Private security
Increased of cost of capital and insurance
Loss of productivity and disruption of work hours
Increasing levels of 'danger pay'
Disruption of supply chains, energy supplies and trade links (including as a result of international sanctions).
Litigation and reputation costs
Government change and nationalization of private assets, or change in contractual terms
Loss of downstream customer contracts as a result of targeted boycotts and changing market conditions

Other pressures that may affect the profitability of a mining operation as a result of conflict include:

- The emergence of social performance conditions for access to finance.
- Social standards and environmental management systems being forced up the supply chain by downstream customers.
- Internal pressures from employees and stockholders[45].

On the horizon, international norms for behaviour by companies in conflict are moving from the realm of 'soft law' enforced by strategies of 'naming and shaming' by countries and advocacy groups, towards 'hard law' enforced by national courts and potentially by an emerging international legal system[46].

Go / No Go ?

When should a firm divest, or refuse to invest ? Conceptually, the first screen is profitability. When the expected costs of political risks exceed the expected payoff of the project, the firm should not enter. This, however, requires subjective determination of the probabilities of the likely risks. Firms with a lower degree of reputation exposure or a greater risk tolerance will choose to enter where others will not. Likewise, a firm's internal incentive structure may reward staff members who downplay political risks or who overstate a firm's conflict management capacity, biasing decisions in favour of investment.

Many firms believe such decisions should be based instead on the potential for their investment to make a positive contribution towards social stability, provided personnel and policies are secure. "British Petroleum's policy on withdrawal or staying in is that it will try to stay in a country and play a positive role, except in situations where:

- Its ability to maintain the safety and security of its staff is compromised; and
- It becomes impossible to operate in accordance with the company's business policies."[47]

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45 Watts and Holme, *op.cit.;*, page. 4.
46 Petraski, D., *Business wrongs and rights: human rights and the developing international legal obligations of companies (DRAFT)*, 2001. http://www.international-council.org/.-
47 Nelson, J. Ibid. p. 77.