

How can you achieve better value from sustainability assurance?

This quarter, we wanted to tackle a difficult question: How can the sustainability assurance process create value for your organization? In other words, how can you get value out of sustainability assurance beyond the benefits of fulfilling membership requirements and receiving accolades for performing well? These are questions that most professionals involved in the assurance process at both corporate and site levels frequently ask themselves.

When evaluating areas that could be cut, sustainability assurance programmes are often considered to be expendable because the return on investment is not well understood or immediately measurable. To determine the validity of this strategy we examined what value is derived from sustainability assurance. Interviews and surveys were conducted with approximately 30 mining professionals from the precious metals, base metals, ferrous and non-ferrous, in Canada to determine how they used sustainability assurance and what impact it had on their role within an organization. In doing so, we have identified how and why sustainability assurance creates value for companies. Value, as defined here, encompasses more than monetary value. Many intangibles, like a company's privilege to operate, improved stakeholder reputation and brand recognition as an industry leader, define value.

67% of respondents use sustainability assurance to **evaluate** their sustainability goals.

44% of respondents use sustainability assurance to **manage** their sustainability goals.

56% of respondents use sustainability assurance to **set** their performance objectives.

Respondents to our survey identified a variety of frameworks used including the Global Reporting Initiative (GRI), Mining Association of Canada's Toward Sustainable Mining (TSM), the International Council for Mining and Metals (ICMM) Principles, the UN Global Compact, and ISO certifications. Respondents agreed that sustainability assurance helped their company evaluate its sustainability goals and, particularly in the case of TSM, helped align corporate and site goals.

"What are the benefits derived from performing well on sustainability assurance?"

- Confirmation that HSE systems and controls are working effectively
- Reputation and credibility with stakeholders (including shareholders and investors)
- Privilege to operate
- Internal communications and alignment with corporate KPIs
- Opportunity to receive feedback and improve sustainability systems

It was clear from our research that disconnection between corporate and site is very common and the sustainability assurance process tends to highlight this issue. Instead, flip this problem on its head and use the assurance process to bridge the gap between corporate and site.

We found that the sustainability assurance process:

- **Validates** that operating procedures and management systems are good and working effectively. For more junior companies, sustainability assurance validates the need for systemization to manage risks.
- Increases **confidence** that efforts are on track, which translates into confidence with stakeholders.
- Builds **credibility** for sustainability within the organisation and can help win ground with 'naysayers'.

Our recommendations:

1. Set goals and identify key performance indicators with input from corporate and site teams.
2. Create a baseline, measure against it and report it. Communication will move corporate and site teams towards alignment.
3. Make improvements based on your goals and have a third-party do the audit. This will increase confidence that your systems are working and you are moving toward a desired end goal.
4. Sustainability assurance is valued differently depending on your perspective i.e. site or corporate. At the start, conduct internal consultation and ask 'what do you want out of this assurance process?' For example: to build communications with communities, to validate investment in sustainability with the board of directors, or to demonstrate the need for sustainability programmes to the executive level. Asking corporate and site teams what they want from an assurance process will increase understanding and close the gap between corporate and site.

Contact us if you have any questions or comments: sabrina@sabrinadiasconsulting.com or kyle@sabrinadiasconsulting.com

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