GUIDANCE NOTES

1. ADOPT RESPONSIBLE GOVERNANCE AND MANAGEMENT

Objective: To base the operation of exploration on sound management systems, professional excellence, the application of good practices, constructive interaction with stakeholders, and the principles of **sustainable development**.

Introduction

Governance consists of management structures and processes that determine how decisions are made. Responsible corporate governance is fundamental to the implementation of the Principles and Guidance Notes. Responsible governance enables an organization to:

- Establish a clear vision and direction to achieve objectives;
- Promote credibility, trust and broad acceptance of its decisions and actions;
- Build constructive relationships;
- Improve performance; and

- Manage risks more effectively.

Responsible governance should be based on:

- Respect for the rule of law;
- Transparency, accountability, reliability and cooperation;
- Ethical conduct, honesty and integrity;
- Fairness and equity;
- Awareness of its impact on others;
- Respect for the interests of others; and
- Inclusion and participation of others in decisions that affect their interests.

Corporate Capacity

It is recommended that, from the outset, explorers:

a. Develop, implement and make public policies and procedures for corporate governance, ethics and sustainable development, and ensure that project personnel have knowledge, awareness, and training in all corporate policies and procedures;

b. Set performance objectives at the corporate and project level to achieve stated commitments and provide the resources necessary to meet these commitments;

c. Employ persons with experience, qualifications and, where appropriate, certification/accreditation relevant to the tasks required. Assign and clarify their roles, responsibilities and authority for achieving stated commitments;

d. Identify where additional training is necessary for employees and contractors to meet their responsibilities and ensure that such training is provided; and

e. Where necessary, seek the advice and assistance of specialists to fill **capacity** gaps in the understanding and management of social, environmental, **human rights** and **security** issues, **health and safety** issues, and the application of **traditional knowledge**.

Legal Compliance

Explorers must:

a. Identify and meet the legal and regulatory requirements of the jurisdiction in which they are operating; and

b. Communicate the relevant requirements for compliance to employees and contractors and provide the resources necessary to meet these requirements.

Explorers are strongly advised to go beyond the legal requirements when local law, or its implementation, is not sufficient to meet the level of **international good practice**.

Relationship with Contractors

Explorers are advised to hire local contractors and, if necessary, provide instruction and training so that it is possible to ensure all contractors and subcontractors follow the company's social, environmental, and health and safety policies. Compliance with such policies can be made a contractual

obligation in agreements for services or supplies. A process for monitoring and enforcing compliance is recommended.

Interaction with Governments

Explorers are encouraged to develop a plan for positive interaction with all levels of government (national, regional, local, indigenous) in the areas where they are operating. This interaction can help support and strengthen government policies and practices that affect responsible exploration.[5]

Involvement of Civil Society

It is recommended that explorers become familiar with the knowledge, skills, capacity and resources that exist within civil society and non-governmental organizations, particularly in the areas of social, environmental, local economic

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[5]   *In many cases, explorers may find it practical to undertake such activities by participating in national and regional industry associations or similar private sector advocacy groups.*

development, and human rights issues. Explorers are encouraged to assess the extent to which the involvement of civil society can assist in creating conditions that will support responsible exploration.