

### **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. This can lead to increased confidence of employees, shareholders, communities, indigenous peoples, and other stakeholders within the company. Explorers should ensure a high level of ethical conduct in their organizations and in their interactions with others.

#### **General Aspects**

Explorers, their employees and contractors should carry out all activities in an ethical and transparent manner. This includes the need to:

- a.** Adopt and make public a statement of commitment to ethical conduct and integrate ethical conduct and auditing for compliance into governance

procedures;

- b.** Communicate ethical conduct standards to employees and provide training on how to recognize and handle situations where these 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 field procedures that minimize or mitigate any adverse impacts on the environment or local communities while achieving the objectives of an exploration program (see Principles 4 and 7);

- b.** Be consistent in communicating and managing relationships with local communities and other interested parties throughout their project; and
- c.** Periodically review and audit their own compliance with their established CSR policies and procedures (see Principle 5).

### **Collaboration with other Explorers**

Where possible, it can be helpful to collaborate with other explorers by sharing information and experiences in the management of social, environmental, and health and safety issues so that the risk of conflict, misunderstanding, or adverse impacts is reduced.

### **Transparency and Accountability**

It is in the interest of explorers to disclose any and all information that, subject to the constraints of business confidentiality, is relevant to their activities and will help remove doubt as to their performance. Explorers are therefore advised to consider the following actions:

- a.** Adopt and make public policies and procedures for transparency and the full, true and plain **disclosure** of information to stakeholders and other affected and interested parties;
- b.** Provide information in language that local populations will understand (jargon free, non-technical vocabulary, using the language of the local population, etc.), and employ mechanisms to distribute the information that enable equal and open access (see Principle 5);
- c.** Provide full, true and plain disclosure of information on the social and environmental impacts of projects to local communities, indigenous peoples, shareholders, and other stakeholders. Include strategies and/or plans to manage and/or mitigate risks (see 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 that, where possible, involve independent third parties to verify company actions and compliance with corporate policies.

### **Bribery, Corruption and Conflict of Interest**

Explorers, their employees and contractors must 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, their employees and contractors should not condone or knowingly benefit from a bribe or other improper advantage. Similarly, explorers, their employees and contractors 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 interests;
- b.** Provide instruction and training to personnel on how to properly handle situations in which bribes are suggested, requested or demanded, or where a 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.