Why we should look beyond social license to operate

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# ABSTRACT

The mining sector has traditionally operated on a transactional model: extract resources, create jobs, and expect local acceptance. Introduced in the late 1990s, social license to operate (SLO) was developed to secure community acceptance for resource projects. While effective in the past, this mindset has faced growing criticism. Cases of corporate social irresponsibility (CSI), such as the Brumadinho and Mariana tailings dam disasters in Brazil, the destruction of Juukan Gorge caves in Australia, and controversies in Bougainville and Madagascar, have exposed the devastating consequences of neglecting ethical and social obligations. These events stress the need for a more accountable approach.

Initially celebrated as innovative, SLO aimed to bridge the gap between corporate goals and community expectations. However, it has been criticized for being reactive, lacking formal structure, and prioritizing corporate interests over meaningful engagement. These limitations are particularly concerning given that mining companies, as transient land users, bear significant responsibilities to the communities and environments they impact.

On the other hand, corporate social responsibility (CSR) offers a more proactive and comprehensive framework. CSR incorporates environmental stewardship, stakeholder inclusivity, and ethical governance into core business strategies. Aligned with global standards like the UN sustainable development goals (SDGs), CSR emphasizes long-term sustainability, trust-building, and shared value creation.

This paper argues that we need to look beyond the traditional SLO approach. By adopting CSR principles, the mining sector can better meet its responsibilities to both communities and the environment. As climate change and severe weather events intensify while production increases, the industry must operate responsibly, with sustainability and respect for human and environmental rights at its core. Practical recommendations are provided to help mining companies move toward a CSR framework, ensuring ethical practices that prioritize community well-being and environmental stewardship.