

MANAGING OUR RISKS CONTINUED RESPONSE/MITIGATION TO OUR RISKS

5. PUBLIC PERCEPTION AGAINST MINING


RISK DESCRIPTION

Across the world, public opinion is wary of the potential adverse social and environmental consequences of mining operations. This sentiment is manifested through increased regulatory obligations for mining companies and increased social activism by communities and other grassroots organisations.

RESPONSE/MITIGATION

Communities are our strategic partners. To win and maintain their trust, we must show understanding and effective engagement, and be accountable for our impact. Our well-established programme for community engagement includes:

- Increased understanding and accountability:
 - Monitoring public opinion within local and international media.
 - Holding continuous dialogue with our key local stakeholders through formal and informal meetings.
 - Carrying out social baseline, human rights and perception studies to better understand our positive and negative impacts. From the 2017 perception studies carried out at each mine unit by a specialised third party, social programmes were developed to address their main concerns.
 - Operating a grievance mechanism to address stakeholder concerns.
- Purposeful and aspirational engagement with local communities:
 - Maintaining a Social Investment Portfolio to create long term value, aligned with the UN Global Goals for sustainable development. We have identified four pillars where we can make a real difference: Education, Water, Health and Capacity building.
 - Partnering with NGOs in these four pillars of social investment: Education (IBBY, INNOVEC & First Robotics), Water (Captar AC), Health (National University Foundation) and Capacity Building (ProEmpleo).
 - Engaging with municipal authorities to invest the resources of the Mining Tax Fund in infrastructure projects that benefit our neighbouring communities.
- Collaborating with peers in the international and Mexican mining community to promote the benefits of the mining industry and responsible mining practices.

 See Community Relations in the Social and Sustainability Review, pages 81-84 for more information.

DESCRIPTION OF RISK LEVEL

We have maintained our social licence to operate in our communities. Continuing to maintain and protect this licence demands strong collaboration with the local community and stakeholders.

There are multiple examples of how years of protests and demands have led to the cancellation of projects not only in the mining industry, but also in Mexico in general. Objections are not only from local communities, but also from local and international NGOs as well as regulators working to meet high expectations and pressure from governments. We continue to perceive this complex issue as a high risk.

KEY RISK INDICATORS

- Number of local actions by non-governmental organisations (NGOs) or other local social groups against mining, by region.
- Number of actions by NGOs or other local social groups against mining in the Americas.
- Number of media mentions related to demonstrations against the mining industry.

RISK APPETITE

LOW

Risk rating (relative position)

2018: High (5)

2017: High (5)

LINK TO STRATEGY



CHANGE IN HEAT MAP

