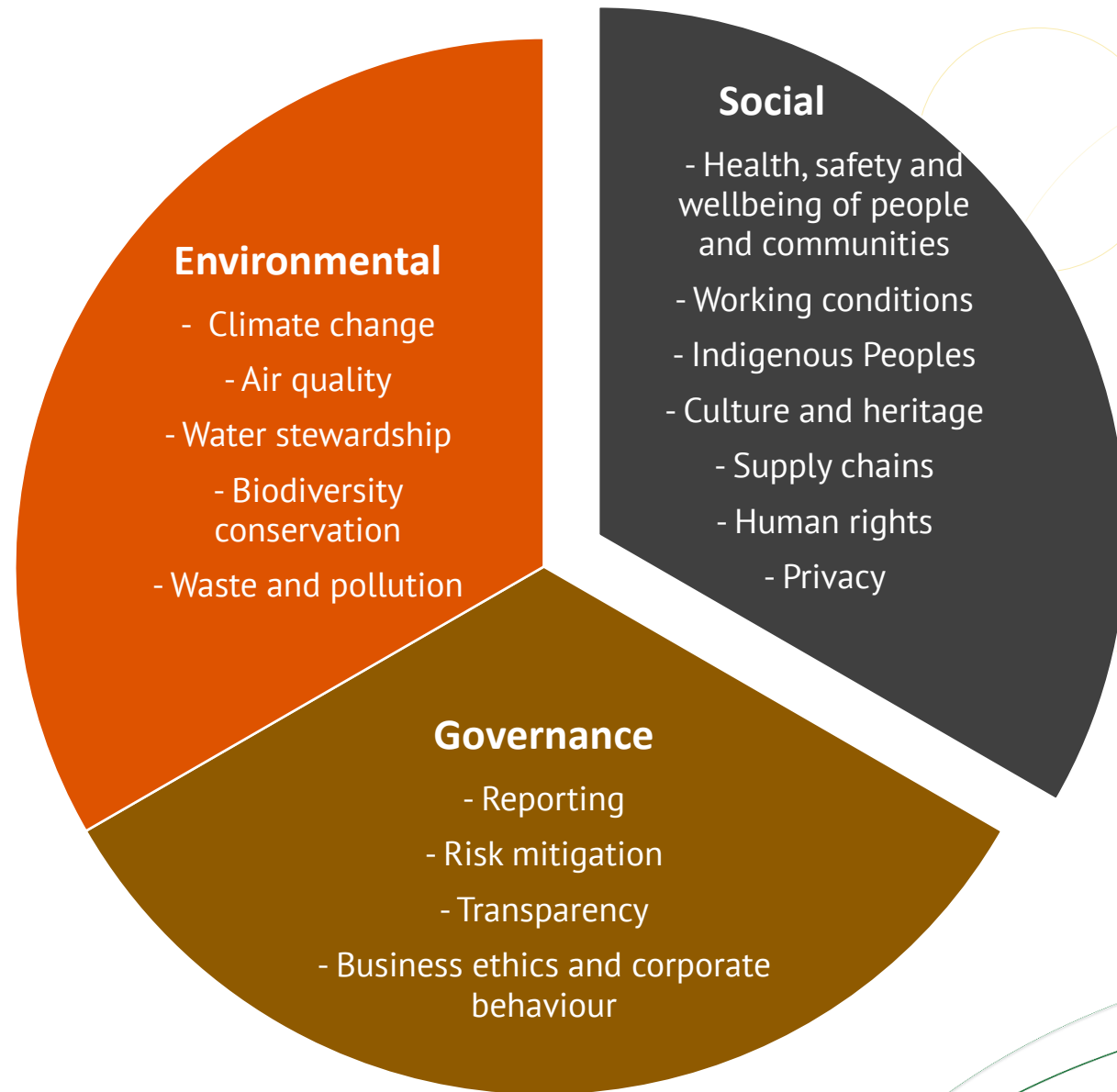
# TAKING A WIDER LOOK

## ESG

- Criteria used to evaluate impact and performance
- Usually looks at risks *to organisation* from these factors
- But now commonly used as a 'catch all' for any social, cultural, governance, economic or environmental matter

## Sustainability

- Usually used to describe company's practices and broader impacts



# CHANGING NATURE OF BUSINESS RISK

Our working environment is changing.

- Traditional Owner relationships: From consultation to consent
- Reliance on regulatory requirements is often insufficient – decision-making is increasingly decentralised
- Finance, investor and customer expectations<sup>1</sup>
- Increased competition for land + scale of change in remote/regional areas
- Transparency and reporting expectations
- Being an essential resource does not build support.

1. EY, ['Top 10 business risks and opportunities for mining and metals in 2024'](#), viewed 14 November 2023.



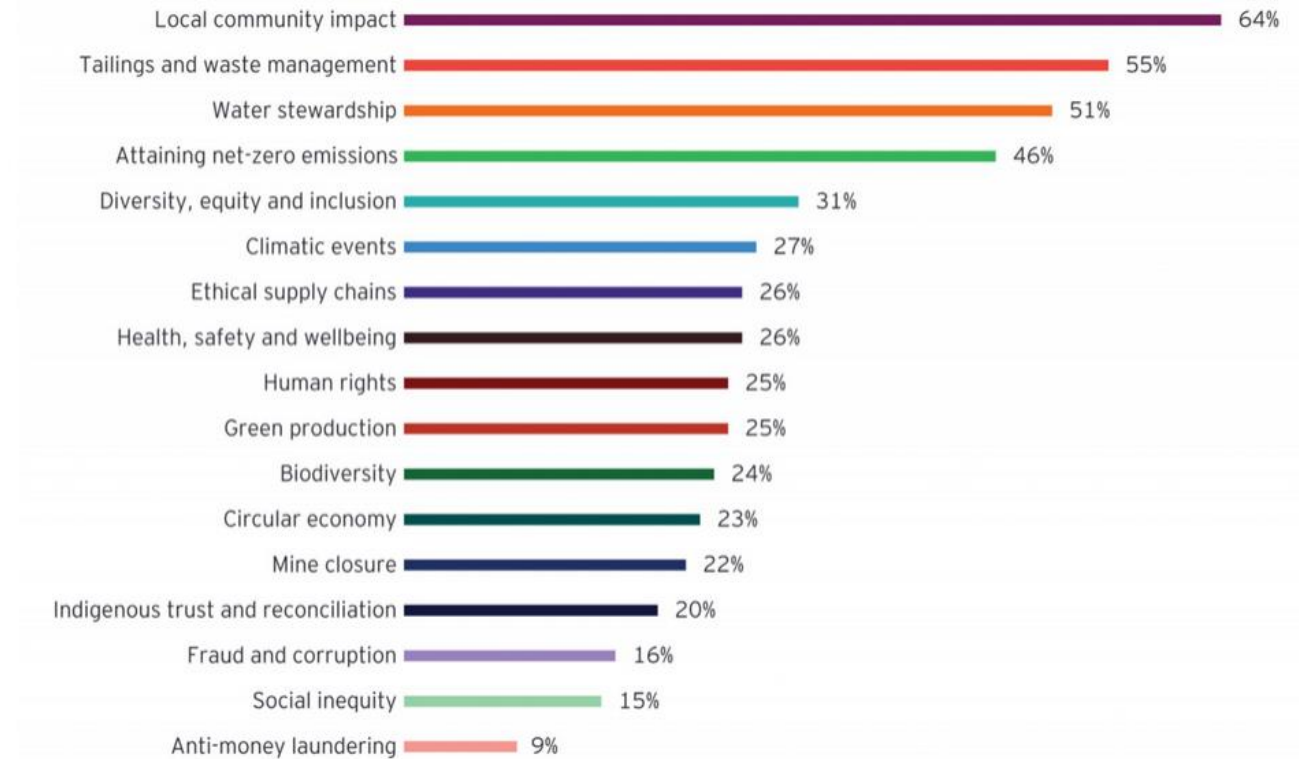
# CHANGING NATURE OF RISKS

Traditionally, focus was impact to people and communities from activities.

Social risks – rather than technical, economic – to activities *from people and communities to organisational activities* are now the greatest risk.

Seven out of 17 relate to the 'S' in 'ESG'.

Which are the ESG factors facing the most scrutiny from investors in 2024?\*



EY, [‘Top 10 business risks and opportunities for mining and metals in 2024’](#), viewed 14 November 2023.

# TAKING A WIDER LOOK

All ESG factors are in tension with each other – including the social dimensions.



# WHAT THIS MEANS FOR EXPLORATION

- Traditional Owner and community representative involvement in exploration licence award processes
- Equity partnerships with Traditional Owners and other landholders
- Think beyond jobs and employment – although still important
- Increased monitoring and reporting requirements

Court orders consultation with First Nations before granting mineral claims in BC

## Aboriginal backing for \$3b Kimberley hydrogen project





# PRACTICAL TIPS

Focusing on the 'S' in ESG, at the discovery phase



# UNDERSTAND THE CONTEXT

- Invest in technical community and social expertise - early
- Know about the skeletons and issues
  - What happened before?
  - What did other companies commit to? Did they deliver?
  - Why didn't other projects succeed?
  - How do people get their information?
- Recognise there is no one 'community'
  - Only networks of people, with interlapping connections, interests and needs
  - Each 'community' is different – with its own history, values and priorities
- Balance engagement across Traditional Owners, pastoralists, other landholders and communities

# FOCUSING ON PEOPLE



- **Respect First Nations rights and interests**
  - Rights are about people
  - Differentiating based on title can create challenges
  - Recognise differences between UNDRIP and legal frameworks
  - Understand differences between custodians and agents
- **Ensure senior leaders are present and engaged**
  - Head of project should always engage first – even division director if possible
  - Ensure direct relationships with senior leaders
- **Don't rely on lawyers**
  - People build relationships based on time and mutual respect
  - Laws provide minimums and boundaries



# WHAT YOU CAN DO



- **Take time and care**
  - Most people and organisations are time and resources constrained – require support and patience
  - Quality of engagement over quantity
- **Deliver and monitor commitments together**
  - Focus on what is important locally and decide together
  - Monitor progress against commitments together
  - Share progress beyond direct contacts as appropriate
- **Be clear and realistic**
  - Be conservative when describing community support
- **Close out**
  - Be prepared for staff changes – and plan accordingly
  - Close out engagement at the end of each cycle
  - Advise of company announcements or if tenement is sold, released



# REFLECTIONS

- The 'S' in 'ESG' is here to stay
- 'Social licence' is an industry term - people think about what matters to them and their wellbeing
- Invest in the right skills and capacity
- Understand the context – and continually review and adjust
- Recognise the difference you can make.



**Thank you**  
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