

Evaluating and Measuring the Social License to Operate

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Abstract. *Today, obtaining legal permits is no longer sufficient for companies aiming to operate sustainably. Firms are increasingly expected to gain the trust and acceptance of the communities in which they operate. This concept is known as the Social License to Operate (SLO). This paper explores how SLO influences businesses performance, especially in sectors where environmental and social impact is significant. The paper analysis the evolution of the SLO concept, presents a number of approaches of measuring the SLO, and highlights some challenges associated with applying it in various industries.*

The purpose of the study is to understand the role of SLO in the financial performance of businesses which face pressure from stakeholders, regulators, and investors to demonstrate social and environmental responsibility. Also, this paper examines the evolution of SLO and presents the measurement methodologies including the challenges and connections with overall business performance. The paper analysis how businesses generate stakeholder trust, as well as the financial and operational risks of failing to obtain an SLO. A focus area is measuring the SLO. The paper highlights some models described in the literature and analytical research that quantifies stakeholder sentiment across various industries and regions. The study shows that companies with a strong Social License to Operate tend to win greater investor confidence, experience fewer delays in project approvals, and face lower reputational risks. Companies that dismiss the importance of their SLO face the consequences—financial and operational issues, and a loss of investor confidence. To avoid this, businesses should focus on being transparent and building a real relationships with its stakeholders.

Keywords: Social License to Operate (SLO), Environmental, Social, and Governance (ESG), Corporate Social Responsibility (CSR), Stakeholder Engagement, Corporate Legitimacy, Business Sustainability.

Introduction

In some industries, such as natural resource extraction, transportation, energy, companies are required to obtain formal government-issued licenses to conduct business. Aside from legal compliance, many companies today face pressure to secure a SLO which is an informal but critical form of stakeholder endorsement that impacts business value. This study analysis the evolution of SLO as a concept and the challenges of measuring it. Early corporate responsibility efforts focused on philanthropy and voluntary CSR. Lately, there's been a growing push for companies to show real, measurable impact—and that's where ESG frameworks have come in. These standards are now widely used to evaluate how businesses contribute to social and environmental sustainability.

While the concept has evolved over time, researchers still indicate a major deficiency: there is no accepted method for measuring SLO across various industries. To bridge this gap between the SLO theory and its implementation, it is essential to analyze how SLO the concept has progressed from CSR to ESG frameworks. Also it is equally important to assess the efficiency of existing methodologies for measuring the SLO, and its impact on financial performance. Even now, there's no clear or widely agreed way to define or measure the Social License to Operate across industries. That makes it genuinely difficult for companies to judge whether they've earned real social legitimacy—or are just assuming they have. This paper intends to address this gap by presenting how the SLO is theorized, measured, and linked to corporate performance. It also

intends to provide a framework that improves its practical application in corporate sustainability strategies. While prior research has focused on SLO in the mining sector, this paper extends the discussion to include multiple other industries, best practices and several challenges.

The paper opens with an overview of the historical evolution of the SLO, highlighting its transition from early notions of CSR to the integration within modern ESG frameworks. The paper looks at a range of ways to assess the Social License to Operate, weighing what each method does well—and where it misses the mark. It then shifts to real-world case studies from different industries to show how SLO can shape a company's financial outcomes. Finally, the paper concludes with recommendations for companies aiming to strengthen their SLO. Through this approach, the study intends to provide a useful framework to help businesses and policymakers better integrate stakeholder trust into their sustainability strategies.

Literature review

Well before the concept of CSR appeared in wide discussions, during the industrial revolution, Andrew Carnegie and John D. Rockefeller defined the concept of philanthropy. Carnegie (1889) affirmed that the rich have a duty to distribute part of their wealth in ways that promote the welfare and the happiness of the common man: “the problem of our age is the proper administration of wealth, so that the ties of brotherhood may still bind together the rich and poor in harmonious relationship”. Their voluntary philanthropic efforts laid the foundation for corporate social engagement but they were not part of a structured corporate responsibility framework.

The formalization of the concept of Corporate Social Responsibility happened essentially in the period from 1950s to 1970s. In that period, businesses began to assume a broader role in society beyond just profit-making. Bowen (1953) laid the foundation of modern CSR by arguing that businesses have a moral and ethical obligation to consider the social impact of their businesses and not only profit making: “corporations not only produce 'goods and services' but also 'workplace conditions'” and “CSR can help business reach the goals of social justice and economic prosperity by creating welfare for a broad range of social groups, beyond the corporations and their shareholders.”

A contrary opinion was expressed by Friedman (1970) who supported the idea that the main responsibility of the management is to act as agents of the shareholders and focus exclusively on generating and maximizing profits for the businesses they run to the benefits of its shareholders while acting within “the legal and ethical boundaries” of a society. Friedman has argued that executive teams should only serve the interests of its stockholders. He further argued that use of corporate resources towards social causes – like environment initiatives, charity or hiring disadvantaged workers - would constitute “improper use of shareholders’ money”. Friedman didn’t believe that businesses had any obligation to take on social or environmental causes. In his view, that role belonged to individuals and governments—who, he argued, should pursue those goals using their own resources.

While CSR initially focused on voluntary ethical commitments, it progressed into a more elaborated approach with the introduction of ESG standards as a framework for corporate responsibility in the early 2000s. The United Nations Environment Program Finance Initiative analyzed if corporate fiduciary responsibility allowed investors to consider ESG factors in their decision-making. The initiative concluded that “integrating ESG considerations into an investment analysis so as to more reliably predict financial performance is clearly permissible and is arguably required in all jurisdictions” (UNEP FI Report, p. 13). It further challenged the traditional concept that management duty was only about maximizing financial returns to its shareholders by requiring

decision makers to take into consideration the ESG factors as these considerations could be “material to the financial performance of an investment” and that failing to integrate them could expose investors to “potential legal risks and liabilities” (UNEP FI Report, p. 15).

In parallel, the concept of SLO gained traction as companies became increasingly aware of their societal impact. Cooney, (1997) introduced for the first time the concept of SLO as “the ongoing acceptance or approval of a project by local community members and other stakeholders”, highlighting that it is “not a formal agreement but rather a measure of trust between a company and its stakeholders”. Different than legal permits, SLO is an informal form of approval that depends on a company’s ability to create and preserve “credibility, legitimacy, and trust” (Cooney, 1997). Industries with high environmental and social impact — such as mining, oil and gas, infrastructure development, and large-scale agriculture — face significant reputational risks if they fail to secure or maintain an SLO. This will result in “delays, increased costs, or outright rejection of projects” (Cooney, 1997).

Despite its growing importance, the literature on SLO remains random. Still to this date, there is no accepted methodology for measuring it across industries on a universal basis. So far, most of the research out there has focused on extractive industries—mainly mining and oil. On the other hand there is a significant gap in understanding how SLO applies to other business sectors, such as technology, finance, and manufacturing. While several models have developed methodologies to quantify stakeholder sentiment, there is no standardized conceptual framework that captures the dynamic nature of SLO and its financial implications.

The World Bank and the International Finance Corporation (“IFC”), made a significant move in introducing methodologies to measure SLO by adopting the performance standards which became a global reference for managing “environmental and social risks in private sector investment” (IFC, 2012) and define expectations for corporate conduct in key areas such as “environmental impact assessment, labor rights, resource efficiency, biodiversity conservation, and indigenous peoples’ rights” (IFC, 2012). IFC recognizes that corporate responsibility extends above legal and regulatory compliance and requires businesses to engage with “stakeholders and affected communities” to secure long-term social acceptance (IFC, 2012).

The International Finance Corporation (IFC) has also underscored the value of stakeholder engagement and robust ESG practices, noting that companies with strong environmental, social, and governance frameworks are more likely to outperform their peers financially, attract and retain skilled employees, and sustain their social license to operate (IFC, 2019). The financial sector has adopted a series of accountability and sustainability guidelines known as the *Equator Principles (EPs)*, which have since been implemented by many major banks and financial institutions around the world. The Equator Principles were based on the IFC’s Performance Standards on Social and Environmental Sustainability and provide a “benchmark for financial institutions to evaluate and manage environmental and social risks in large-scale projects, including mining operations”. Financial institutions that follow the Equator Principles require companies applying for project financing to conduct independent assessments that demonstrate alignment with ESG standards. Therefore, the Equator Principles are an extension of the SLO concept and in this way, financial institutions have increased influence over companies to adopt responsible practices.

To address the challenge of measuring SLO, researchers have proposed different methodologies. Thomson and Joyce, (2007), introduced the concepts of Social Capital of a corporation and defined the three levels of a social license: rejection, acceptance and approval, arguing that “SLO has to be earned and then maintained” Thomson and Joyce, (2007).

Thomson and Boutilier, 2011, in the context of the mining industry introduced the first methodology to characterize the SLO. Boutilier (2017) takes things a step further by offering a measurable way to understand how communities accept industrial projects. His research suggests that earning a Social License to Operate isn't just about ticking regulatory boxes — it's really about building genuine trust, legitimacy, and credibility with the people who are most affected. Their study further presents how companies can measure and track their social license using empirical data and presents benchmarking data for various projects in multiple countries based on more than 2000 interviews.

Despite progress in the field, there's still no widely accepted model for evaluating the Social License to Operate across industries. Henisz, Dorobantu, and Narthey (2014) explored how stakeholder engagement relates to SLO, and their findings show a strong connection between the two. By analyzing data from 26 gold mines owned by 19 publicly traded companies between 1993 and 2008, they found that the strength of a company's relationship with its stakeholders was closely tied to its overall value.

Yet the relationship between SLO and financial performance remains insufficiently analyzed in other sectors than mining.

Methodology

This study uses a mixed-method approach, combining qualitative and quantitative methods to analyze the evolution, measurement, and financial impact of the SLO. The goal of this research is to highlight gaps in existing methodologies, evaluate how well they apply across different industries, and examine the relationship between SLO and a company's financial performance. The study is developed around a three-stage methodological framework that includes systematic literature review, a comparative analysis of existing frameworks, and an evaluation based on real word case studies.

Firstly, a conceptual and literature review is conducted through a systematic analysis of peer-reviewed academic studies, industry reports, and regulatory frameworks. In this part of the study, the evolution of SLO is mapped out—from its roots in CSR to its role within ESG frameworks. It also looks at the main theoretical models used to measure SLO and points out where current research still falls short. Researchers often point to the work of Thomson and Boutilier (2011), Henisz, Dorobantu, and Narthey (2014), and Boutilier (2017) as foundational in the field. Each offers a different approach to measuring the Social License to Operate and connecting it to business performance.

The second part of the study takes a closer look at several ways to measure the Social License to Operate. It compares a range of methods—including the Thomson and Boutilier model, stakeholder sentiment analysis tools, and ESG-based indicators. Each of these is examined not just for what it measures, but for how well it works across different industries. The analysis also considers how deeply each method captures stakeholder engagement, whether it supports long-term sustainability goals, and how clearly it ties into financial performance.

The third part of the study looks at real case studies to see how the Social License to Operate impacts financial and operational outcomes in different industries. These cases weren't chosen at random—they were selected based on how relevant they are to major sectors, whether there was solid data on stakeholder engagement, and if financial results were publicly available. This approach allows the study to compare different cases and obtain clear insight into how SLO influences performance in a variety of real-world contexts.

The study suggests companies that have a clear, structured approach to measuring their SLO, they're will benefit of financial stability and greater investor confidence, and build stronger trust with stakeholders. This idea is supported by earlier studies—particularly by Henisz, Dorobantu, and Nartey (2014)—who showed a strong connection between how well a company engages with stakeholders and its overall market value.

On the flip side, the paper also suggests that companies that ignore social and environmental concerns are more likely to run into trouble—whether it's project delays, regulatory pushback, reputational harm, or challenges in getting approvals. This view is supported by studies like that of Jijelava and Vanclay (2018), which showed that lacking an SLO can result in failed projects, legal complications, and higher financial risks.

Although the Social License to Operate is widely discussed in academic and strategic contexts, there's still no standard method for measuring it, and little research has fully explored its financial and operational impact across a range of industries. Most existing frameworks—like those by Thomson and Boutilier (2011) or Henisz et al. (2014)—tend to focus on extractive sectors such as mining and oil. This creates a real challenge when trying to understand how SLO works in other types of businesses.

Even though this research relies on secondary data sources it still provides very valuable insights. Future studies could include primary data to expand on this by conducting quantitative measurements (interviews and surveys) or experimental studies to further validate the findings.

Results and discussions

The ultimate purpose of a business has evolved over time, moving from a model focused on shareholders and owners, in which the main objective was to maximize the profits of the shareholders to a stakeholder centered approach where companies need to assure that value created by the respective business is fairly distributed to all participants, including employees, customers, suppliers, communities where these businesses operate and the environment.

One particular challenge is the measurement of the presence or the absence of the Social License to Operate and what impact this has on the value of a business, on its financial statements and relevant disclosures of a company. Despite its growing importance, SLO is still difficult to quantify due to variations in stakeholder expectations among various industries (Boutilier, 2017). Furthermore, Henisz, Dorobantu, and Nartey (2014) found that while SLO can significantly influence a company's financial valuation, inconsistencies in how companies report and engage with stakeholders make direct measurement more complicated.

Many companies consider the Social License to Operate an important part of their business strategy, but it's often unclear how they actually define it—or how they decide whether they have it. Bice (2014) looked at the sustainability reports of 18 major Australian companies to see how each one describes and understands its SLO. The findings revealed a lot of inconsistency in how companies define and communicate this concept, which makes it hard to judge its real impact or effectiveness.

Along the same lines, Deonandan et al. (2023) point out that many corporate statements about the Social License to Operate are vague and lack solid, verifiable systems to back them up. As a result, engagement with communities often ends up being superficial and doesn't build real trust. This gap shows just how hard it is to create a consistent framework that works across different industries. What's needed is a clearer, more practical model—with transparent, well-defined criteria—that helps close the gap between theory and how companies actually put SLO into practice.

Thomson and Boutilier (2011) made a notable contribution by proposing a model to define and assess the Social License to Operate. Their framework offers a systematic way to evaluate stakeholder perceptions of legitimacy, credibility, and trust. Their model was applied primarily in extractive industries. However, as Moffat and Zhang (2014) point out, the relevance of this model outside the extractive sector remains uncertain. The reason for that is that other industries often lack similar dynamics between companies and local communities. This raises the need to adapt and expand SLO measurement approaches for use in a larger range of sectors.

Thomson and Boutilier (2011) define the 4 levels of the social license as well as 3 boundary criteria among them, as shown in Figure-1 below:

Measuring the Social License



© Sociallicense.com (2010)

Figure 1. Thomson&Boutilier, 2011 - Levels of social license with boundary criteria between them

Source: <https://sociallicense.com/measure.html>.

The first level is “*Withhold/Withdrawal*” which constitutes the worst case for a company or a project. At this level the vast majority of the local community groups would reject the project or the company and that can result in the impossibility of developing the project. The second level of the SLO is “*Acceptance*”, which is based on the fact that now companies or projects would have legitimacy and credibility already confirmed. The acceptance level of the SLO should be the base objective for a company. The third level of the SLO is the “*Approval level*” which is based on the fact that a company would have already gain the legitimacy and the credibility. The community accepts the project and usually has positive views and benefits of “strong community support [...]”. The highest level of the SLO is considered the “*Psychological Identification*” or co-ownership. At this level there is full trust on both sides and the company is considered a fully legitimate member

of the community. The local community and stakeholders will defend the company or the respective project in front of external threats or false information.

A SLO fluctuates during various periods from the company's life or the project cycle. Thomson and Boutilier (2011) exemplify with a case Study at the San Cristobal mining project in Bolivia, where over a period of 14 years the SLO has evolved up and down upon certain events. Projects with a low level of the SLO will suffer from difficulties in attracting financing either equity or debt but it can also impact other areas of operations like difficulties to attract talented employees, depressed customers, or bad reputation that can restrict further developments.

Securing and maintaining a Social License to Operate is particularly critical in the mining sector, where ownership of natural resources is often split — with minerals belonging to the state, while the land itself is privately or communally owned. In such cases, holding a legal permit is not enough; companies must also gain the approval of local communities, who need to endorse the project and be fairly compensated before any operations can begin. Ofori and Ofori (2018) explore how Newmont, the world's largest gold mining company, successfully earned and maintained its Social License to Operate at its site in Ghana. Their research highlights the importance of genuine, two-way engagement with local communities — making strong stakeholder relationships a central factor in gaining and keeping a Social License to Operate. A Newmont representative explained: “Before the mine started, we had the legal permit and the social permit [the social license]. The legal permit was obtained from the government. We needed the social permit to operate, and you can get this through your relationship with the people.”

Ofori and Ofori (2018) highlights that social development interventions alone have a limited effect on securing an SLO. Other factors play a far more influential role—most notably, a company's track record and its willingness to involve communities in a meaningful way. These factors play a key role in shaping the way stakeholders view and respond to the company. The findings are consistent with the SLO model developed by Thomson and Boutilier (2011), which show that building trust, credibility, and legitimacy is essential for moving above basic acceptance toward full community approval and even a sense of shared identity.

Assessing the Social License to Operate across different countries, projects, and time periods requires a flexible approach that can account for changes over time—even within the same project. Boutilier (2017) tackled this challenge by creating a methodology grounded in a set of questionnaires, originally inspired by the work of Thomson and Joyce (2008). An initial set of statements about the SLO is developed and used in a number of studies (Thomson and Joice 2012, Moffat and Zhang, 2014). Boutilier then develops an international database that includes a large number of studies performed in multiple countries and summarizes the results on a scale from 1 to 5. The graph below (Figure 2) shows the resulting SLO scores with colors matching the Thomson & Boutilier (2011) diagram (Figure 1).

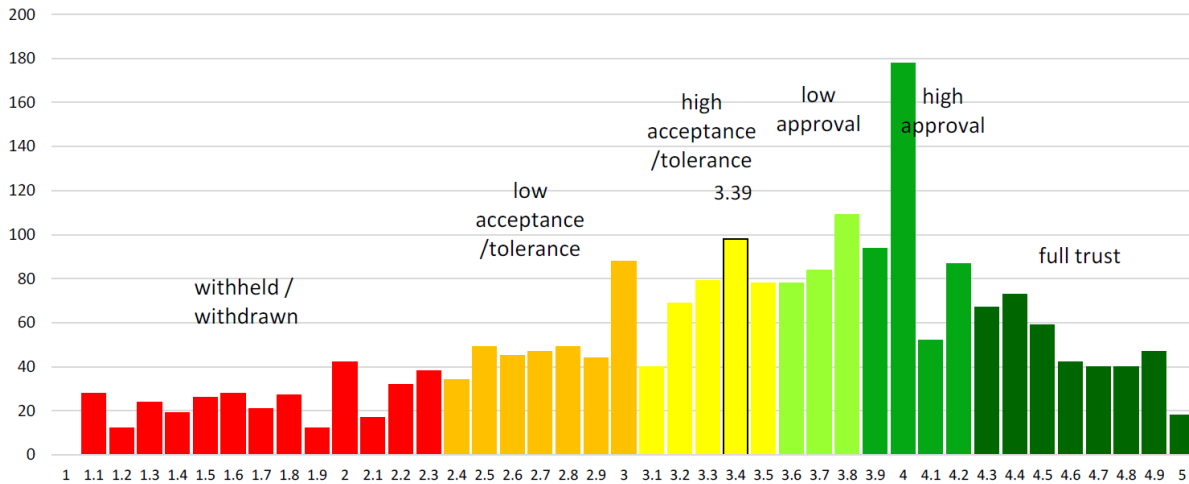


Figure 2. Boutilier, 2017, Histogram of 2,152 social license scores collected in 11 countries in 9 languages

Source: <https://sociallicense.com/publications/A%20dozen%20statement%20for%20measuring%20the%20social%20license.pdf>.

The results shown in Figure 2 are further summarized by Boutilier in the table below (Figure 3), concluding that the overall score is 3.56 which falls between low approval and high acceptance on the Thomson and Boutilier SLO levels diagram.

sextile 1/6 th	lower bracket	upper bracket	range and verbal label
6	4.30	5.00	>4.3 to 5.00 = full trust
5	3.93	4.30	>3.93 to 4.3 = high approval
4	3.56	3.93	>3.56 to 3.93 = low approval
3	3.08	3.56	>3.08 to 3.56 = high acceptance/tolerance
2	2.40	3.08	>2.4 to 3.08 = low acceptance/tolerance
1	1.00	2.40	1.00 to 2.40 = withheld/withdrawn

Figure 3. Scale points designating the brackets among six equal groupings of social license scores based on 2,152 international interviews

Source: <https://sociallicense.com/publications/A%20dozen%20statement%20for%20measuring%20the%20social%20license.pdf>.

Boutilier's (2017) research addresses fluctuation in the SLO by developing a methodology based on large-scale stakeholder sentiment analysis, integrating data from over 2,000 interviews across 11 countries. However, the findings also show that while trust can be measured to some extent, cultural, geographic, and industry-specific differences introduce significant variability, making it challenging to develop a universal metric for evaluating the Social License to Operate. Securing a Social License to Operate requires more than simply mitigating environmental and social impacts or investing in corporate social responsibility initiatives. At its core, it depends

on a company's ability to genuinely listen to community concerns and respond to them through trust-building efforts and meaningful, well-structured engagement programs. Moffat and Zang (2014) developed an integrative model to measure the critical elements of SLO in an Australian mining region. They demonstrated that community acceptance of mining operations is strongly influenced by the quality of interactions between company representatives and local stakeholders. The perception that a company makes decisions transparently and the community is involved in these decisions was found as the strongest predictor of the presence of a SLO.

The acquisition of a Social License to Operate (SLO) is influenced by several key factors which are explored by Póseman and Sallan (2019). After studying the SLO at two large-scale mining companies (Cajamarca and Arequipa) in Peru's mining sector, which is often faced with social conflicts, four key factors were identified as fundamental in achieving and maintaining an SLO: understanding the socioeconomic environment, demonstrating commitment to the community, ensuring government presence and support, and effective communication with stakeholders (Figure 4). The conclusion of the study reinforces the Thomson and Boutilier (2011) methodology.

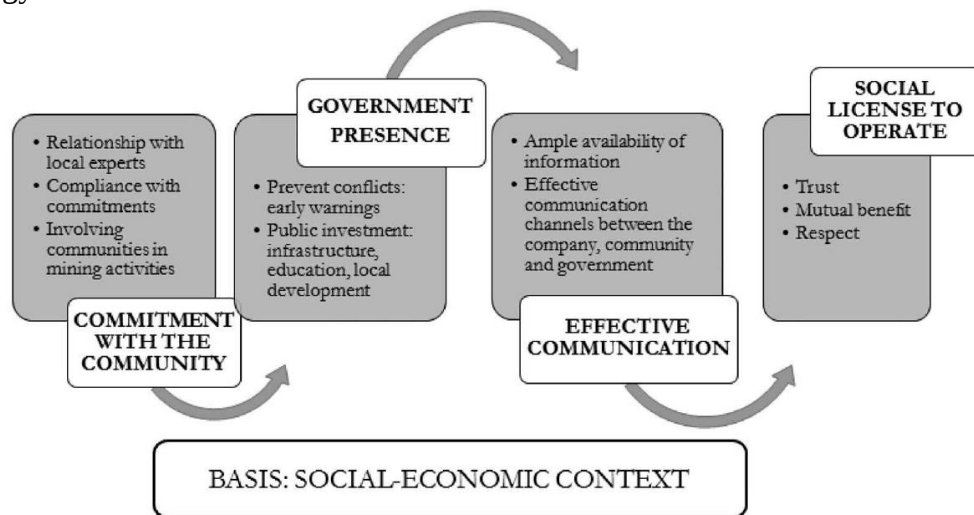


Figure 4. Póseman and Sallan, 2019 - SLO model for a large scale mine in Peru

Source: Póseman and Sallan (2019), Social license to operate in the mining industry: the case of Peru.

The correlation between proper stakeholder relations and the financial performance of a company was measured by Henisz, Dorobantu, Narthey (2014) which found that incorporating the index which measures stakeholder conflict and cooperation into market capitalization reduced the discount placed by financial markets on the net present value of the firms' physical assets from 72% to 37%. Hence the SLO is directly correlated with a firm valuation. SLO "is not just is not just corporate social responsibility but enlightened self-interest" (Henisz, Dorobantu, Narthey, 2014). Although the study focused on the gold mining sector, the relationship it highlights extends beyond mining and can be applied to other natural resource industries—and even to a broader range of business sectors.

The Social License to Operate can do more than just affect a company's valuation—it can determine whether a project or business succeeds or fails. Building SLO principles into project planning is essential if a company wants its projects to succeed over the long term. A clear example of this was the large infrastructure project in Georgia, where strong community resistance led to the suspension of the Khudoni Hydroelectric Power Plant in 2013.

Jijelava and Vanclay (2018) applied the Thomson and Boutilier framework to examine why the Khudoni project failed, focusing on three core aspects of the Social License to Operate: legitimacy, credibility, and trust. The project lacked legitimacy, as local communities perceived no meaningful benefits. The project lost credibility in part because the developers didn't engage with stakeholders in an open or consistent way. On top of that, the forced displacement of residents—without fair compensation—triggered strong opposition from the local community. The study makes it clear that without early and genuine engagement, even projects that are financially solid and carefully planned can be stopped in their tracks by community resistance.

While the concept of the Social License to Operate is widely used in corporate discussions, Deonandan et al. (2023) point out that its practical application often remains vague and difficult to verify in real-world settings. Their study, which investigated through interviews and surveys the existence of SLO in the uranium mining industry in Saskatchewan, Canada, found that companies operating in indigenous territories frequently struggled to grasp genuine community concerns or engage in meaningful dialogue. The research identified several barriers—such as technical corporate language, educational gaps, and inflexible bureaucratic processes—that limited effective community engagement.

These findings suggest that although SLO is frequently mentioned in corporate messaging, its actual implementation often lacks depth—and there are few reliable ways to verify if it's truly been earned.

Conclusion

The idea of a Social License to Operate didn't start out as a formal business strategy. At first, it was more about goodwill—simple efforts to give back or stay in good standing with local communities. Over time, however, this informal relationship between companies and communities has grown into something far more strategic. Today, SLO is widely seen as a key element of long-term corporate sustainability.

In this paper, I traced how that shift happened. It starts with early forms of philanthropy and basic corporate responsibility, then moves into the era of CSR, and eventually arrives at modern ESG frameworks. These are now used to measure a company's broader impact on society and the environment. I also looked closely at how SLO can actually be assessed. A widely recognized approach is the Thomson and Boutilier framework, which uses a structured model to assess levels of trust, reputation, and community acceptance.

One of the main takeaways is that the SLO isn't something static — it evolves in time. The evolution depends on how a company engages with its stakeholders and how it responds to social or environmental challenges they face. Companies that are transparent, genuine, and actively stay engaged with local communities are much more likely to maintain that trust over time. And when that trust is there, things usually run more smoothly — projects get approved faster, funding is easier to secure, and investors feel more confident. But if a company ignores its social license or takes it for granted, it can face serious problems: delays, damage to its reputation or financial losses.

While some progress has been made in defining and measuring the SLO, there's still a lot of work to be done to make the evaluation process consistent across different industries and regions. Most of the current models were designed with specific sectors in mind, so applying them to other types of businesses isn't straightforward—and that makes cross-industry comparisons of SLO pretty difficult. One limitation of this study is that it relies heavily on previous research and case studies. That means it might not fully reflect how SLO behaves in fast-changing industries or in places where regulations are still evolving. Boutilier (2017) points out that while using stakeholder

sentiment is helpful and gives data to work with, differences in industry setups and local rules make it hard to draw clean comparisons. Moffat and Zhang (2014) make a similar argument — most SLO models were designed with mining and other resource-heavy sectors in mind, so applying them elsewhere isn't always straightforward.

The fact that there's no universal way to measure the Social License to Operate is still a major gap — one that future research really needs to tackle. What's missing are stronger, more reliable models that can show how SLO affects a company's financial results and how these frameworks can be used across different industries, not just a few.

Henisz, Dorobantu, and Nartey (2014) showed that companies with solid relationships with their stakeholders tend to inspire more investor confidence. But on the other hand, Deonandan et al. (2023) argue that without clear, standardized tools, it's hard for companies to explain how their SLO ties into financial performance.

There's also a need for more data-driven studies — ones that can draw clearer links between SLO, financial results, and risk management. Looking ahead, new technology might help. AI and big data could help track stakeholder sentiment and monitor a company's SLO as it evolves in real time and in multiple industries, similar to how investors track "sentiment" of the shareholders on stock exchanges.

These days companies are expected to perform well above simply turning a profit to shareholders. They're also expected to take responsibility for their impact on society and the environment. In this context, the Social License to Operate has emerged as a crucial factor in determining whether a company is genuinely sustainable. As regulators and investors continue to integrate ESG factors into financial decision-making (UNEP FI, 2005), having a Social License to Operate is no longer a bonus—it's becoming essential.

According to IFC (2019), companies that actively build, maintain, and strengthen their social license are better positioned to avoid major risks, seize new opportunities, and generate long-term value. They're also more likely to build solid, trust-driven relationships with the people and communities their business depends on.

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