

Social Licence to Operate Guidelines for Combined Geothermal – Metal Extraction Projects

The importance of critical raw materials

Many minerals and metals are required to support the current shift away from fossil fuels and towards the implementation of low-carbon technologies, electrification and improved energy storage. The minerals and metals that are the most important economically and have a high supply chain risk are often collectively called critical raw materials (CRMs). Demand for CRMs is rising rapidly and increased production will be necessary to meet this demand.

Combined geothermal – metal extraction projects

Although CRMs have historically been produced by ‘traditional’ mining, extracting them from geothermal waters represents a new way of supplementing or replacing materials produced by traditional mining. These combined geothermal – metal extraction projects offer the prospect of reducing the environmental, social and societal risks and negative impacts associated with mineral and metal production.

Social licence to operate

In simple terms, social licence to operate (SLO) reflects the degree to which a company and its activities meet the expectations of local communities and other stakeholders throughout the life of a project. SLO is not something that a combined extraction project either has or not – it instead exists on a sliding scale, which is reflected in the relationships a local community and other stakeholders have with the project.



Figure 1: SLO and legitimacy, credibility and trust



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Projects that have no SLO, or that have lost their SLO, are less likely to be considered legitimate, while increasing SLO will help to establish a project’s credibility, where stakeholders believe information provided by the project. At the next level, SLO is reflected in trust in a project, where stakeholders believe the project is ‘trying to do the right thing’ and develop a more collaborative relationship.

The principles of SLO

Several principles underpin SLO:

- **Ensure legal compliance** – although complying with laws and regulations is not the same as SLO, the latter is not possible without the former.
- **Do no harm** – in effect, the implementation of appropriate measures by the project to protect health, safety, the environment and internationally recognised human rights.
- **Employ engagement experts early** – ensuring activities to obtain and maintain SLO are integrated with project activities from the earliest possible point in the project lifecycle.
- **Understand the project’s context** – the specific cultural, historical, political, economic, environmental and social context that can influence the concerns and view of local communities and other stakeholders.



Figure 2: The principles underpinning SLO



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- **Identify and engage stakeholders** – these are the individuals, groups or institutions that have a direct or indirect interest in, and can impact or be affected by, the project.
- **Communicate honestly and transparently** – SLO is closely linked to trust, legitimacy and credibility towards communities and therefore stakeholders expect a project to be honest and transparent about what it is doing and why, the likely risks, negative impacts and benefits, making information and data available and accessible on a consistent, ongoing and frequent basis.
- **Understand stakeholder concerns and views** – acknowledge the fact that stakeholder concerns and views may be quite different from a project’s own analysis of risks, negative impacts, opportunities and benefits.

If a project fails to consider or apply these principles, it is likely to find obtaining and maintaining SLO more complicated, time-consuming and expensive.

Stakeholders

The nature and mix of stakeholders will vary from one area to another and from one project to another. In broad terms, stakeholders are the individuals, groups or institutions that are geographically close to a combined extraction project, and those that are more remote but with some interest in how a project is planned and operated.



Figure 3: Example stakeholder groups relevant to a combined extraction project



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Steps to obtain and maintain SLO

In broad terms, the steps the project should follow to obtain and maintain SLO include:

Preparation – getting ready by identifying stakeholders, identifying and assessing risks and negative impacts and how these differ from stakeholder perceptions, and defining the benefits and opportunities a project is expected to deliver. This stage may also include building internal and external capacity for stakeholder engagement, ensuring all parties are able to engage meaningfully.

Engaging effectively and obtaining SLO – developing clear communication materials and effective methods of engagement, tracking progress and ensuring available resources are used as efficiently as possible.

Maintaining social licence to operate – continuing to conform with the underlying principles and implement stakeholder engagement processes and activities, recognising that some aspects may need to be adapted as the project evolves or remedial actions developed when issues arise.

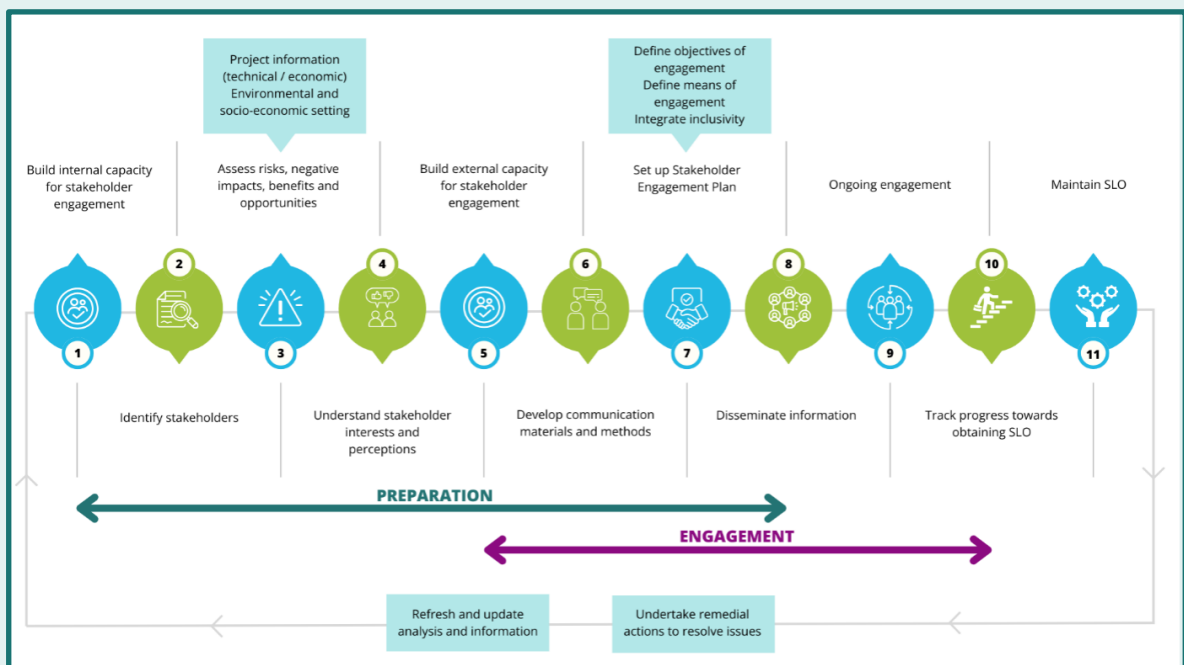


Figure 4: Overview of obtaining and maintaining SLO

Access the full guidelines: <https://crm-geothermal.eu/go/d42-guidelines>

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