





How to gain your social licence to operate

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17, 100 Edward Street, Brisbane QLD 4000
GPO Box 1564, Brisbane 4001

 +61 7 3230 5000
 www.phillipsgroup.com.au

There are countless examples globally of projects that have been delayed or stopped altogether as a result of community and stakeholder opposition.

The more expansive the social, economic and environmental impacts of the project, the more difficult it is to achieve a social licence to operate. A social licence to operate (SLTO) can only truly be granted where acceptance of the project is shared across the entire network of stakeholders affected by its operations. This requirement for a universal consensus across stakeholder groups introduces considerable complexity into the process of gaining a SLTO.

The term applies to the process of provoking support for a project, from those in the communities who live close by, or will be impacted by the proposed activities. A key issue for many organisations is how to achieve this public support.

Firstly, there needs to be a balance between financing a project and SLTO.

It cannot be all about money and risk. There are key elements that may grant your social licence to operate namely:

- **Economic legitimacy:** there has to be economic benefit to community
- **Social legitimacy:** organisations have to contribute to well-being of area, respect local way of life, act in accordance with stakeholder community's views of fairness
- **Credibility:** the organisation has to fulfil its promises and obligations to community
- **Trust:** the organisation has to listen to views of stakeholders and community, engage in mutual dialogue, and respect the interests of the stakeholder community. Trust can be developed by creating opportunities for collaboration, shared experiences and mutual benefit with members of the stakeholder community.