

Social Responsibility in the Italian gold industry

Ethics and Sustainability in the Supply Chain



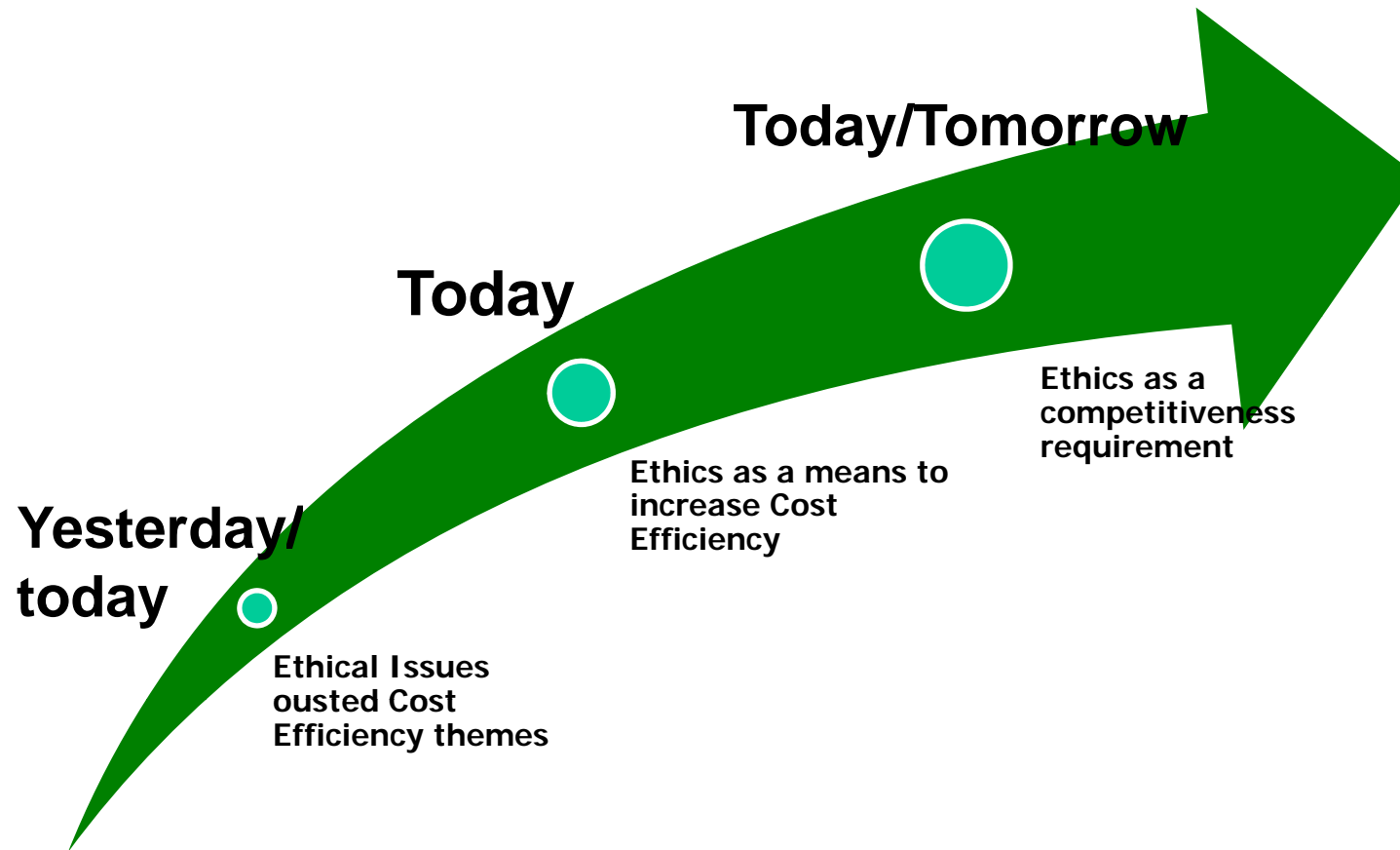
Federica Cembali



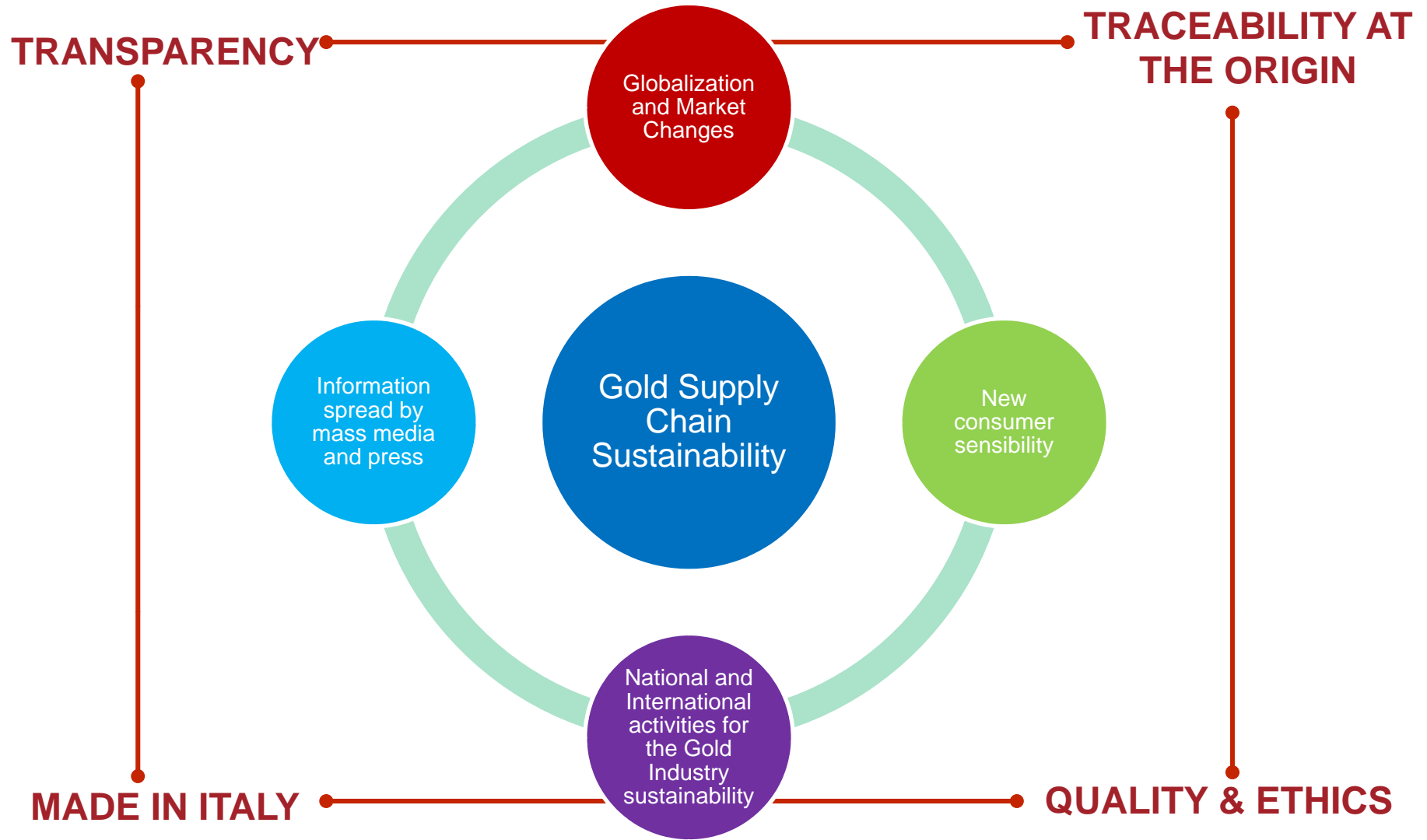
Ministero dello Sviluppo Economico

D.G.P.I.C.

Ethics and Business: yesterday, today and tomorrow

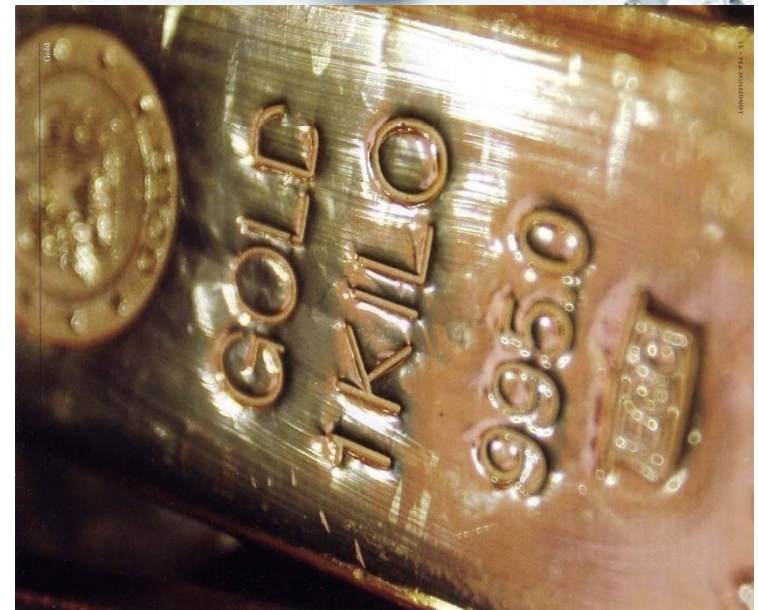


Why is it necessary to be behave responsibly?

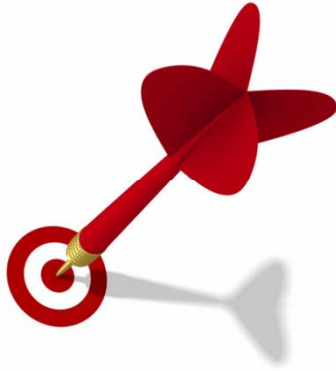


Issues to be addressed

- Traceability
- Forced labor, constrained labor and child labor
- Freedom of association and collective bargaining
- Safety
- Remuneration
- Bribery and Corruption
- Discrimination
- Environment, biodiversity and protection of local ecosystems
- Indigenous people rights



The Project carried out by the Italian Ministry of the Economic Development

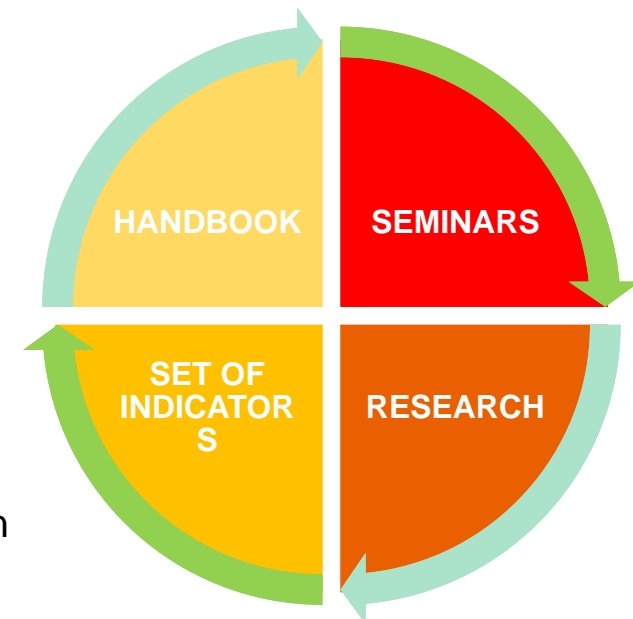


OBJECTIVES

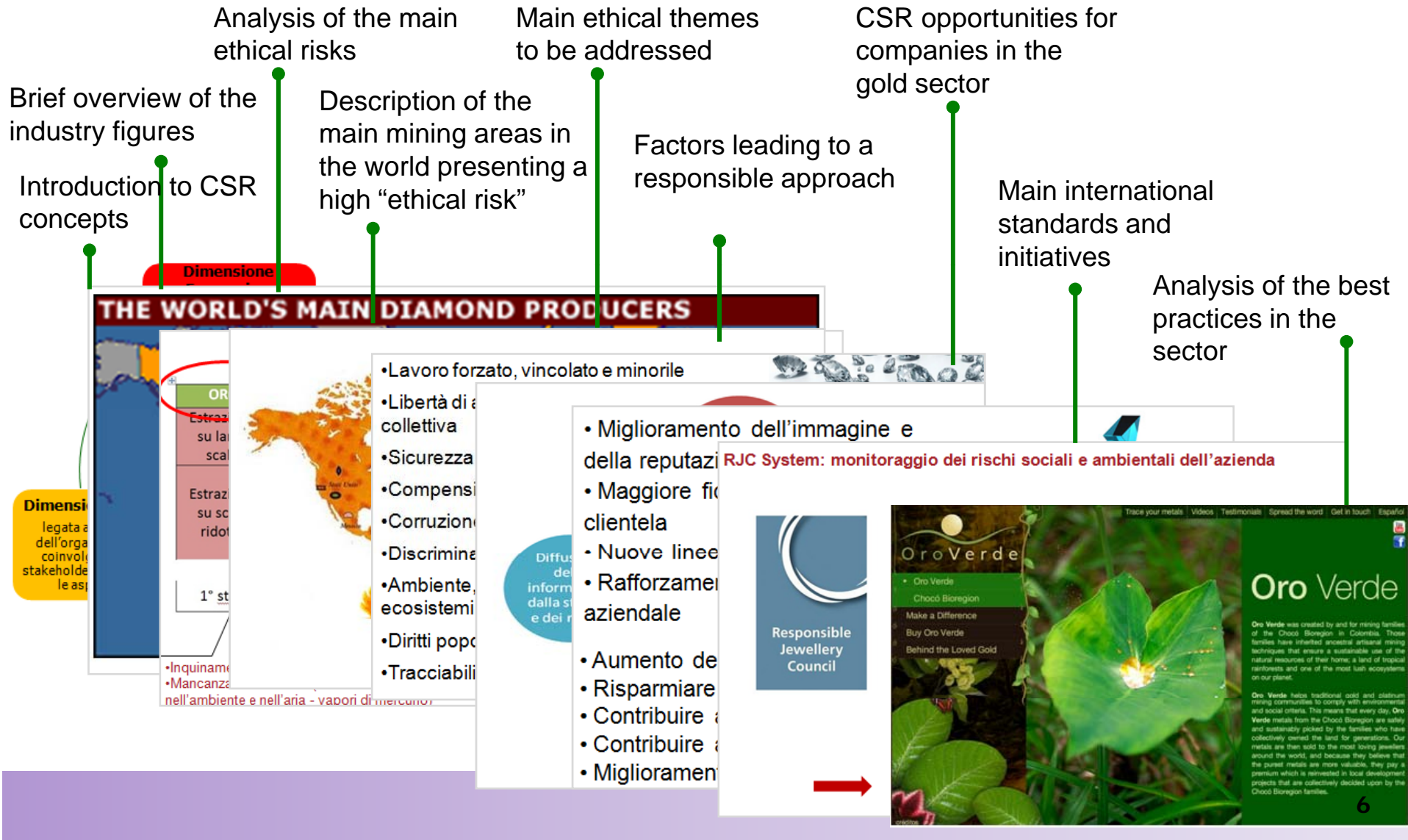
- **Raise awareness** among Italian gold companies on Corporate Social Responsibility
- **Propel** the implementation and management of responsible policies for corporate operations

ACTIVITIES CARRIED OUT

- **Awareness raising seminars** addressed to actors in the golden industry and training schools
- **Research** on the level of knowledge and implementation of CSR within the sector, and **interviews** to virtuous companies in order to codify the best practices
- **Set of indicators** to monitor and disclose responsible behaviors to different stakeholders
- **Handbook** aimed at managing non financial risks of SMEs in the gold industry, with reference to the **RJC Principles**



Content of the Seminars



The Research in the gold sector

Objectives of the Research

- ✓ Investigate the **degree of knowledge** of CSR and the OECD Guidelines in the gold industry
- ✓ Monitor the **degree of spreading and implementation** of CSR with reference to the OECD principles.
- ✓ Assess the **impact of CSR** on companies competitiveness in terms of stakeholder engagement and internationalization activities.

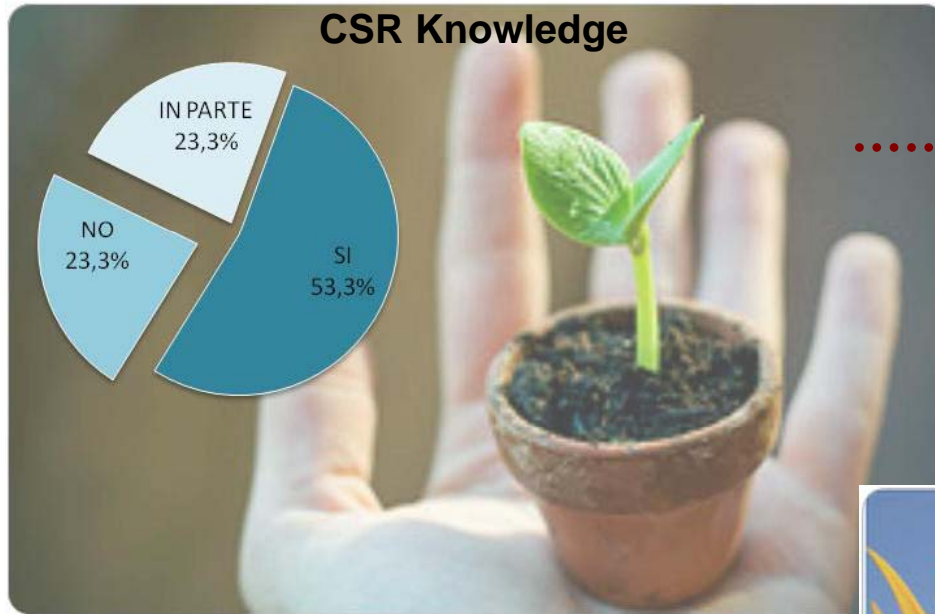
Methodology

- ✓ Sample analysis implemented through the compilation of an online questionnaire by the selected **Italian gold companies sample**.

Sample composition

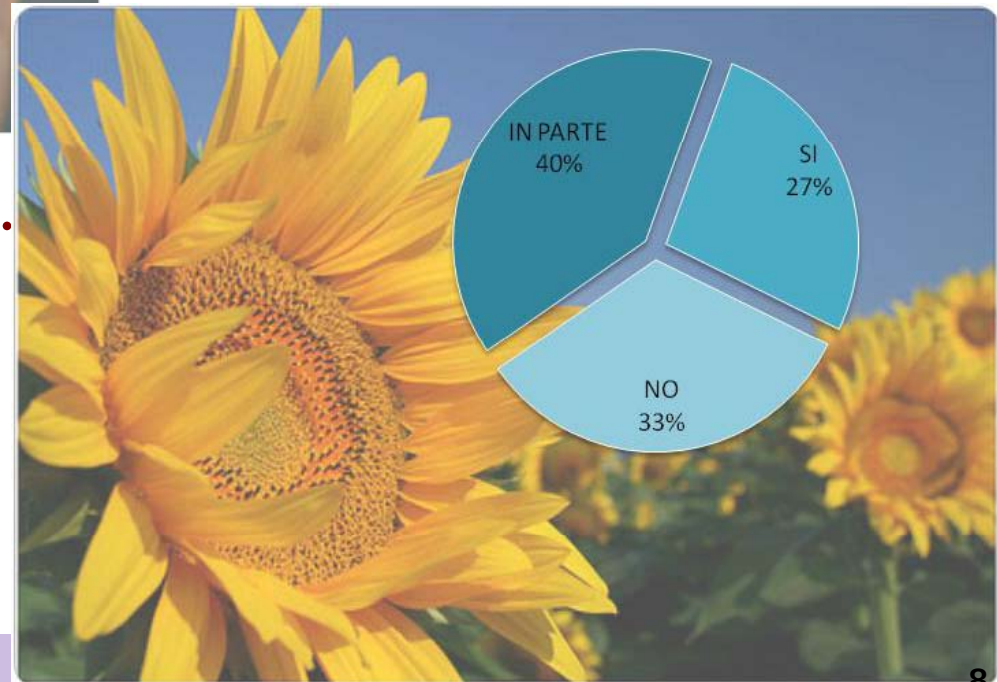
- ✓ The sample was constructed starting from the Italian golden companies in the Aida data bank, based on the Ateco codification, and included 100 companies randomly selected (random technique).
- ✓ 30% response rate.

Main results: knowledge of CSR themes



Good level of medium – total and partial
.....→ – knowledge of CSR themes (76% of the sample).

OECD Guidelines Knowledge



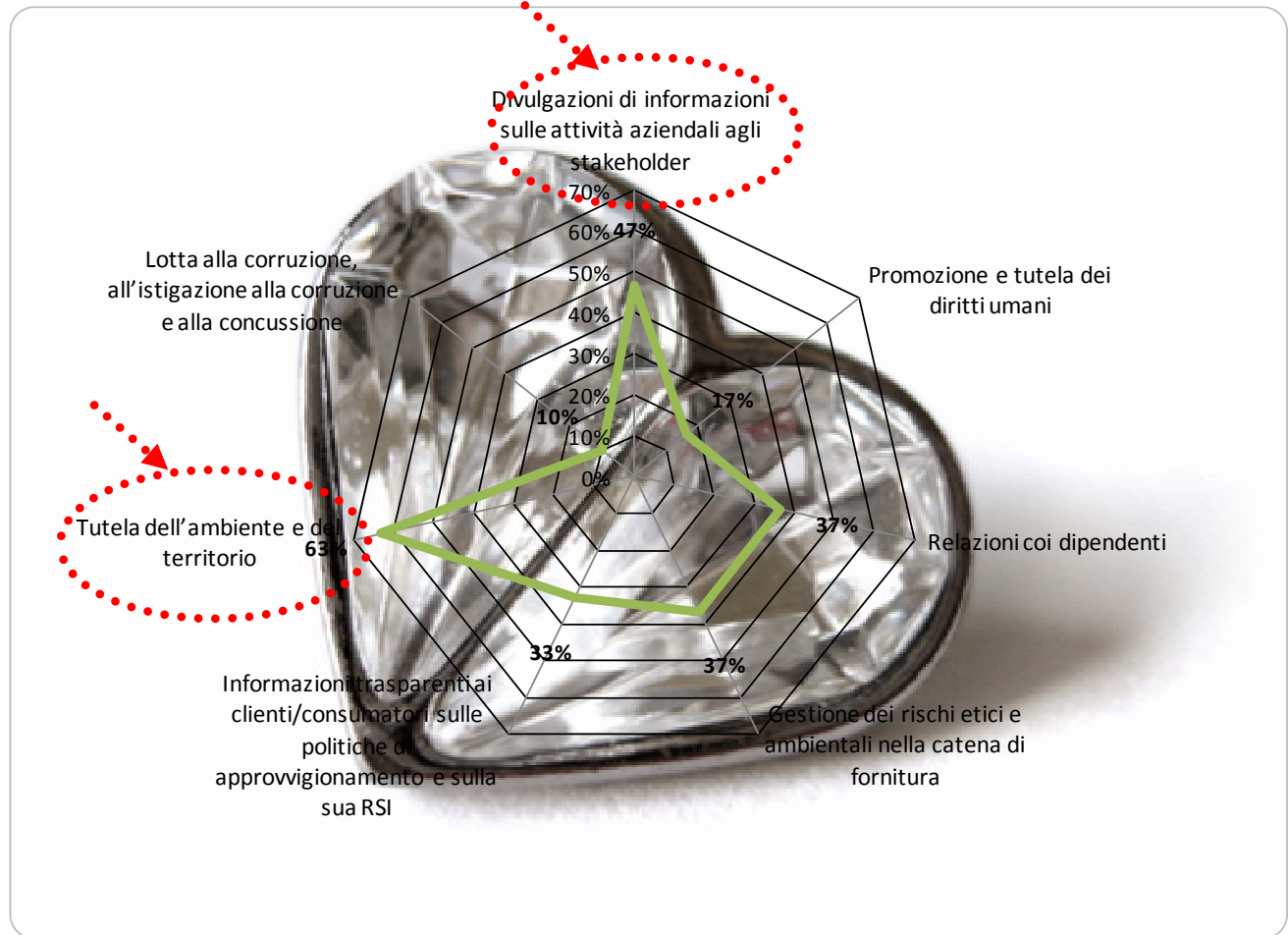
Less incisive, but still good, knowledge (67%) of the OECD Guidelines, in comparison to CSR themes.

CSR implementation: responsibility in practice

All the respondents to the questionnaire declared their company to be active in at least one aspect of CSR

- Focus on actions concerned with environmental protection (63%)
- Good perception of the importance of transparency towards stakeholders (47%)

←..... Main Areas of CSR actions

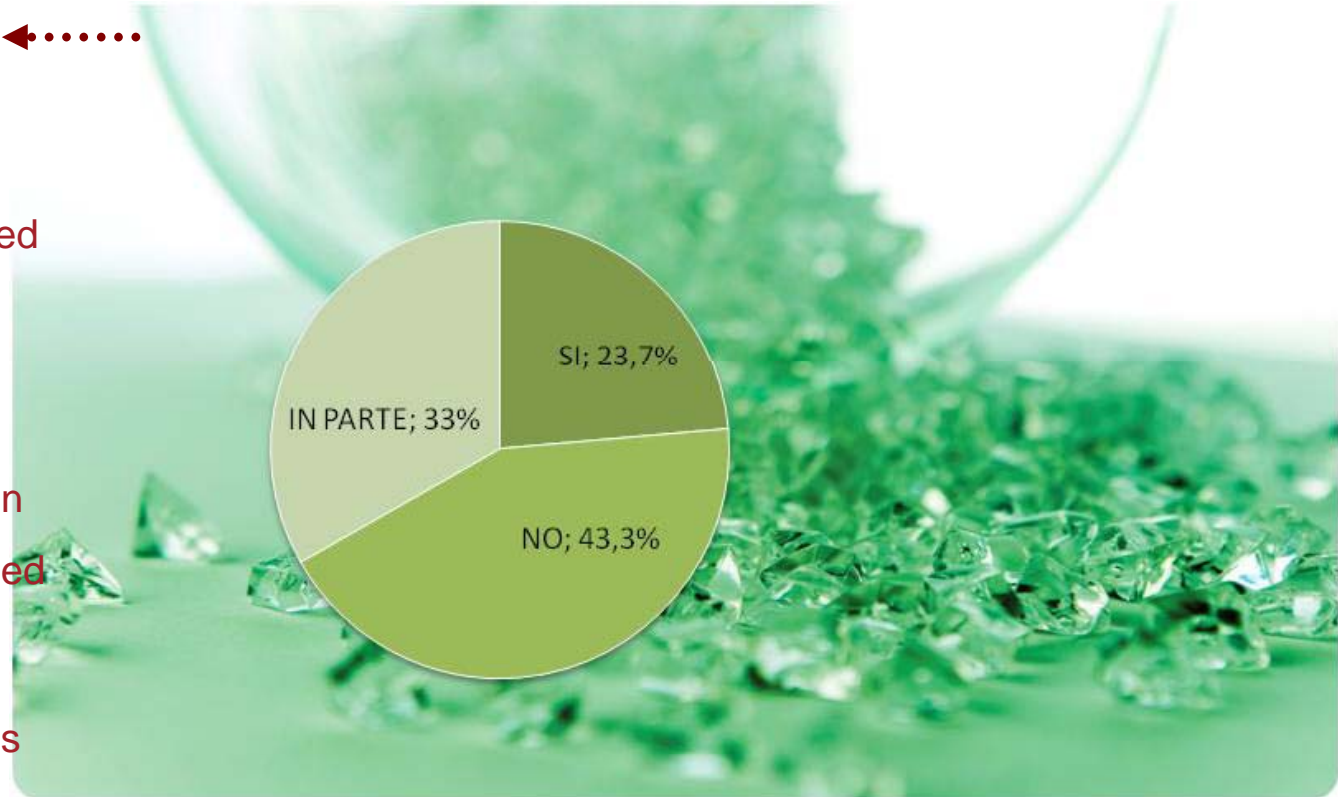


Benefits from the application of CSR practices

More than half of the interviewees declared they saw relevant benefits (56%) ←.....

- Main benefits:

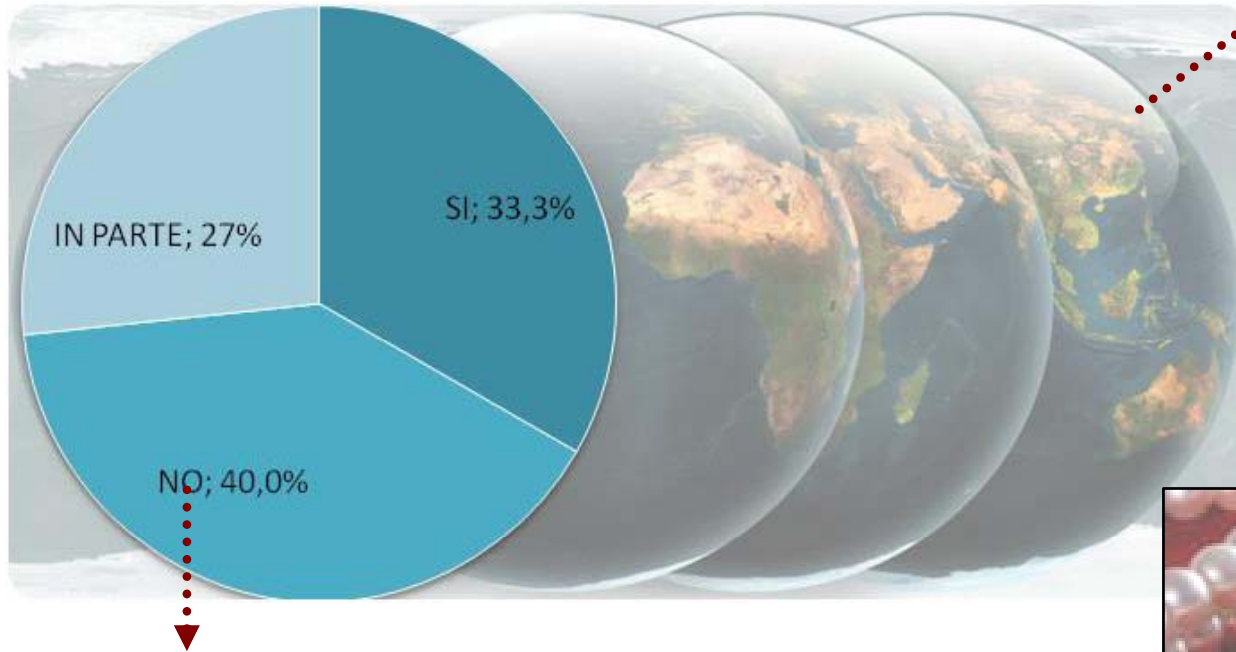
- **human resources:** increased team spirit and engagement/productivity
- **suppliers:** increased negotiations fairness, better qualification of the supply chain
- **clients/customers:** increased satisfaction in the company's products
- **environment:** shared values with the employees and strengthened corporate image and reputation
- **corruption fight:** increased corporate image and reputation



The reason why a percentage of the responders didn't notice benefits is because they didn't have in place/improve measurement tools for non financial performance or because such initiatives are still too recent to assess the benefits (more than 38%)

CSR and internationalization

Competitive advantages from CSR



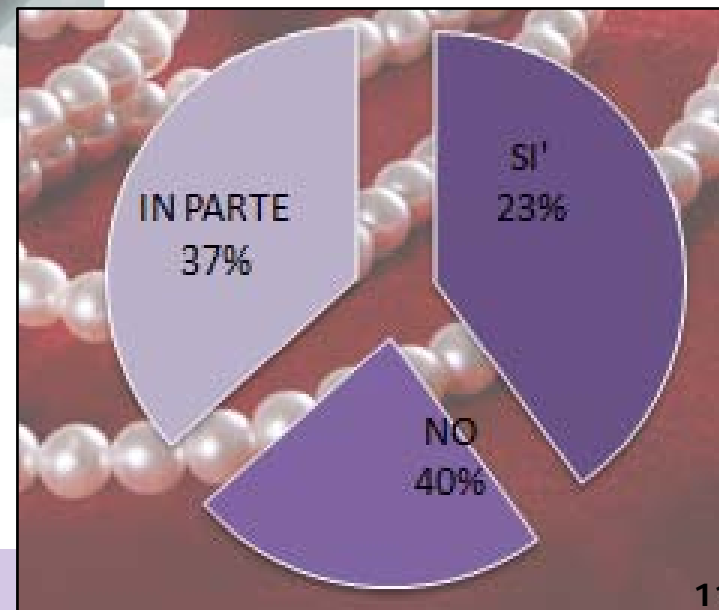
60% of companies declared they achieved advantages from the development of CSR initiatives in the foreign markets

- improved corporate image (77,8%)
- increased penetration power in the foreign market (55,5%)

40% of companies didn't notice advantages:

- Lack of measuring tools for benefits not immediately linked to the financial profile (50%)

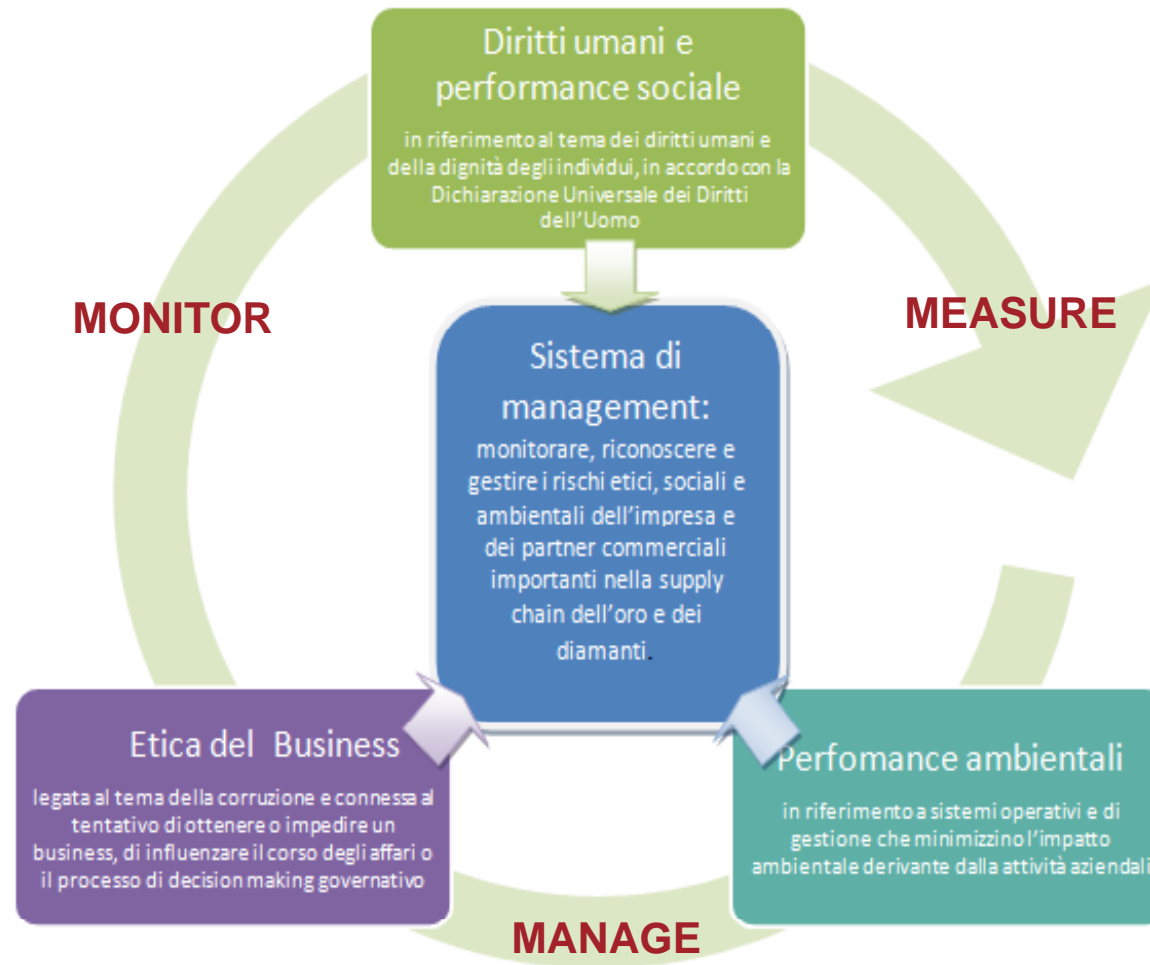
CSR as a differentiation and promotion strategy for the Made in Italy?



The indicators set:

OBJECTIVE:

Help companies in the gold industry in **monitoring, measuring and manage** their non financial **performance**



Handbook for SMEs in the gold industry: 5 steps to manage risk

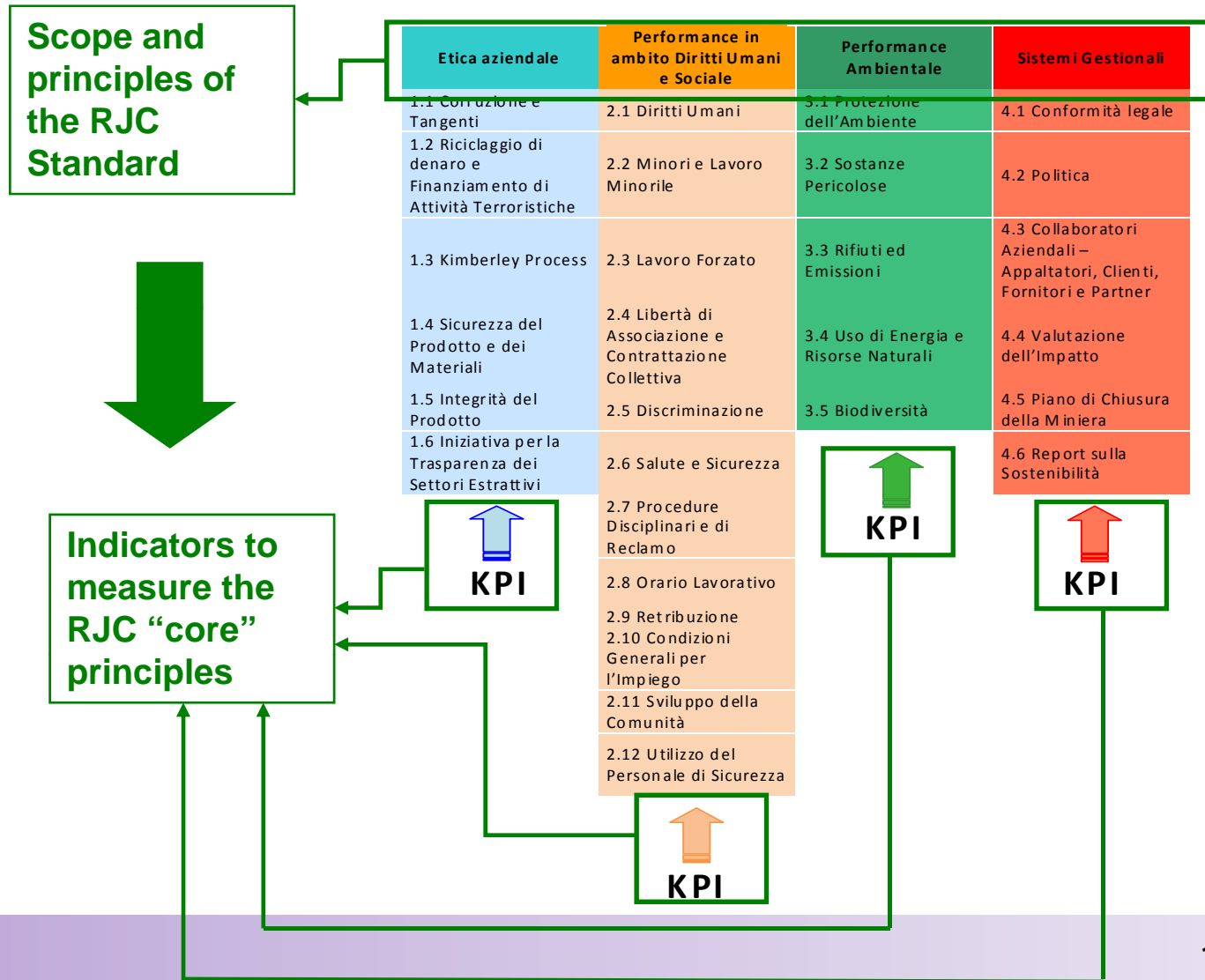
OBJECTIVE:

Help companies in the gold industry to recognize, manage, measure and minimize ethical, social and environmental risks within the supply chain



Measure and disclose responsible behaviors: link to the RJC Standard

OBJECTIVE:
 Help companies in the gold industry to **monitor and improve** the fundamental actions required to **achieve** the RJC certification



Thank you

Social Responsibility in the Italian gold industry



Ministero dello Sviluppo Economico

D.G.P.I.C.