



GSSB Global
Sustainability
Standards Board

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Item 04 - Project Proposal for the Sector Program Pilot Project (Mining)

For GSSB discussion

Date	13 November 2018
Meeting	29 November 2018
Project	Development of a Sector Standard for the Mining Sector
Description	This paper sets out the draft project proposal to develop a Sector Standard for the mining sector.

This document has been prepared by the GRI Standards Division. It is provided as a convenience to observers at meetings of the Global Sustainability Standards Board (GSSB), to assist them in following the Board's discussion. It does not represent an official position of the GSSB. Board positions are set out in the GRI Sustainability Reporting Standards. The GSSB is the independent standard-setting body of GRI. For more information visit www.globalreporting.org.

Project background

The pilot project will follow the [Due Process Protocol](#) and will deliver a Sector Standard that identifies and describes significant impacts and stakeholder concerns from a sustainable development perspective for the mining sector.

Mining

GRI has previously produced sector-specific guidance through the release of the G4 Sector Disclosures, issued in 2014.¹ The G4 Disclosures provided sector-specific guidance. The G4 Mining and Metals Sector Disclosures were widely adopted by companies within the mining sector. Data retrieved from the GRI Reports database on 7 September 2018 indicates that 365 G4 reports from 2014-2017 have been registered from the mining sector, indicating a strong reporting rate. In addition, the 25 member companies of the International Council on Mining & Metals (ICMM) have all committed to report in accordance with GRI and on the G4 Mining and Metals sector disclosures, and ICMM tracks their annual reporting.²

The Standards Division considers the mining sector to be an ideal candidate for the pilot project for the following reasons:

- The mining sector's broad adoption of sustainability reporting, especially GRI reporting;
- A well-developed literature on the mining sector's impacts and role in sustainable development;
- The breadth and significance of the mining sector's impacts on economies, the environment and society.

The mining sector is subject to diverse voluntary reporting initiatives and frameworks, including the IFC Performance Standards, the Extractives Industry Transparency Initiative (EITI), the International Council on Mining & Metals (ICMM), and many other organizations.³ The work of these organizations provides a broad foundation for building a common understanding of the sector's significant impacts and how to report on these.

Finally, the mining sector has a broad range of significant economic, environmental and social impacts, both positive and negative. The impacts of the mining sector are widely documented by intergovernmental organizations such as the Organisation of Economic Co-operation and Development (OECD), the International Labour Organization (ILO), the United Nations Development Programme (UNDP), and the United Nations Environment Programme (UNEP), among others.⁴ Many

¹ GRI, [G4 Sector Disclosures Mining and Metals 2014](#), accessed 9 November 2018

² ICMM website, [Member reporting and performance 2017](#), accessed 9 November 2018

³ World Economic Forum (WEF), [Voluntary responsible mining initiatives 2016](#), accessed 9 November 2018

⁴ For example, OECD, [Due diligence guidance for responsible supply chains of minerals from conflict-affected and high-risk areas, 3rd ed., 2016](#), accessed 9 November 2018; OECD, [Due diligence guidance for Meaningful Stakeholder Engagement in the Extractives Sector 2017](#), accessed 9 November 2018; ILO, [Sustainable Mining: How good practices in the mining sector contribute to more and better jobs 2017](#), accessed 9 November 2018; UNDP and UNEP, [Managing mining for sustainable development: A sourcebook 2018](#), accessed 9 November 2018; UNEP and Grid Arendal, [Mine Tailings Storage: Safety is no Accident 2018](#), accessed 9 November 2018 and UNDP, [Mapping Mining to the Sustainable Development Goals: An Atlas 2016](#), accessed 9 November 2018.

31 reports issued by these organizations on the impacts of the mining sector were published after the
 32 release of the G4 Sector Disclosures, suggesting a need to update mining sector contents to reflect
 33 evolving norms and expectations.

34 Mining supports all other sectors by providing materials. Iron and steel are critical inputs for housing,
 35 transportation and infrastructure, and many other metals and minerals are deemed critical raw
 36 materials for specific applications.⁵ Mining also plays a key role in enabling the green economy, as
 37 stated in the 2017 report, *The growing role of minerals and metals for a low carbon future*, from the
 38 International Bank for Reconstruction and Development and the World Bank.⁶ Mining products and
 39 fuels represented 15% of world merchandise exports in 2017, according to the World Trade
 40 Organization (WTO).⁷ Mining can create jobs, enable innovation, and bring investment and
 41 infrastructure where development is badly needed.

42 However, mining activities have also been associated with widespread negative environmental and
 43 socioeconomic impacts. For example, the OECD has identified human rights impacts from land rights
 44 and resettlement, security forces, in-migration, food security, indigenous rights, sexual harassment and
 45 prostitution, conflict, air and water pollution, and environmental degradation as relevant to the mining
 46 sector.⁸ Furthermore, Table I below shows the broad range of environmental and socioeconomic
 47 impacts identified by the UNDP as relevant to the mining sector.

48 Table I: Identification of environmental and social issues for the mining sector (UNDP)⁹

Environmental	Social
Water contamination and limiting water availability	Access to information, public participation, access to justice & access to remedy
Dam bursts and flooding	Right to life
Waste production	Right to an adequate standard of living, livelihoods and related land rights to pursue land-based livelihoods
Air pollution	Right to food
Soil erosion and contamination	Right to water
Stream sedimentation	Right to health
Ecosystem destruction	Right to housing & resettlement
Biodiversity impacts	Right to social security/social protection
Radioactive radiation	Rights to freedom of expression, association & assembly
Submarine/riverine tailings disposal	Women's rights
Acid Mine Drainage (AMD)	Children's rights
Long-term impact on environmental capital	Indigenous peoples' rights, minority rights
Increased noise, light and dust levels	Disability rights
Opening new areas to illegal logging and poaching	Cultural rights and the protection of cultural property
	Accountability and the rule of law

⁵ See, for example, the European Commission's webpage on [critical raw materials 2018](#), accessed 9 November 2018, and its webpage on [minerals and non-energy extractives industries 2018](#), accessed 9 November 2018.

⁶ International Bank for Reconstruction and Development/The World Bank, [The growing role of minerals and metals for a low carbon future 2017](#), accessed 9 November 2018.

⁷ WTO, [World Trade Statistical Review 2018](#), accessed 9 November 2018.

⁸ OECD, [Due diligence guidance for Meaningful Stakeholder Engagement in the Extractives Sector 2017](#), accessed 9 November 2018.

⁹ UNDP, [Extracting Good Practices 2018](#), accessed 9 November 2018.

	Participation and inclusion
	Community development
	Impacts of in-migration on social cohesion and social services
	Other impacts on social capital
	Social conflict
	Health & safety
	Forced labour/unfair working conditions
	Vulnerable migrant and temporary workers
	Child labour
	Non-discrimination
	Unequal pay for unequal work, unpaid care work
	Sexual harassment

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50 Stakeholder pressure is increasing for the sector to reduce negative impacts and positively contribute
 51 to the sustainable development goals. For example, Sigwatch, an organization that tracks activism from
 52 non-governmental institutions, recorded 518 NGO actions related to the mining sector, on 47 issues,
 53 in 2015.¹⁰

54 Given the mining sector’s adoption of sustainability reporting, the involvement of its industry
 55 associations and developed literature on its role in sustainable development, and the broad nature of
 56 the sector’s documented economic, environmental and social impacts, the Standards Division
 57 proposes that the mining sector be the first sector project under the newly developed Sector
 58 Program, in order to produce an up-to-date identification and description of mining’s significant
 59 impacts and stakeholder concerns.

60 This project proposal sets out an overview of the project objectives and scope, for discussion and
 61 approval by the GSSB.

62 Project objectives and scope

63 The primary objective of this project is to identify and describe the mining sector’s significant impacts
 64 and stakeholder expectations from a sustainable development perspective, and to provide evidence
 65 and authoritative references for these.

66 A multi-stakeholder Project Working Group will be formed to help contribute to the identification
 67 and description of significant impacts for the mining sector, as outlined in the GSSB’s [Due Process](#)
 68 [Protocol](#). The Project Working Group will be responsible for developing recommendations for a
 69 Sector Standard related to the mining sector. The drafting of text for the mining sector will be carried
 70 out by the GRI Standards Division, and the GSSB will have oversight and final approval over the Sector
 71 Standard before its release.

¹⁰ Sigwatch, [Global Trends in NGO and activist activity May 2015](#), accessed 9 November 2018.

72 The overall scope of work includes creating a new Sector Standard for the mining sector. The
 73 resulting publication is expected to reflect significant impacts and to include a compilation of
 74 resources for the sector.

75 It is anticipated that this pilot project will generate insight during the process itself on the feasibility of
 76 developing requirements, recommendations, and/or guidance specifically related to reporting for the
 77 mining sector. Any additional content on management approaches is to be compatible for
 78 organizations to use together with *GRI 103: Management Approach*. The Sector Standard will
 79 structurally map to GRI Standards, to help companies understand how to report on their impacts.
 80 Where issues are identified for which no corresponding Standard exists, these issues will be assessed
 81 and prioritized for the development of the GRI Standard.

82 As part of the project proposal, the Standards Division recommends 'Mining' as the name for the
 83 covered sector and recommends that this sector project include extraction of coal and consumable
 84 fuels as well as metals processing activities, as many companies in the sector are vertically integrated
 85 and both extract and process materials. The Standards Division will seek to recruit Project Working
 86 Group participants with the appropriate expertise to make recommendations on content.

87 Table 2: Proposed Name and Coverage in Sector Pilot Project

Sector	GICS No.	GICS Name	ICB No.	ICB Name	ISIC No.	ISIC Name
Mining	151040	Metals & Mining	551020	Industrial Metals & Mining	Division 05	Mining of Coal and Lignite
Mining	151040	Coal & Consumable Fuels	551030	Precious Metals & Mining	Division 07	Mining of Metal Ores
Mining			60101040	Coal	Division 24	Manufacture of Basic Metals
Mining			60102010	Alternative Fuels	721	Mining of uranium and thorium ores

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89 If during content development the Project Working Group determines that the proposed constituents
 90 of the sector need revision (e.g. it becomes clear that some subgroup of the sector is not covered
 91 within content development as expected), the then Project Working Group can recommend changes
 92 to the Sector Standard for the GSSB's consideration, to ensure that the name and key for the sector
 93 accurately reflect the contents developed.

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Next Steps

95 The project follows the [Due Process Protocol](#), the implementation of which will be overseen by the
 96 Due Process Oversight Committee (DPOC). The DPOC has the mandate to assess whether due
 97 process has been followed effectively by the GSSB in its standard-setting activities.

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Summary Milestones <i>Significant events in the project e.g., the completion of key deliverables or beginning/completion of a project.</i>	Due Date
GSSB approval of Program Charter	Jan 31 2019
GSSB approval of Sector Pilot Project Proposal	Jan 31 2019
GSSB subcommittee convenes as needed to guide direction of program	December 1 2018 – February 21 2019
Commencement of Pilot Project: Appointment of Project Working Group	Call for nominations for Project Working Group in February 2019
GSSB approves Project Working Group membership via electronic vote	April 2019
GSSB approves draft Sector Standard for public exposure (pilot project)	Anticipated in October 2019
Public comment period	November 1 2019 – January 15 2020
GSSB approves final draft of Sector Standard (pilot project)	Anticipated in April 2020
Launch of Sector Standard (pilot project)	June 2020
Commencement of Subsequent Sector Projects	Project lifecycle anticipated to be an average of 15 months; how many projects can be run concurrently depends on resources

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Comments are invited on:

1. The project **objectives and scope** outlined in this draft proposal.
2. Recommendations on **developments, organizations or experts** that could be invited to join the Project Working Group.
3. The Standards Division proposes to organize a GSSB subcommittee of three members to advise on the direction of the Sector Program. Please indicate which members would like to volunteer to be on a **Sector Program Subcommittee**.

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Discussion document - This document does not represent an official position of the GSSB