

Business case for responsible mining in Borneo

To realise the governments' vision for the HoB it is essential that the principles of environmental sustainability are embraced by the mining sector in Borneo. The economic case for reducing land degradation and improving environmental practices is increasingly recognised at national and international levels based on the valuable services which a healthy environment delivers to society.

The issue is more complex for individual companies. A range of challenges, often linked to a lack of regulatory enforcement, and technical capacity have been identified by mining companies and these are addressed in the preceding sections. Notwithstanding these challenges, the business benefits of improving environmental practices are increasingly recognised by mining companies in Borneo.

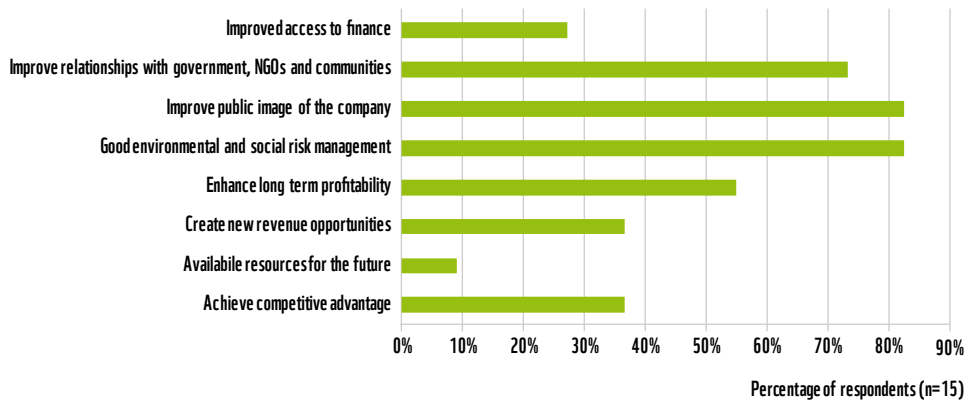


FIGURE 4.9: BENEFITS OF GOOD ENVIRONMENTAL AND SOCIAL PRACTICES AS REPORTED BY MINING COMPANIES IN BORNEO

Figure 4.9 is based on interviews and surveys with 15 respondents from mining companies operating in Borneo. 82% of this group identified good environmental and social risk management as a benefit of sustainability activities and the same proportion thought their company would benefit from an improved public image. Almost three quarters (73%) of respondents felt that sustainability activities improved their relationships with governments, NGOs and community groups and perhaps related to this, 64% saw reduced risk of being targeted by negative media campaigns. More than half (55%) of mining companies felt that sustainability activities would enhance their long term profitability.

Furthermore, as indicated in the solution boxes on previous pages; from heightened enforcement of existing regulation and new financing requirements from lenders; to strong competitor responses on biodiversity management; many factors are coming together to strengthen the business case for responsible mining in Borneo.