

GUIDANCE TO ACCOMPANY THE PRINCIPLES

2. APPLY ETHICAL BUSINESS PRACTICES

Objective: To have management procedures in place that promote honesty, integrity, transparency and accountability.

Introduction

Honest, ethical conduct strengthens organizations by creating an environment of accountability, credibility and trust that enhances confidence in them from employees, shareholders, communities, indigenous people (if present), and other stakeholders. Dishonest and unethical practices can have a negative impact on the poor and vulnerable groups in society and a corrosive effect on the natural environment and human rights. Explorers should ensure that a high level of ethical conduct exists in their organizations and work to counter corruption and to promote honest, honourable conduct in the communities in which they operate.

General Aspects

Explorers should carry out all exploration activities in an ethical and transparent manner and are advised to:

- a. Adopt and make public a statement of commitment to ethical standards and integrate ethical standards and auditing for compliance with ethical standards into governance procedures;
- b. Communicate ethical standards to employees and provide training on how to recognize and handle situations where ethical standards might be compromised;
- c. Encourage the reporting of breaches of ethical conduct by adopting and making public policies and procedures that facilitate and legitimize the action of ‘whistle blowers’;
- d. Avoid complicity in the ethical misconduct of others; and
- e. Report violations of the law to the appropriate authorities.

Conduct of Exploration

Explorers are advised to:

- a. Identify and apply the least socially or environmentally invasive or destructive field procedures while achieving the objectives of an exploration program (see also Principles 4 & 7); and
- b. Be consistent in communicating, negotiating with, and managing relationships with local communities and other interested parties throughout the life of a project and periodically review and audit for compliance with established procedures (see also Principle 5).

Collaboration with other Explorers

Where possible, collaborate with other explorers by sharing information and experience in the management of social and environmental issues so that the risk of creating conflicts or unnecessary environmental harm is avoided or mitigated.

Transparency and Accountability

It is in the interest of explorers to disclose any and all information that, subject to the constraints of business confidentiality and cost, is relevant to their activities and will help remove doubt as to the environmental or social performance of an exploration project. It is, therefore, recommended that explorers consider the following actions:

- a. Adopt and make public policies and procedures for transparency and the full, true and plain disclosure of information to interested parties and affected populations;
- b. Provide complete and timely disclosure of information using language that local populations will understand (jargon free, non-technical vocabulary, using the language of the receiving population, etc.), and employ mechanisms to distribute such information that enable equal and open access to such information (see also Principle 5);
- c. Provide full, true and plain disclosure of projects related social and environmental information to local communities, indigenous people (if present), shareholders, and other stakeholders and include strategies and/or plans to manage and/or mitigate risks (see also Principle 5);
- d. When information is withheld, disclose the reasons for it being withheld;
- e. Provide timely, complete and objective reporting on all activities in a standard format that allows comparison of company performance over time; and
- f. Demonstrate accountability by adopting processes, preferably involving independent third parties, to verify company actions and compliance with corporate policies and objectives for transparency, and applicable industry good practice.

Bribery, Corruption and Conflict of Interest

Explorers should not offer, promise or give a bribe to, or demand or accept a bribe from any government, public or elected official, member of the armed forces, police, or any other individual or organization. Explorers should also not condone or knowingly benefit from a bribe or other improper advantage. Similarly, explorers and the officers and employees of exploration companies should declare and remove themselves from any real or apparent conflict of interest. It is recommended that explorers:

- a. Adopt, and make public, policies and procedures to eliminate bribery, corruption and conflict of interest;
- b. Provide instruction and training to personnel on how to properly handle situations in which bribes are suggested, requested or demanded, or where conflict of interest may arise; and
- c. Promote and apply practices that disclose and make transparent any payments to third parties and all agencies of government.