

## **GUIDANCE TO ACCOMPANY THE PRINCIPLES**

### **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 these Principles and Guidance. 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 of them. 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 management of social, environmental, human rights and security issues, and the application of traditional knowledge.<sup>1</sup>

### **Legal Compliance**

Explorers should meet the relevant legal and regulatory requirements of their home country and, when considering the situation of an exploration project, are advised to:

- a. Identify the legal and regulatory requirements of the host country for the project that are relevant to exploration activities, including international commitments made by the host country, and also relevant international standards and good practice;
- b. Meet the legal requirements of the host country;
- c. Apply international good practice where national law or its implementation is not sufficient to meet the higher standards of performance; and
- d. Communicate the relevant requirements for compliance to employees and contractors and provide the resources necessary to meet these requirements.

### **Relationship with Contractors**

Explorers are encouraged to hire local contractors and, if necessary, provide instruction and training so that it is possible to bind all contractors and sub-contractors to corporate social, environmental, human rights and health and safety policies by mandating compliance with such policies as a contractual obligation in all contracts for services or supplies, and to have in place a process for monitoring and enforcing compliance.

### **Interaction with Governments**

Explorers should respect the role of government and, if possible, develop a plan for positive interaction with all levels of government (national, regional, local, indigenous) with a view to supporting and strengthening policies and practices that endorse human rights, environmental management and protection, and sustainable development.<sup>2</sup>

### **Involvement of Civil Society**

Explorers should recognize that considerable knowledge, skill, capacity and resources exist within civil society and non-governmental organizations, particularly in the areas of social, environmental, local economic development and human rights issues. Explorers are encouraged to assess the extent to which the involvement of civil society can assist in enabling conditions for undertaking exploration projects.

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<sup>1</sup> Traditional knowledge encompasses the beliefs, knowledge, wisdom, values, teachings, practices, innovations, arts, spirituality, and other forms of cultural experience and expression created by indigenous and tribal communities. In many cases, traditional knowledge is preserved and transmitted orally between individuals and generations and expressed in the form of stories, legends, rituals, songs or laws.

<sup>2</sup> In many cases, explorers may find it most practical to undertake such activities by joining and supporting national and regional industry associations or similar private sector advocacy groups.