

The State of Corporate Social Responsibility (CSR): A Framework to Promote Community Gains from Mines in North-Western Province of Zambia

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Abstract

The study explores the current state of CSR exhibited by mining firms in North-Western province of Zambia. An argument is made that mining firms are not doing enough for the province through their CSR programs. The study uses content analysis to examine sustainability reports of two leading mining firms in the North-Western province of Zambia namely, Barrick Gold Corporation (BGC) and First Quantum Minerals Limited (FQML). Thereafter, the study engages various stakeholders through Focus Group Discussions (FGDs), interviews and a survey questionnaire to probe deeper the results of the content analysis and corroborate the evidence obtained from the mining firms. The study employs statistical methods and thematic analysis to analyze the primary data collected from the respondents. The study results indicate that the current state of CSR exhibited by the mining firms neither meets the expectations of the people in the province nor promotes gains in the host communities. CSR programs are only used to maintain the social license of the mining firms and to legitimize their existence in pursuit of maximizing profitability of the firms. The study contributes to the CSR literature by developing a framework that promotes community gains from CSR discharged by mining firms. The study results may also help the mining industry regulators to formulate future social and environmental responsibility indicators that may encourage mining companies to disclose more useful information to enhance the “quality” of disclosures in the mining industry. The two-stage data collection and analysis methods of content analysis and thematic analysis, together, add qualitative depth to our analysis which may help relevant stakeholders to improve their understanding of CSR practices in the mining industry.

Keywords: Corporate Social Responsibility, Mining, Multinational Corporations, Sustainable Development, Local communities, Zambia

1. Introduction

This study explores the current state of Corporate Social Responsibility (CSR) exhibited by mining firms in North-Western province of Zambia. An argument is made that mining firms are not doing enough for the province through their CSR programs. The mining sector is a controversial industry in society because it is beneficial as well as a threat to society. Consequently, various standards and principles for CSR in the mining industry have been developed around the world.

The mining industry contributes to a country's economy and affects the use of natural resources. A country's economy is also affected by its extraction industries (McMahon and Moreira, 2014). Mining is among the extractive industries that have grown rapidly in the past few years in many countries (Pietrobelli et al., 2018).

Mining firms have prominently impacted on social welfare (Esteves, 2008; Parker and Cox, 2020), economic improvement (Sagebien et al., 2008), and environmental management (Ruokonen, 2019) in Australia, Southern Africa, Canada, and Finland, respectively. "Social license," a term that was originally used to describe the relationship between local communities, organizational behavior, and CSR, is now used to represent community support during mining operations. The term is now used to prescribe standard that business firms should strive to meet (Hitch and Barakos, 2021). In central and eastern European and Southern African countries, mining firms have developed infrastructure and reduced poverty (Tsauroi, 2021). On the other hand, mining activities have been perceived to be harmful to the environment and society, in terms of not creating employment opportunities or contributing to the prosperity of the host communities (Suopajärvi et al., 2016). Despite regular reports and stringent disclosures, Non-Government Organizations (NGOs) are still doubtful about mining firms and their responsibilities (Dashwood, 2007). In consequence, sustainability, the contribution towards Sustainable Development Goals (SDGs), and CSR have gained importance and used in strategic decisions of the mining sector (Govindan et al., 2014). The belief that mining firms have a responsibility towards society is not something new. The business' concern for society can be traced to several centuries back (Carroll, 2008). However, it was after the 1930's and 40's that the role of managers and the CSR of organizations begun appearing in the literature (Carroll, 1999; 2015). Authors also started discussing the specific CSRs of firms and including the mines. Mining activities have been associated with a horde of impacts ranging from environmental, social, demographic, and cultural disruptions to economical (Vertigans et al., 2016). It is unfortunate that mining has not impacted poverty reduction raising concerns of resource curse literature and suggesting inverse relationship between resource endowment and poverty (Vertigans et al., 2016; Kasekende et al., 2016; Kabemba and Lange, 2018; Mbilima, 2019).

From the discussion above, it can be noted that an organization's CSR practices contribute to the welfare of both the immediate and distant owners. CSR can, therefore, be described as the obligation of a company to conserve the environmental or human resources in order to improve the standard of living of stakeholders who are an important indicator of sustainability.

Mining is the largest sector of the Zambian economy and accounts for 75% of exports and 10 % of total private-sector employment. As has been the case elsewhere in the world, however, the relationship between mining companies and their host communities has been fractious. In Zambia, that relationship has evolved at a rapid pace but with no clear agreement on the path towards sustainability (Mondoloka, 2017).

1.1 Overview of the Mining sector in relation to CSR

Guthrie et al. (2008) argue for the need to emphasize items considered appropriate for CSR and to be disclosed in each context. The term "sustainable mining" (Fonseca, 2010) has been questioned most of the time and this has resulted into the emergence of CSR and Securities and Exchange Regulation (SER) standards for the mining sector. Among them are the Extractive Industries Transparency Initiatives (EITI) human right violation and abuse in the mining sector. Consequently, mining companies' participation in CSR and voluntary SER standards suggests their acceptance of social and environmental responsibilities (Hilson and Maconachie, 2008; Fonseca, 2010).

As noted by Jenkins (2004: 27), “CSR and SER are a necessary activity in the current social and business climate as increased pressure on business performance also places a need for mining companies to distinguish themselves in a competitive marketplace”. Mining firms have contributed positively to the socio-economic development of host countries through Foreign Direct Investment (FDI), export earnings, tax revenues, income, and employment. Available lessons indicate that mining firms impact differently across countries due to many factors such as differentiation in policy guidelines, government incentives, and legal frameworks.

In Zambia, mines are expected to do more to stimulate economic growth and uplift livelihood through employment, skills transfer, supply chains and CSR. But no value addition occurs which is undermining the growth and competitiveness of local manufacturing and Small Medium Enterprises (SMEs). This has heightened the levels of mistrust by host communities and the perceptions of sub-optimal contribution of mining firms to economic development and sustainable development (UNDP, 2018).

1.2 Statement of the Problem

Zambia is a landlocked country whose main economic activity has been mining since it gained independence from Britain in 1964. Following the liberalization of the Zambian economy in the early 1990s, the mining industry has received huge Foreign Direct Investment (DFI) from Multinational Corporations (MNCs). This foreign capital inflow has not just revitalized the old mines but has also contributed to the opening of new mining companies in the country. Although MNCs are operating in many sectors of the economy those in the mining sector are still a source of great concern (Mbilima, 2021a, b).

North-Western province has a population of 727,044 and is the sixth poorest province in the country with 66.4% of the population living in poverty above the national average of 54.4% according to the Central Statistics Office (CSO) report of 2016. The (CSO, 2016) report also reveals that the living conditions of people in North-Western province have remained poor over the years. Yet, the province is endowed with a lot of minerals, such as copper, gold, emeralds, uranium, oil, diamonds, and other semi-precious stones. And massive mining activities are taking place in the province at a rapid scale.

While CSR is now being considered a must activity especially among firms listed at the Lusaka Stock Exchange (LuSE). Contemporary CSR strategy in Zambia’s mining sector is a ‘repackaging’ or ‘rebranding’ of moves made during the colonial period to pacify and engage host communities. Similar mining activities have failed elsewhere to deliver acceptable change when mining firms have flourished, (see Amponsah-Tawiah & Dartey-Baah, 2011; Hilson, 2012; Lauwo et al., 2016).

After reviewing the local literature (Feeney, 2001; Gilberthope et al., 2016; Mondoloka, 2017) mining firms have maintained that they have discharged CSR creditably well and fulfilled their obligations, but the host communities have argued otherwise during village and palace meetings, adding that the CSR exhibited by mining firms in North-Western province is superficial, void and meaningless to them. This is mainly because of the manner in which the firms operationalized their CSR programs. From this debate, it is evident there is a wide gulf in knowledge on the exact state of CSR, the meaning of CSR among stakeholders and why mining firms in host communities of North-Western province exhibit the observed states of CSR. Therefore, there is merit in this study because poverty levels in North-Western province do not seem to taper down despite the gains made by the mining firms.

1.3 Research Questions

Given the above problem and gaps, this study is designed to answer the following research questions:

1) How can extractive industry enclaves that are adjacent to local economies operate in a way that

is socially responsible, environmentally friendly, ethical and sustainable manner to promote community gains in North-Western province in Zambia?

The following are the subsidiary research questions that helped to answer the above question.

- a) What is the current state of CSR of mining firms in host communities in North-Western province?
- b) From the host community perspective, what is the expected involvement of mining firms in terms of CSR in North-Western province?
- c) Why do mining firms in host communities in North-Western province exhibit the observed involvement in CSR?

1.4 Aim of the Study

The aim of this study is to explore and examine the current state of CSR of mining firms in North-Western province in order to provide a framework that promotes community gains in North-Western province, and the country at large.

1.5 Research Objectives

The objectives are as follows:

1) Regarding research question number 1:

- To describe using the application of the tetrad of CSR what the current state of involvement in CSR by mining firms in host communities in North-Western province is like.
- To understand from the lived experiences of traditional leaders what the current state of involvement in CSR is like among traditional leaders and other stakeholders in host communities in North-Western province.

2) Relating to research question number 2:

- To describe using the application of the tetrad the actual involvement in CSR of mining firms in host communities in North-Western province.
- To understand from the point of view of traditional leaders and other stakeholders the actual involvement in CSR of mining firms in host communities in North-Western province.

3) Considering research question number 3:

- To determine using the theoretical integrative approaches to CSR, which theory accounts more for the involvement in CSR of mining firms in host communities in North-Western province.
- To understand from the point of view of traditional leaders and other stakeholders why mining firms in host communities in North-Western province exhibit the observed states of CSR.

1.6 Significance of Study

This study is significant for several reasons and the following are noted:

1. It is likely to contribute to the social and CSR literature by providing a framework that promotes community gains from CSR programs of mining firms.
2. The study results may help mining industry regulators to formulate future social and environmental responsibility indicators that may encourage mining companies to disclose more useful information to enhance the “quality” of decisions made in the mining industry.
3. The two-stage data collection and analysis method of content analysis and interpretative textual analysis, together, add qualitative depth to our analysis which will help stakeholders to improve their understanding of CSR practices in the mining industry.
4. This study contributes to the development of social and environmental accounting theory by operationalising aspects of Suchman’s (1995) typology of legitimacy which may help in enacting CSR in other contexts and sectors of the economy.

5. This study contributes to Zambia’s mining sector development debate by empirically assessing the state of CSR in North-Western province.

1.7 Theoretical Framework

In this study, more than one theory is used. The framework uses theories that will serve different purposes as follows:

1. For data collection (phenomenology).
2. For data analysis and interpretation of findings (phenomenology, The triple bottom line, Stakeholder theory, Carroll’s Pyramid of CSR, Social contract theory and Shareholder theory).
3. For the development of a framework to provide variables (and pragmatism).

Each theory is elaborated in the literature section.

Figure 1.1 below shows the theoretical framework for this study.

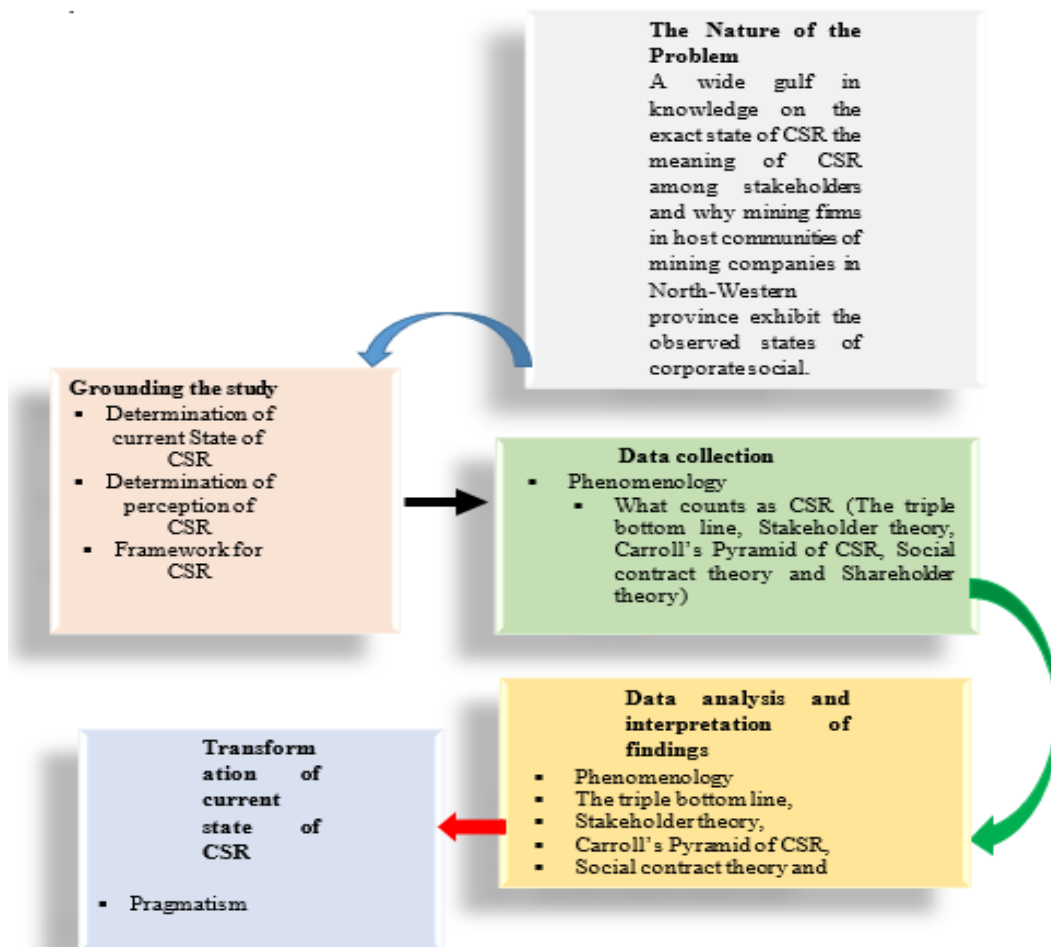
1.8 Scope of the Study

This study explores and examines the current state of CSR of mining firms that were fully operational in January 2024 in North-Western province of Zambia.

1.9 Limitations of the Study

The main limitation of the study is limited number of mining companies that were fully operational as of January 2024 and were implementing CSR activities in the host communities

Figure 1.1: Study Theoretical Framework



2.0 Literature Review

2.1 The Concept of CSR

The concept of CSR entails that firms should have a sense of moral, ethical and philanthropic duties for the society other than focusing on profit motives and compliance with laws and regulations (Ijaiya, 2014). According to Asif et al., (2013), CSR is a tool that is used by organisations to make their corporate practices more transparent and socially responsible. This means that CSR practices should be incorporated in the operations of the organization at all levels from top to the bottom.

In discussing CSR, it must be pointed out that organizations voluntarily engage in CSR initiatives although they are compelled to comply with laws and regulations of the communities they operate in (Masum et al., 2020).

In recent times, concerns have been raised about the sustainability and social responsibility of the mining industry because mining is widely regarded as one of the most environmentally and socially disruptive activities (Peck and Sinding, 2003). Equally, Warhurst (2001) notes that many of the environmental disasters or human rights incidents that have ignited public concern about CSR emanated from the mining industry. Most large mining firms are now required by industry regulators to disclose information covering all dimensions of CSR such as governance, social, economic and environmental performance metrics.

2.2 The global context of the role of CSR

White and Alkandari (2019), argue that CSR strategies cannot be separated from contextual considerations because countrywide environments shape CSR practice. Previous studies indicate that the subculture of a country affects CSR discharge (Adongo et al., 2019; Kucharska & Kowalczyk, 2019).

In the United States, CSR is mainly influenced by collaborations of the private sector, public corporations and the American Government. The Government of Canada inspires multinational Canadian agencies to operate ethically responsible so as not to damage the image of the entity as well as that of Canada (Brooks & Oikonomou, 2018). The Canada Government literally provides CSR guidelines for its Canadian corporations (Lamb et al., 2017). The Swedish Government on the other hand performs key CSR initiatives in-country and promotes CSR campaigns for their Swedish corporations (Corvellec & Stål, 2019).

In China, CSR has been driven by Government initiatives by the introduction of mandatory environmental and social responsibility reporting (Lee and Chan, 2017) and is mostly common among large-scale corporations. In Hong Kong, CSR is self-motivated and assumes a bottom-up approach among various stakeholder groups (Lee & Chan, 2017).

In the Middle Eastern countries, CSR and philanthropic support are driven by core Islamic cultural values (Ronnegard, 2009). Goby and Nickerson (2016) argue that religious values influence stakeholders' expectations in Dubai because of the Islamic culture.

2.3 CSR in African Context

Studies on CSR and extractives industries within Africa and Zambia in particular (Noyoo, 2016) have offered different insights on approach and critical variables to consider based on the experiences and perspectives of host communities. In recent times, the attention of CSR has shifted to benefits derived by host communities (UNDP, 2013). These benefits might be income and non-income, such as hiring of locals, use of mine infrastructure and equipment, community health or education programs.

Different interpretations of extractives' CSR have emerged (Mutti et al., 2012) focusing on three strategies: ethical, distributional, and developmental. Ethical focuses on concerns for economic, legal, ethical and philanthropy. Distributional strategies are concerned with short-term benefits distribution such as reducing

income disparities between mining workers and host communities. Developmental strategies focus on sustainable benefits for communities and local development, considering future generations.

Greater engagement with affected communities, it is argued, facilitates the development of mutually beneficial and appropriate CSR strategies for sustainable development. Recurrent perspective contends that only mines adopting inclusive policies and practices can contribute to SD (Hilson, 2012).

Effective discharge of CSR requires a foundation of robust regulations and enforcement which are lacking in many developing countries. Effective CSR models should incorporate trust and openness in assessment of project costs and benefits for local communities, including honest communication with relevant stakeholders. Similarly, without meaningful engagements with policy makers mining firms assume role of ‘surrogate Government’ which inflates stakeholder expectations. The foregoing insights mirror local perspectives on the CSR of mining firms in Zambia.

2.4 Theoretical Approaches to CSR

The traditional view of the corporation is that corporations exist primarily to make profits. From this money-centered perspective, moral dilemmas arise as the struggle for profit proceeds. Broadly, the following relevant theoretical approaches to CSR which addresses the ethical dilemmas and added corporate responsibilities are briefly discussed below namely; The Triple Bottom Line theory, Stakeholder theory, Shareholder theory, Social contract theory, and Carroll’s Pyramid of CSR,

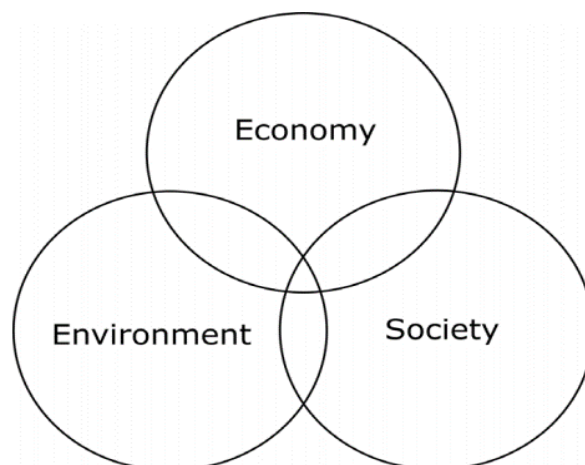
The Triple Bottom Line (TBL)

Before discussing The TBL theory, the concept of Sustainability Development (SD) ought to be defined. The World Commission on Environment and Development (WCED) defined SD as “development that meets the needs of the present without compromising the ability of future generations to meet their needs” (Harlem, 1987: 41).

The TBL theory of CSR dictates that corporations should tabulate bottom-line results not only in economic terms (costs versus revenue) but also in terms of social realms and the effect on the environment. The TBL of People, Planet and Profit, is a term coined by Elkington (1997). The most accepted model to describe sustainability and the TBL is the nested spheres model, also called the Venn diagram explanation depicted in Figure 2.1 below.

Sustainability is illustrated as the place where the three dimensions’ overlap. However, one of the limitations of this approach is that it does not show levels of hierarchy between the three dimensions.

Figure 2.1: The nested spheres model (Sandhu et al., 2014: 5).



Stakeholder Theory

Stakeholder theory is the mirror image of CSR. Instead of starting with a business and looking out into the world to see what ethical obligations are there, stakeholder theory starts in the world (Freeman et al., 2020). In a single sentence, stakeholder theory assumes that “those whose lives are touched by a corporation hold a right and obligation to participate in directing it”.

Shareholder Theory

The first perspective is grounded in the agency theory and libertarian principles. It asserts that a business's sole responsibility is profit maximization because shareholders are primarily concerned with financial gains. Any allocation of shareholder funds to philanthropic endeavours is deemed unethical and infringes upon shareholders' property rights.

Social Contract Theory

According to (Holmström & Milgrom, 1991), this theory views a firm as a dynamic network of contracts which bind shareholders and various stakeholders. These stakeholders provide resources or effort to the firm in exchange for claims specified in explicit or implicit contracts. Scholars such as Alchian and Demsetz (1972), Jensen and Meckling (1976), Cornell & Shapiro (1987), and Krüger (2015) argue that a firm's socially responsible behaviour safeguards shareholder wealth by considering the interests of various stakeholders which in turn enhances the firm's sustainability.

Carroll's CSR Pyramid

“CSR encompasses the economic, legal, ethical, and discretionary (philanthropic) expectations that society has of organizations at a given point in time” (Carroll 1979, 1991). This set of four responsibilities, depicted in form of a pyramid, creates a foundation that characterizes the nature of businesses' responsibilities to society of which it is a part (Aupperle, 1984).

The economic responsibility was placed as the base of the pyramid because it is assumed to be a foundational requirement in business (Carroll and Buchholtz, 2015). Similarly, society expects businesses to obey the law and comply with regulations upon which business is to operate in a civil society (Carroll, 2015).

The philanthropic responsibility assumes businesses as good corporate citizens who are expected to give back to society in form of financial, physical, and human resources.

Each of the four components of responsibility addresses different stakeholders in terms of how the stakeholders might be affected.

2.5 Concerns of CSR and Mining Firms

In the last decade, there has been increased mining investments in Africa by MNCs, and literature indicated that 58% of large new mines were opened while old mines were rehabilitated (Muhira et al., 2023). These investments account for about 60–90% of FDI, 30–60% of total exports, up to 20% of Government revenues, and up to 10% of national income for some low and middle-income Countries (Byamugisha, 2013; Muhira et al., 2023).

Economies of mineral-rich African countries have benefited more from large mining firms than small and artisanal mines. This is so because Governments can control the sector's activities from start-ups to ensure friendly environmental protection (Sesele et al., 2021).

In recent years, studies on mining firms and the SD of host communities in Africa have focused on artisanal and small-scale mining. However, the need for more studies on large mining firms and SD of local communities has been emphasized by studies (Owen and Kemp, 2012; Mtero, 2017; Muhira et al., 2023).

Community-supportive commitments by mining firms started several years ago, however not much gains have been observed in many mineral-rich countries (Lee, 2015b). People have continued to face poverty, lack of entrepreneurial skills, and limited participation in CSR projects implemented in host communities. Research indicates limited innovation in linking mining operations with socio-economic goals (Dietler et al., 2021). The CSR commitments of large mining firms are usually voluntary rather than accountable, which end up in informal agreements. Moreso, Governments and host communities often value these benefits only during the mining operations with no predictions of future degradation, community income sources, job creation, and environmental remediation costs after the mining ends (Campbell, 2012).

Mining firms in most African countries have failed to turn natural resource endowments into positive and SD outcomes (Cossa et al., 2022; Muhira et al., 2023) due to lack of collaboration among mineral stakeholders and ineffective Government guidelines.

Research into how large mining firms contribute to the SDGs in Sub-Saharan Africa points to the need for strong stakeholders' collaboration, defined investment policies and priorities, and engagement for everyone (Yilmaz and Flouris, 2010; Zetterlund et al., 2016; Muhira et al., 2023).

2.6 Gaps in the Reviewed Literature

In view of the foregoing debate, the most serious gaps in the literature on CSR include the lack of research on mining firms and local communities to determine the discrepancy between what ought to be done in CSR and what is discharged in hosting communities.

This study aims to address this gap by exploring the current state of CSR in North-Western province.

3.0 Methodology

This study design falls within the mixed methods paradigm, and the Mixed Methods Research (MMR) design was adopted for the purpose of having a broad and deep understanding and corroboration of issues under the study (Denzin, 1970; Creswell & Clark, 2010).

3.1 Population and Sampling

The researcher drew the study units from two populations, and these are people from the traditional establishments as well as other relevant stakeholders in the host communities. Availability and criterion sampling methods were employed in the study. Criterion sampling interleaved with maximum variation was employed to enlist the study units from the traditional establishments and other stakeholders. At least 18 people were interviewed, survey questionnaires were administered to 33 people, and 27 people in groups of 3 participated in FGDs.

3.2 Inclusion exclusion criteria

The study units included people from the traditional establishments as well as other relevant stakeholders that were involved in community development programs in host communities of the mining firms.

3.3 Data collection instruments

In order to achieve the objectives of this study, primary and published secondary data was used. Content analysis was employed to examine the published reports, and later relevant stakeholders and traditional leaders were engaged to probe deeper the results of the content analysis. There are three contact methods that were used to collect primary data namely, are Survey questionnaires, Key informant interviews, and Focus Group Discussions (FGDs).

Tables 3.2 - 3.5 below present the demographics and codes for the respondents and participants in the study.

Table 3.2: Interviewees’ demographics

Stakeholder	Frequency	Percentage
Chiefs and Traditional Leadership (CTL)	1	6%
Local Government Group (LGG)	2	11%
Local Community Group (LCG)	10	55%
Think Thanks (TTN)	2	11%
Provincial Government Group (PGG)	2	11%
National Government Group (NGG)	1	6%
Total	18	100%
Gender	Frequency	Percentage
Male	12	66%
Female	6	34%
Total	18	100%
Education Level	Frequency	Percent
High school	8	44%
First degree	8	44%
Second degree	2	12%
Total	18	100%

Table 3.4: Interviewee codification

Stakeholder	Number	Code
Chiefs and Traditional Leadership (CTL)	1	CTL 01
Local Government Group (LGG)	2	LGG 01 - 02
Local Community Group (LCG)	1	LCG 01 - 10
Think Tanks (TTN)	2	TTN 01 - 02
Provincial Government Group (PGG)	2	PGG 01 -02
National Government Group (NGG)	1	NGG 01 -02
Total	18	

Table 3.2: Demographics for respondents to the questionnaire

Stakeholder	Frequency	Percent
Chiefs and Traditional Leadership (CTL)	13	40%
Local Community Group (LCG)	13	40%
Civil Society Group (CDG)	7	20%
Total	33	100%

Gender	Frequency	Percent
Male	20	61%
Female	13	39%
Total	33	100%
Education Level	Frequency	Percent
High school	22	67%
First degree	8	24%
Second degree	3	9%
Total	33	100%

Table 3.3: Demographics for participants in FGDs

Stakeholder	Frequency	Percent
Chiefs and Traditional Leadership (CTL)	10	37%
Local Community Group (LCG)	17	63%
Total	27	100%
Gender	Frequency	Percent
Male	17	63%
Female	10	37%
Total	27	100%
Education Level	Frequency	Percent
High school	21	78%
First degree	5	19%
Second degree	1	3%
Total	27	100%

Table 3.5: FGDs codification

Stakeholder	Number of Participants	Codes
Chiefs and Traditional Leadership (CTL)	9	CTL G1-G3
Local Community Group (LCG)	18	LCG G1-G6
Total	27	

3.5 Data collection

The study uses both qualitative and quantitative data. Qualitative data was obtained using Focus Group Discussions (FGDs), phenomenological interviews, and desk review of published company reports.

Quantitative data was collected using a survey questionnaire that was administered to the traditional leaders and other relevant stakeholders that were involved in community development programs.

4.0 Data Analysis

Data is analyzed using the following techniques namely, Content analysis, Thematic analysis, and Statistical analysis techniques.

4.1 Data Analysis, Results, Interpretation and Discussions

At FQML, CSR programs are categorized under the following areas: Governance, Environmental sound practices, and socially responsible actions as presented in Table 4.1 below.

At BGC, Sustainability/CSR programs are categorized under the following areas: community and people, workplace health and safety, respecting human rights, natural capital and governance presented in Table 4.2 below.

Table 4.1: CSR areas at FQML. Source ESG 2023 Report

CSR Area	CSR Strategic Issues
Governance	Board. Accountability, transparency and integrity, Compliance, Policies and procedures. Business ethics. Conduct, Government relations, whistle blowing, and information security.
Environmentally Sound Practices	Climate change. Energy consumption. Greenhouse gas emissions. Water. Waste. Environmental incidents. Biodiversity. Health and safety.
Socially Responsible Actions	Community support. Engage, Respect, and Benefit local community. Community relations, social impact. Grievance management. Community development. Social and economic development plan. Local workforce development. Social development. Infrastructure development. Local business support. Health and wellness. Resettlements. Indigenes peoples. Supply chain.

Table 4.2: CSR areas at Barrick. Source Barrick Sustainability Report 2023

CSR Area	CSR Strategic Issues
Board Governance	Global oversight, local delivery. Business integrity and ethics. Managing risks. Responsible mining.
Health & Safety	Building a Safety Culture. Journey to Zero. Occupational safety and health.
Natural Capital	Building climate resilience. Water stewardship. Nurturing Biodiversity. Responsible production and waste management. Responsible tailings management and Dam safety. Mine closure.
Community & people	Local hiring and buying. Listening. Payments to Governments. Resettlements. Artisanal and Small-Scale Mining (ASM). Not supported

Respecting Human Rights	Why human rights matter. Salient human rights risks. Diversity, equity and inclusion
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The results of data analysis are presented under the following headings namely, Governance, Environmental sustainability, Social sustainability, Economic sustainability and Philanthropic responsibilities.

1. GOVERNANCE

At FQML, management stated in their annual report that “We govern our Company with accountability, transparency and integrity. Effective governance is an important priority for our Board, as is compliance with the requirements arising from the listing of our securities. We are listed on the Toronto Stock Exchange (TSX:FM)”, ESG 2023 Report, (p.8). Furthermore, management stated that “First Quantum is unwavering in its dedication to upholding the highest ethical standards throughout its business operations”, ESG 2023 Report, (p.10).

Similarly, at BGC, The Board was functional and committed to delivering a sustainability CSR strategy, and the creation of shared value over the long term by having strong corporate governance standards and practices that ensure management accountability and an active and engaged oversight from an informed, diverse, and experienced member of the Board. Furthermore, management stated that “Operating with honesty, integrity and transparency is the right thing to do, and critical to our on-going success and the ultimate sustainability of our business”, Barrick Sustainability Report 2023, (p.99).

Our investigations confirmed that both companies had CSR action plans that were linked to SDGs and that adequate policies and procedures existed in the companies including a code of conduct on responsible business conduct. The companies were also involved in other projects in the host community that contributed to sustainable development. However, the CSR plans were developed and implemented without the involvement of key stakeholders in the communities, and consequently they were not sustainable.

While the percentage of women on their Board had increased to about 30% in 2023 which is commendable, the companies had acknowledged that more efforts were needed in order to meet the SDG on Gender Equity. The Board tenure for FQML had declined steadily over the years from 12 in 2020 to 6 in 2023, and this is a source for concern that the company must address immediately.

2. ENVIRONMENTAL SUSTAINABILITY

At FQML, the company committed to designing, developing and carrying out mining operations in an environmentally sensitive way. The material environmental areas managed by the company include, greenhouse gas energy and emission intensity, air quality emissions, water, waste, environmental incidents, biodiversity, and tailings.

At BGC, Environmental responsibility (natural capital) matters to the operations of the company, and management reported in their annual report that “Mining, like most human activities, has an impact on the natural environment. At the same time global environmental concerns, such as climate change, water scarcity or abundance, and biodiversity loss increasingly pose risks to and could impact our operations and business,” Barrick Sustainability Report 2022, p.66.

In managing the natural capital, the company was committed to building climate resilience, water stewardship, nurturing biodiversity, responsible production and waste management, and responsible tailings management and dam safety.

Most FGDs participants submitted that mining firms were doing more damage to the environments than good. The amount of gas emissions kept going up and caused great harm to people in host communities. Affluent water from the mines continues to contaminate quality underground water that many people in the surrounding communities live on. Very little was done to take care of the sick residents who suffered from lung infectious related diseases. Land degradation due to mining operations continued to pose great risks for future generations.

All interviewees submitted that the mines operated in silos and did not involve the local people in monitoring the environment.

The PGG-01 submitted that “the mines do their own things, and we do not know what they are doing”.

Greenhouse emissions.

FQML was committed to optimizing its energy consumption through intense innovation, improving efficiencies, and minimising waste. While the company had set an agenda to reduce Scope 1 and 2 Green House Gas (GHG) emissions of 30% by 2025 and 50% by 2030, the annual reports did not show any indications of steady decline in emissions over the previous five years. Our investigations confirmed that the GHG emissions were not declining.

LCG 01 submitted that “the emission levels had increased from the inception of the mine and wondered when Government agencies would come to rescue the situation”.

Most interview respondents submitted that there were no trees that the company planted in the host communities in order to reduce carbon emissions in the air and contribute to the green economy.

LCG 01-10 submitted that “mines had contributed more to air pollution in host communities than was the case before the mining operations started”.

At BGC, the company commits to building climate resilience and adopts a fourfold approach to building climate resilience. The company recorded a steady decline in GHG emissions over a period of five years.

LCG 01-10 commended the mine and stated that “other mining companies should emulate this practice”.

Energy consumption.

At FMQL, while the trend in the use of renewable energy increased over the years, the percentage of renewable energy consumed was less than 50% of the total energy consumed. In other words, the company consumed more non-renewable energy than renewable energy. This trend should be reversed or else it will undermine the objectives set by the company to reduce GHG emissions in 2025 and 2030.

At BGC, the total energy consumed increased every year, but the annual reports did not disclose the proportion of renewable energy consumed per year.

Our investigations also confirmed this through the survey questionnaire where most respondents indicated that the company did not contribute to emission reduction using renewable energy.

CTL G2 submitted that “the use of renewable electricity which is also in short supply was not contributing to the reduction of air emissions”.

Most interview respondents submitted that mining firms contributed to the generation and not the reduction of waste and they did not use more of renewable energy given the drought conditions in the country which affected hydroelectric power generation.

Waste.

At FQML, “All waste is managed in accordance with national waste management regulations, site specific permits and relevant international protocols. In line with our environmental policy, we continue to look at ways of reducing, reusing or recycling waste. All waste is measured by our in-house teams on site”, ESG 2023 Report (p.34).

According to the annual report, the mining waste generated was either recycled, landfilled or incinerated. However, based on data provided in the report, the amount of waste that was generated was too huge compared to the amount that was incinerated, landfilled or recycled. This is not just an environmental and a health hazard but a ‘time bomb’ about to explode. The company must address this problem immediately. Similarly, at BGC, the company stated that “We strive to keep products in use, reimagine projects for reuse elsewhere on site, deal with the waste we generate in a responsible manner and help improve the natural environment,” Barrick Sustainability Report 2023, (p.87).

According to the annual report, the company promotes a waste management hierarchy of avoiding, reusing and recycling of waste so as to drive down costs during operation and at closure of mines. However, the data provided showed that less than 50% of the waste produced per year was recycled. This meant that over 50% of the waste generated was disposed off either through landfill or incineration. This is another environmental hazard that should be addressed immediately.

Water.

At FQML, the company stated that “large quantities of water are essential for almost all mining and mineral processing activities. Our use of water resources and how much we consume, and reuse are key areas of focus at all of our operations”, ESG 2023 Report, (p.32).

Data reported in the annual report showed that 73% of the amount of water withdrawn was reused. This practice is commendable as it does not result in the depletion of the water resource. This trend must continue given the draught situation prevailing in the country at the moment.

At BGC, management stated that “Each mine has its own site-specific water management plan, which considers the different water sources available, local climatic conditions and the needs of local users and the mine. We include water risks in each mine’s operation risk register,” Barrick Sustainability Report 2023, (p.75).

According to the report, the water sources in Zambia were surface water and ground water of which 86% was recycled or reused. While the trend for recycled water had improved, the trend for high-quality recycled water discharged had reduced. Therefore, the company needs more effort to address this situation.

Health and safety.

At FQML, management states that “The health and safety of the Company’s employees and contractors is a top priority, and the Company is focused on continuous strengthening and improvement of the safety culture at all of its operations”, ESG 2023 Report, (p.44).

The company had elevated the mine safety by introducing the THINK training program which empowers individuals with crucial safety knowledge and skills globally.

Similarly, at BGC, “Whether employees or contractors, ensuring our people go home from work safe and healthy each day is one of our foundational values,” Barrick Sustainability Report 2023, (p.42).

The safety performance metrics showed significant improvement over a period of five years both in terms of the lost time due to injury and the total recordable time due to injury. However, the trend for fatal injury increased over the same period. The company must address this issue immediately.

Environmental incidents.

At FQML, management stated that “We believe that an effective Environmental Management System (EMS) is key to sound environmental practice and to reducing environmental risk. The Company has implemented EMSs at all of its operations. The EMSs, which are aligned with the ISO14001: 2015 standard, are subject to annual external compliance audits. As part of the EMS, the Company has implemented a five-tier environmental incident classification system,” ESG 2023 Report, (p.36).

According to the published data the trend for significant risks had reduced over a period of four years, which is commendable, but more efforts are needed to eliminate all the risks.

At BGC, management stated in their annual report that “We can’t create and deliver sustainable value throughout the business if we do not identify, manage and effectively deal with the risks our business faces,” Barrick Sustainability Report 2023, (p.100).

The company’s dynamic risk management process was used to identify, evaluate, plan, and mitigate all risks, including new and emerging risks that could impact the business operations.

Biodiversity.

At FQML, a Public-Private Partnership (PPP) was formed in 2014 between the Zambia’s Department of National Parks and Wildlife and Trident Foundation (Funded by FQML) to oversee the protection of diverse wildlife species in the West Lunga Area Management Unit which consist of a national park and four protected zones. “The goal of the West Lunga Conservation Project is to rehabilitate, restore and protect the regional ecosystem left “biologically barren” by years of neglect”, Sustainability Legacy Report, (p.46).

The report stated that, in order to ensure sustainability of the project and build a conservation-based economy, the company was engaged in activities such as community game ranching to combat illegal hunting of wildlife, sustainable beekeeping to protect trees, and community-based tourism to allow many Zambians to explore the beauty in their own backyards. The total land rehabilitated to date continued to increase and the company is commended for this excellent work.

Similarly, at BGC, management stated in their annual report that “Our approach to biodiversity and nature management recognizes that biodiversity, climate change and community development are inextricably linked,” Barrick Sustainability Report 2023, (p.81). The company committed to protecting, conserving and enhancing nature and the inherent biodiversity by ensuring that there is no net loss on any Key Biodiversity Features (KBFs) found on sites and the conservation of high-risk biodiversity features.

Some of the activities undertaken by the company globally included generation of biodiversity credits, gecko relocation, alien invasive plant clearance, development of wetland for water treatment, reseeded a waste rock dump, restoration of streams and rivers, and targeted grazing to create natural fire breaks and provide food and livelihood for ranchers.

Our investigations found that none of the above activities were undertaken in Zambia. Most interviewees submitted that there was nothing in host communities to show that mining companies were contributing to conserving the environment. However, CTL-01 reported that “one mine supported the department of National Parks and Wildlife to combat illegal poaching of wild animals”.

Progressive land rehabilitation.

At FQML, the company undertook rehabilitation activities to restore the areas that were disturbed as part of the mine operations. These activities included prestripping of topsoil prior to mining, and planting of seed plants.

Similarly, at BGC, management states that “We have a laser-like focus regarding tailings management and our approach includes consideration of industry leading practices such as enhanced dewatering, backfill and in-pit tailings deposition to identify opportunities to reduce above-ground deposition and the physical and environmental risk associated with these facilities”, Barrick Sustainability Report 2023, (p.90).

The annual report showed that the trend for the proportion of waste that is potentially geochemically reactive was on the increase and the company needed to develop ways of reversing this trend.

3. SOCIAL RESPONSIBILITY

At FQML, management stated in their annual report that “The company upholds fairness and respect in our treatment of employees, while actively promoting inclusion and diversity in our workplace,” ESG 2003 Report, (p.51). The report also indicated that 33% of the board members are women while only 12% of the total workforce were women. The percentage of the total workforce that are women should be increased in order for the company to meet SDG on gender.

Similarly, at BGC, the company commits to building a diverse and inclusive workforce by not just focusing on gender but through ethnicity, “and diversity of thought and experience, as well as our local communities and countries”, Barrick Sustainability report 2023, (p.61). The report indicated that 14% of all the positions were filled by women, 40% of the Board members are women, and 23% of the senior positions were women. Again, we commend the company, but the percentage of the total workforce that are women should be increased in order for the company to meet SDG on gender.

Local communities.

At FQML, the company committed to ensuring that local communities benefit from the opportunities created by mining activities. Management stated in their 2023 annual report that at each operating site, local communities were engaged through dedicated community relations teams and CSR programs. The community relations teams participated in local consultation committees which dealt with matters related to local hiring and contracting, participation of local communities in mining operations, funding for community projects, environmental issues and economic development. Social impact reviews were conducted for each project so that the results could be included in future action plans. Each site project had a grievance management mechanism to deal with complaints from the communities regarding the operations of the mines.

Similarly, at BGC, management stated that “The company believes that the mineral endowment of a country is for the benefit of the people. The company strives to utilize this asset to catalyze the socio-economic upliftment of local people and diversify prosperous local economies that thrive long after the mine gates shut”, Barrick Sustainability report 2023, (p.17). This vision for the community was guided by three pillars namely, partnerships, benefit sharing and open, honest and patient communication.

Our investigations revealed that the company did not engage in local consultations on CSR matters. Mining companies provided CSR activities in catchment areas that are demarcated by themselves without consultations with the Government or traditional leadership. The basis for demarcating the catchment areas was also arbitrary and done alone by mining management.

LGG-01 reported that “the mining firms do not consult us on what they do and where. All we see is that they are doing something here and there.”

PGG-02 reported that “the mining firms do not even tell the Government on what CSR activities they plan to undertake in the host communities”.

TTN-02 reported that “there was no Government policy or regulatory framework that guides mining firms in implementing CSR activities in host communities”.

Social development support in Zambia.

At FQML, the company supported in 2023 included the following: Farming support (7000 farmers, 237 livestock farmers, 480 conservation farmers), Female empowerment support (138 new village banks, 6232 new members), Adult literacy program (34 learning centres, 646 adult learners) and Sanitation provisions (210 toilet bases distributed).

Similarly, at BGC, the company rehabilitated Mwajimabwe Primary School and staff houses at Manyama

and Mukumbi high schools.

Our investigations revealed that these works were CSR activities undertaken by the mining firms but not linked to the District Integrated Development Plans. Most interviewees reported that there was lack of collaboration with Government and host communities by mining firms on development programs. Consequently, their contributions were negligible and did not address critical challenges faced in the host communities.

NGG-01 submitted that “Government is battling with a lot of challenges and the mines are nowhere to come and assist”.

Other respondents submitted that “local businesses are not supported by mines. The mines do not provide any technical or financial support to the local businesses”.

LCG-06 submitted that “if mining firms do not collaborate with the local businesses, how would you expect the local businesses to be supported?”

Health and wellness.

“First Quantum's Health and Wellness Department is a multidisciplinary department focused on providing holistic health and wellness services to Kansanshi and Trident operations and their associated communities, with the aims to support the existing Government health system in the provision of essential public healthcare services”, ESG 2023 Report, (p.20).

The report stated that in 2023, the company supported health and wellness programs in 34 schools, supported 584 pregnant women to access antenatal care, supported 360 women to undergo ultrasound for prenatal care, rehabilitated 4 water reticulation systems, supported the immunization of 4133 children, identified 35 children and supported for malnutrition, and supported 36 community health and wellness initiatives with epidemic control supplies and equipment.

Our investigations revealed that the programs were not linked to the District Integrated Development Plans and were not sustainable.

Similarly, at BCG, management stated in their annual report that “Operating heavy machinery and handling often hazardous materials can, if not carefully managed, expose our workers to serious short and long-term health risks,” Barrick Sustainability Report 2022, (p.48.)

The company committed to addressing occupational health and safety by running personal health and wellness programs, conducting regular medical check-ups on employees, providing Personal Protective Equipment (PPE) to everyone, conducting occupational hygiene surveys, and providing engineering controls and shift rotations.

Our investigations found that the programs benefited the mine staff only. Other members of the host communities did not benefit.

Resettlements.

At FQML, management states that “For new projects, where indigenous communities are present and directly impacted by our activities, we seek Free, Prior and Informed Consent to respect their standing as distinct, self-determining peoples with collective rights”, ESG 2023 Report, (p.21).

In Zambia, the company committed to resettling all residents within 580 hectares that were affected by the wire fence extension at Kansanshi mine. At Syden's corner, all families had been reallocated successfully. At Trident, 597 households and 1,631 subsistence farmers were physically resettled and the issuance of title deeds for resettled households was in process, 304 farm block title deeds were given out to households, and those resettled had their physical structures either replaced or compensated in accordance with the resettlement action plan approved by the Government. Similar arrangements were do-

ne in Bwana Mkubwa community area.

Similarly, at BGC, management stated that “If not well planned and carefully managed, resettlement can seriously damage relationships with the local community, harm our social license to operate and even result in regulatory action from the Government”, Barrick Sustainability Report 2023, (p.38).

Management further reported that wherever resettlement became unavoidable, the company was committed to ensuring that resettled people were better off at the end of the process, in a pristine environment that provided a lifechanging positive impact for the vast majority of the resettled households in the community.

Our investigations reviewed that some of the indigenous people that were displaced by the mines had not been resettled or compensated in full.

Mine closure.

At FQML, management stated that “An integral part of planning for a mine includes planning for the closure and rehabilitation of the site which commences at the development stage of our projects. Well in advance of closure, we put these plans into action and undertake rehabilitation activities to restore the areas that are disturbed as part of the mine’s operation”, ESG report 2023, (p.57).

“At Barrick, management stated that “We don’t think of closure as the endpoint of a mine’s life but rather as the transition to the next phase of the land and surrounding area’s life”, Barrick Sustainability Report 2023, (p.93).

The company committed to ensuring that all closure plans delivered a safe and sustainable closure both from an environmental and social perspective. Published data showed that the rate at which disturbed land was rehabilitated was extremely low and this could pose a huge risk when mines finally close.

4. ECONOMIC SUSTAINABILITY

Community development.

At FQML, the annual report indicated that each mine site had a community social and economic development plan which was aligned with the SDGs and the national development strategies for host countries.

Project plans complied with legal requirements, community needs and business opportunities and risks. This social investment strategy was continuously being refined to best address the needs related to local workforce development, social infrastructure development, and local business support.

Similarly, at BGC, the company committed to ensuring that the minerals endowed in a country should benefit its people through socio-economic upliftment of local people and diversification of local economies so as to thrive long after the mines are closed. The annual report stated that this vision was achieved through partnership with community, sharing the benefits and operating an open, honest and patient communication channel. The company created development impact in communities through employment, procurement and investments.

Our investigations through FGDs found that that the mining firms were not doing enough to promote social-economic development of the host communities. They procured very little from local suppliers and contractors. Although the mines built staff houses for rent, the cost of renting was too high given the low salaries paid to the workers. Major roads used for transporting copper were damaged and not rehabilitated. Local businesses were not supported by way of capital injection or entrepreneurial skills development, and local stakeholders were not engaged in the community development committees established by mines.

Infrastructure development.

“FQML is dedicated to fostering robust communities surrounding our operations through substantial investments in community development, active participation and supporting public services”, ESG 2023 Report, (p.18).

In 2023, the company rehabilitated kijilamatambo primary school in North-Western province at a cost of \$55,000, constructed water boreholes in Kabwela area at a cost of \$65,000, constructed 20 bus shelters in 20 communities, installed 179 water taps and hand pumps, built 3 classrooms at Kalumbila primary school, built 1 community radio station for Musele community, supported and trained 25 communities on water resource management, and built and handed over 1 police station to Kisasa community.

Our investigations revealed that these programs were not linked to the District Integrated Development Plans and consequently they were not sustainable.

Most interviewees reported that “one mining firms has built a school and police station in two communities only and the rest of the infrastructure is built by the Government”. NGG-01 submitted that “ mining firms are not doing enough in host communities. There are no tarred roads, no medical facilities, no schools in some host communities and we wonder what these mines are doing out there”.

Supply chain.

At FQML, management states that “We will only do business with suppliers, including contractors, who maintain the following Key Performance Indicators (KPIs): lawful business practices; safe, healthy and fair workplaces; zero tolerance for human rights violations; business practices that minimise environmental impact,” ESG 2023 Report, (p.23).

The company is committed to achieving zero tolerance to human rights violations through site monitoring by operational and community relations team; whistle blowing hotline; and grievance management mechanisms. The company is also committed to building capacity in local supply chain through site monitoring to ensure that suppliers and contractors comply with applicable laws and regulations. The local supply chain programs include building capacity of local supply chain and prioritizing local procurements. While published data showed that the percentage of nationally registered suppliers were around 80%, the majority of these suppliers were not from the host communities.

Similarly, at FGC, “Prioritizing the provision of jobs and business opportunities for our local communities and host countries is critical to the development of our social license to operate”, Barrick Sustainability Report 2023, (p.26).

Each site has a localization plan that is aimed at identifying top talents and sparking entrepreneurship in the communities. The company seeks to provide our local staff and local businesses with opportunities and access to a wide range of training and mentorship programs in order to grow into leadership within the organisation or become successful business partners with world-class standards beyond Barrick, and expanded horizons.

Most interviewees reported that more employees were not locally hired. This also applies to contractors and other service providers the mines had engaged. Other respondents submitted that local businesses were not supported by mines. “Mines do not buy local products instead they opt to import products abroad”.

Most FGD participants submitted that the host community expected the mining firms to offer more job and business opportunities to local people and contractors first, before looking outside the host communities.

LCG-G4 submitted that “mining firms should provide scholarships and bursaries to study abroad for qualifying children in host communities”.

CTL-G1 submitted that “mining firms should be contributing to resolving social problems (crime, housing, education) in host communities and be involved in maintaining the local heritage and tradition”.

LCG-02 submitted that “mines import almost everything they need from outside suppliers and not from the local businesses”.

NGG-01 reported that “some of the skills hired from outside the country are locally available and wondered how they even obtained their work permits”.

People first.

“People are at the heart of First Quantum’s success. Creating a culture and environment that continues to attract, retain and motivate the talent that we need now and for the future is a top priority,” ESG 2023 Report, (p.52).

The company is committed to having an inclusive culture across the organization, identifying role model behaviours, expanding employee engagement, and rolling out education and training programmes aimed at addressing culture and inclusion priorities. The annual report showed a trend of increased high labour turnover which must be addressed immediately.

At BGC, management stated that “We believe that effective community relations are best developed, managed and delivered at site level and, like our Community Development Committees (CDCs), is underpinned by participation from the community,” Barrick Sustainability Report, (p.36).

The company is committed to spending time with and listen to all stakeholders in the community, develop stakeholder maps and engagement plans. The modes of stakeholder engagements include the use of dedicated specialists at each site, community site visits, participatory water monitoring and grievance mechanisms.

Most interviewees reported that the mines were not doing enough to improve the social economic development of host communities. Other than employing people in the mines, there were no community investments made by the mines.

Most FGDs participants reported that mining firms were contributing to the social and economic development of the host communities through job and business opportunities for the local staff and contractors respectively. However, that was not enough because only a few local people had access to these opportunities. Mining firms implemented their CSR programs without consulting key stakeholders like the Government, traditional leadership and the host communities.

CTL-G1 submitted that “none of our own children are in the senior management team of the mining firm operating in this host community”.

Human rights.

At FQML, respecting human rights is a fundamental company value that is incorporated into the operations of the entire organization. The company is committed not to infringe rights of others and to address negative impacts arising from its business activities. The rights of indigenous people are respected during resettlements including their security.

Similarly, at BGC, the company respects human rights and acknowledges that fundamental to managing human rights is to understand what the risks are. Through a human rights program, human rights risks are identified and management accordingly.

5. PHILANTHROPIC RESPONSIBILITIES

The FGD participants submitted that very little done by the mining firms in this area. Mining firms rarely donated gifts to community groups and schools, loan equipment or volunteer staff time for community activities.

CTL-G1 submitted that “mining companies should supplement Government effort by renovating chief’s palaces and rehabilitating roads leading to the palaces”.

Donations to the communities.

Most interviewees reported that mining companies did not loan any of their equipment as community support. Company vehicles were not authorized to give lifts to people in host communities.

LCG-06 submitted that “for three years I have lived in this community, only Government equipment was used to rehabilitate the feeder roads”. Other respondents submitted that mines did not donate actual money but contributed in-kind in form of infrastructure development or sponsorship of activities or individuals. FGD participants submitted that they were not aware of any catastrophe that occurred where the mines had to donate resources to the host communities. Other participants submitted that one mine helped some women to access prenatal health service while in another community, the same mine supported adult literacy programs.

Supporting traditional heritage

Most interviewees reported that mining firms were not involved in maintaining or promoting the local heritage and tradition.

CTL-01 submitted that the “mining firms engage the traditional leadership mainly when they are in need of something. There is nothing in the host communities to show that mining companies promote local heritage or tradition”.

Donations to schools

Most interviews submitted that some mining firm donated a police post to one community and also rehabilitated an ablution block for a school in another community.

LCG-04 submitted that “he actually witnessed the handover of the police post in Kisasa community area by one mining firm”.

Theoretical explanation for involvement of mining firms in CSR programs

There is no doubt that the mining firms have been involved in some CSR programs in host communities. While the mining firms have acknowledged that maintaining a social licence is the biggest risk in the industry and have explored ways of partnering with the host communities for mutual benefits, this partnership has not benefited the host communities in North-Western province of Zambia. Given the study findings and discussions, the only theory that accounts more for the involvement in CSR of mining firms in host communities is the Carroll’s Pyramid of CSR

5.0 Conclusions

The current state of CSR exhibited by the mining firms in host communities in North-Western province does not meet the expectations of the people in host communities, the Government and other relevant stakeholders. The mining firms have not done enough to contribute to the sustainable development of host communities and meet the expectations of all the stakeholders

1) Implications of the findings

The results of this study have serious implications for the host Government, mine managers and the future research on CSR of MNCs operating in other non-mining sectors of the economy.

- a) The Government must provide policy directives immediately to guide the operations of mining houses including the implementation of CSR by mining firms. This measure will compel mining firms to contribute effectively to the social economic and environmental sustainability of the host communities.
- b) Mine managers should collaborate with all relevant stakeholders when implementing CSR programs in order to achieve meaningful and sustainable development.
- c) Given the results of this study, further research is needed to explore and examine the involvement in CSR activities by MNCs operating in other non-mine sectors of the economy.

6.0 Recommendations

1) Development of Government CSR policy to guide the mining firms

The Zambian Government should develop CSR policy guidelines for the mining firms with clear expectations of how the mining companies should contribute to the social economic development of the host communities, operate with the highest ethical standards, and promote Zambian values. The CSR policy guidelines should also outline the Government's initiatives to help mining companies strengthen their CSR practices and maximize the benefits their investments can provide to those in host countries. The CSR policy guidelines should also make it mandatory for the mining firms to actively engage all the key and relevant stakeholders in host communities on matters related to sustainable development in the locations they operate.

The policy guidelines should detail the role of the Government agencies that will perform periodic compliance reviews and spot checks on mining firms, and report to Government on areas of non-compliance.

The CSR policy guidelines should also document of the expected plans and targets in all domains covered by CSR activities in host communities. The policy guidelines should also communicate the consequences for non-compliance with established standards of performance.

b) Stakeholder engagement in CSR planning and implementations by mining firms

The mining firms should comply with the Government CSR policy guidelines in CSR planning and implementation to ensure that government expectations are met.

Mining firms should ensure that all relevant stakeholders as part of their Community Development Committees (CDCs). The key stakeholders should include the traditional leadership establishment, the Government, host community members, employees, and contractors.

Meeting the expectations of the host community requires an understanding of the needs of the community. Mining firms should incorporate the needs of the host community when developing CSR plans

The CSR plans of the mining firms must be linked to the District Integrated Development Plans (DIDPs) in order to achieve social-economic development and ensure sustainability.

c) Responsible mining and waste management by mining firms

Mining firms should not create value at the expense of the people, the host communities in which they work or the environment in which they operate. The minerals endowed in a community should benefit the community. Mining firms should therefore be responsible for the current uses of land and other resources. They should invest in solar plants and support the rehabilitation of hydro-power stations to power its operations and provide electricity to its host communities in a clean manner. They should also manage their emissions effectively by setting emission reduction targets for the medium and long terms. Mining firms should conduct climate change risk assessments that would inform decisions on how to adapt, mitigate and build climate resilience in host communities. Mining firms should always consider access to

water as a fundamental human right, and fully commit to responsible water use and comply with environmental and water policies. They should not just conserve and protect quality water but also invest in water infrastructure to improve the supply of water in host communities. Mining firms should support host communities to understand the water quality and its availability. Mining firms should commit to protect, conserve and enhance biodiversity through actionable interventions and activities, and use appropriate metrics to report and disclose the results. Mining firms should commit to reduce the waste and emissions generated from their operations. Waste reduction strategies and targets should be cleared defined with reportable metrics that have to be disclosed periodically. Mining firms should commit to responsible tailings management and constantly monitor their potential effect on the environment, and the health and safety of people in host communities.

c) Regular compliance monitoring and reviews of mining operations

The effect and impact of mining operations on society and the environment must be checked regularly against expected norms and established standards for the mining sector. Authoritative regulatory bodies and Government agencies should be strengthened, empowered and resourced by the Government to carry out regular compliance spot checks and reviews of mining operations. External reviewers should continuously monitor, and review progress made by mining firms in meeting the set key performance indicators provided by the government under each CSR domain. Mining companies should also conduct introspective reviews of their operations in addition to the externally led compliance spot checks and reviews and provide disclosure reports on each and every indicator that they are required to report on. The external reviews should cover all CSR activities including key performance indicators and other metrics that are affected and impacted by the mining operations in host countries. Reported scorecards for each CSR domain should be reviewed periodically and checked against the actual results on the ground to ensure that CSR activities benefit the local communities and are sustainable.

d) Framework that promotes community gains from CSR from mines.

Appendix 1 below shows the proposed framework that promotes community gains from CSR of mining firms when the above recommendations are fully implemented.

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