

# **Control Risks**

Financial and Political/Security Risk Assessment  
in the Mining Industry

Colin Warburton  
October 2008

## About Control Risks



Since 1975 we have worked in over 130 countries for more than 5,000 clients



An international consultancy with 18 offices on five continents



National and multinational clients in a wide variety of industrial and service sectors, governments and NGOs

## An international consultancy



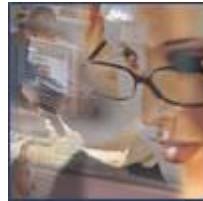
## Our values

- Everyday we are asked to help clients in controversial, dangerous and morally complex situations. Applying ethics in these circumstances is often difficult, but it is essential. Guided by an ethical code and confident in our own innate integrity, we have the opportunity to help our clients do business in the most challenging circumstances.
- Our core values we uphold are:
  - Integrity & ethics
  - Collaboration & teamwork
  - Commitment to People
  - Professionalism & Excellence

## Service areas



Travel security (Travel Security Services – Control Risks-International SOS JV)



Business intelligence and investigations



Security consultancy and management



Crisis management and response

## Business intelligence and investigations

New markets and business partners offer opportunities, but also present risks. Helping you to achieve competitive advantage, we provide:



### RESEARCH

Strategic market and competitor intelligence

### INVESTIGATION

Investigative due diligence

Intellectual property investigations

Asset tracing and recovery

Pre-employment screening

Forensics services

### PROTECTION

Brand protection/anti-counterfeiting consultancy

Fraud prevention, investigation and training

Anti-money laundering services

Whistleblowing services

## Crisis and security consulting

We provide security support and guidance, incident response services:

### CRISIS MANAGEMENT & RESPONSE

Crisis Management &  
Business Continuity  
Plans

Response to  
Kidnap & Extortion

Crisis Management  
Training

Emergency Response  
& Evacuation Planning

### SECURITY RISK MANAGEMENT

Risk Assessment

Policies, Plans  
& Procedures

Security  
Vulnerability  
Survey

Technical  
Surveillance

Security  
Engineering

### SECURITY TRAINING

Personal Security  
Awareness

Executive Security  
Training

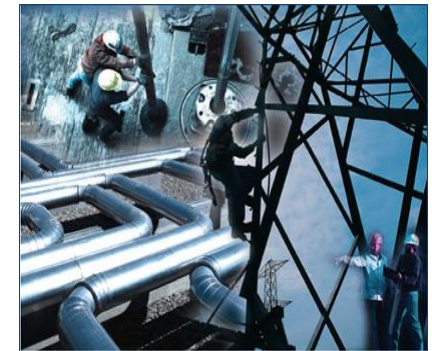
Hostile Environment  
Training

E-Learning  
Security Training

### SECURITY STAFFING

Embedded Security  
Risks Advisor

Project Security  
Management



## Control Risks Philippines Mining Capabilities

- Control Risks has advised clients in the mining, minerals and assorted services sectors for more than three decades.
- In the last five years, we have undertaken more than 500 consulting engagements for clients in the industry.
- We also regularly perform consulting engagements for bankers, insurers and law firms in connection with mining projects around the world.
- We support clients worldwide, including West, Central and Southern Africa, Latin America, the Middle East and South-East Asia.

## Project Support Cycle

### Construction, Operations and Closure

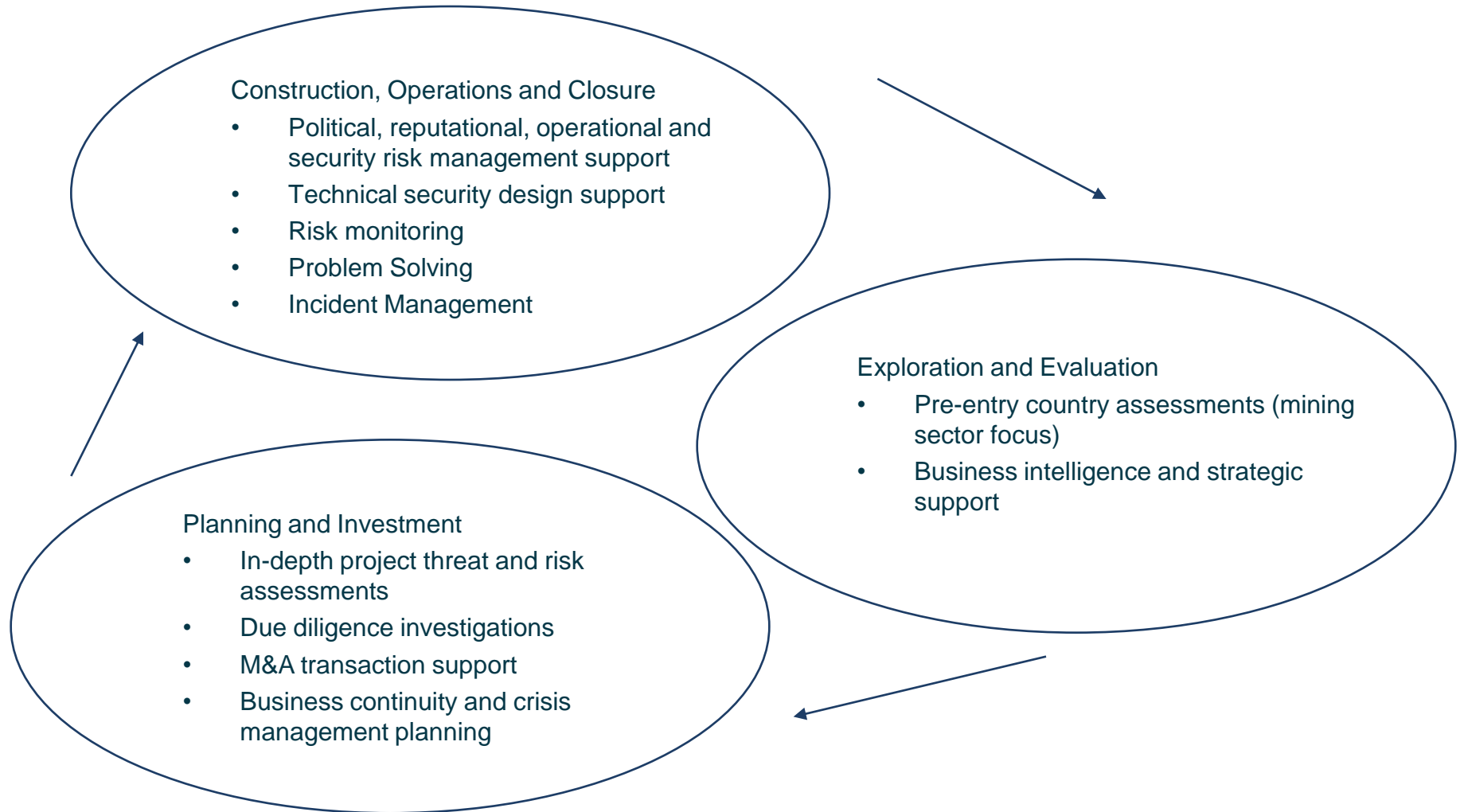
- Political, reputational, operational and security risk management support
- Technical security design support
- Risk monitoring
- Problem Solving
- Incident Management

### Exploration and Evaluation

- Pre-entry country assessments (mining sector focus)
- Business intelligence and strategic support

### Planning and Investment

- In-depth project threat and risk assessments
- Due diligence investigations
- M&A transaction support
- Business continuity and crisis management planning



## Mining Sector Services

Control Risks provides the following range of services to the mining sector:

- Pre-entry assessment for new ventures
- Threat and risk assessments for developing, established or evolving operations
- Business intelligence and due diligence on political business partners
- Political, security and operational risk analysis, updates and monitoring
- Security planning and asset protection
- Training
  - For professional staff in dealing with hostile or complex situations
  - For employees applicable to their risks
  - For security managers and guards
- Problem solving consultancy
- Crisis management and business continuity planning, training and response

# Mining Sector Services

## **Assessments for new and existing ventures**

- Control Risks analysts and consultants monitor political and security developments
- Delivery of tailored political risk analysis solutions
- Considering long-term political stability of countries
- Informing pre-entry strategies

# Mining Sector Services

## **Pre-entry assessments for new ventures**

- Design to provide overview of political, security and operational environment in a jurisdiction
- Provides investors with information to understand key threats to entry and essential foundation for future recommendations on engagement and risk management strategies
- Areas that may be covered in pre-entry assessment include government structures, decision makers, economic policy, political stability and threats scenario

# Mining Sector Services

## Project Threat and Risk Assessment

As a mining project moves from exploration and evaluation through to feasibility, Control Risks provides:

- Detailed project, focus threat and risk assessment
- Key political, operational, security and reputational risks that may affect the project as it moves to construction and operation
- Comprehensive register of risk and prioritisation of these risks through analysis and likelihood of impact
- Risk assessment-based management advice including engagement strategies with key political stakeholders, local communities, understanding and engagement with NGOs, proactive, coordinated security policy plans, business continuity plans, crisis management planning, advice on the principles on security and human rights and the principals of continued monitoring

## Mining Sector Services

### **Business Intelligence and Due Diligence on Potential Business Partners**

- The providing of micro-level information driven consultancy and analysis
- The providing of detailed findings and recommendations
- The assisting of mining companies in the acquisition or exploration strategies
- Advice in relation to withdrawals or terminations and problem solving
- The investigation of series incidents from an independent perspective

# Mining Sector Services

## **Risk Monitoring**

- The providing of political, operational and security analysis products to assist companies with update and with developments likely to affect their operations
- Weekly Risk Review provides a summary of crime, politically-motivated violence throughout the Philippines which allows companies to fully understand security issues affecting their operations

## Mining Sector Services

### **Political Risk Information Monitoring Evaluation (PRIME)**

- A Control Risk bespoke service designed for investors and businesses with the need to understand political developments and their security and commercial implications
- The specific characteristics of PRIME is that it is concise, flexible, timely, incisive, forward looking and original

# Mining Sector Services

## Security Planning and Project Implementation

- Control Risks approach to security planning is intelligence-led and based on a thorough risk assessment
- Control Risks can assist with all or parts of a security master plan for mining project and includes:
  - Security risk assessment
  - Security management strategy
  - Security systems review
  - Community relations plan
  - Government security relations plan
  - Security organisation
  - Physical and electronic security
  - Security documentation
  - Security training
  - Emergency management

# Mining Sector Services

## Security Planning and Project Implementation

- Control Risks provides security project managers or advisers to lead, manage or advice on the implementation of security plans. The value added by an imbedded security project manager or adviser is:
  - Experience
  - Informed and trained
  - Access to mentoring and advice
  - Insured
  - Focus on human rights and global standards
  - Culturally sensitive with the focus on empowering the client

# Mining Sector Services

## Training

- Control Risks maintains a global centre of excellence for security training in London. It develops bespoke training courses which can be delivered at locations throughout the world. Training courses include
  - Hostile environment training
  - General employee security awareness training
  - Security staff training – Security and HSE Managers
  - Guard Training

# Mining Sector Services

## **Problem solving consultancy**

- Provides mining companies with 'stakeholder mapping' business intelligence
- Providing market-leading expertise in political risk, business intelligence, security consulting, post-incident crisis management and response
- This capability allows Control Risks to offer clients creative, immediate and practical solutions when the client is confronting a problem
- The understanding of research and providing intelligence relating to key infrastructural or supply chain vulnerabilities
- Researchers community and security dynamics at a mine site and provides strategic advice
- Investigates and elucidates the contractual situation of a mining concession

# Mining Sector Services

## **Problem solving consultancy**

- Investigates suspected frauds or information security breaches that may undermine an operation
- Investigates physical security incidents and evaluates any deficiencies in policies and procedures that may contribute to the event occurring
- Provides crisis management and communication assistance in addition to post-incident investigation
- Through an insurance organisation, can provide advice and assistance in kidnap-for-ransom or criminal extortion incidents
- Control Risks works as an independent adviser on insurance claims and litigation processes

# Mining Sector Services

## The value proposition of working with Control Risks

- Global experience
- Mining focused
- Independent advice
- Ethical standards
- Professional and discreet
- Reliable

## Mining Sector Services

**Our consulting and strategic problem-solving services provide clients with the following tangible benefits:**

- Full understanding of project success factors both strategic and tactical
- Enhanced understanding of the regulatory and legal environment facing its projects
- Enhanced understanding of project stakeholders and their motivations
- Improved prospects for security of tenure and obtaining a social license to operate
- Information to more accurately assess insurance and other risk management requirements

## Mining Sector Services

**Our consulting and strategic problem-solving services provide clients with the following tangible benefits:**

- Ability to protect reputation locally and internationally
- Ability to anticipate problems and changes in the risk landscape for investment and thereby reduced and avoid delays and cost overruns for that project
- Assurance to lenders and stakeholders that political, security, reputational and operational risks are being managed effectively
- Safeguarded personal and physical assets
- Information advice on how to avoid and/all solve emerging problems

To contact Control Risks Philippines

Please Email:

Colin Warburton

[colin.warburton@control-risks.com](mailto:colin.warburton@control-risks.com) or

call + 632 687 5028 to 32 local 330

0917-832 5275