GRI Sector Standards Project for Mining

Project proposal
Approved by the Global Sustainability Standards Board (GSSB) on 17 June 2021

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Project background

In February 2019, the Global Sustainability Standards Board (GSSB) approved the GRI Sector Program to improve clarity and consistency in sustainability reporting.

Since 2019 pilot projects to produce the first three GRI Sector Standards for oil and gas, coal, and agriculture and fishing have been underway. These Standards are expected to be completed and published in 2021 and 2022.

In November 2020, the GSSB approved the list of sectors that will be prioritized to have a GRI Sector Standard (Sector Standard) developed. Mining was nominated to be next following on from the pilot projects, because of the high sustainability impact of its activities and because developing the Mining Sector Standard has synergies with the Oil, Gas and Coal Project.

Sector overview

It is proposed that the Sector Standard for mining will apply to organizations whose primary focus lies on:

- Exploration and extraction of all types of minerals, metallic and non-metallic, including quarrying, with the exception of oil, gas and coal.
- Primary processing of minerals.
- Support activities to mining, such as transport and storage.
- Supplying specialized goods and services to mining organizations, such as engineering, procurement and construction (EPC) contractors.

The scope of the Sector Standard for mining is limited to extractive activities and the processing stages that are closely associated with the extraction. Further processing, such as steel makers and metal recyclers will be subject of another Sector Standard. While some organizations are integrated along the value chain and perform both extraction and processing, and metals and mining are often considered together, the sustainability impacts of the extraction and processing stages are substantially different and warrant separate Sector Standards. Dividing the value chain between extraction and processing was also the approach taken for the oil and gas sector.

Quarrying will be included in the scope of this Sector Standard as it has similar sustainability impacts to non-metallic mining, particularly in terms of environmental impacts in and around their extraction sites.

Following learnings from the pilot projects, the proposed sector includes dedicated suppliers to the mining sector and some ancillary activities like transport and storage of minerals.

It is proposed that the Sector Standard is titled ‘GRI 14: Mining Sector 20XX’.

The scope and name of this standard may deviate from this proposal following recommendations from the Mining Working Group.

Table 1 lists the relevant classifications from external classification standards, specifically the Global Industry Classification System (GICS®), Industry Classification Benchmark (ICB), International Standard Industrial Classification of All Economic Activities (ISIC), Industry Classification Benchmark (ICB), and SICS Sustainable Industry Classification System® (SICS®)1.

1 Sustainable Industry Classification System® is the classification system of SASB.
### Table 1: Proposed sector key for the mining sector project

<table>
<thead>
<tr>
<th>Classification Standard</th>
<th>Classification No.</th>
<th>Classification Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>GICS®</td>
<td>151040</td>
<td>Metals and Mining, with the exclusion of the manufacturers of aluminum and steel, and metal recycling</td>
</tr>
<tr>
<td>ICB</td>
<td>551020000</td>
<td>General Mining</td>
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<td></td>
<td>551020000</td>
<td>Copper</td>
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<td></td>
<td>55102050</td>
<td>Nonferrous Metals</td>
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<tr>
<td></td>
<td>55103020</td>
<td>Diamonds and Gemstones</td>
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<td></td>
<td>55103025</td>
<td>Gold Mining</td>
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<td></td>
<td>55103030</td>
<td>Platinum and Precious Metals</td>
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<tr>
<td>ISIC</td>
<td>07</td>
<td>Mining of metal ores</td>
</tr>
<tr>
<td></td>
<td>08</td>
<td>Other mining and quarrying</td>
</tr>
<tr>
<td></td>
<td>099</td>
<td>Support activities for other mining and quarrying</td>
</tr>
<tr>
<td>SICS®</td>
<td>EM-3</td>
<td>Metals and Mining, with the exclusion of the manufacturers of aluminum and steel, and metal recycling</td>
</tr>
</tbody>
</table>

### Sustainability impacts

The key criterion for prioritizing sectors is their sustainability impacts. This takes into account the significance of the sector’s impacts, considering their scale, scope, character and likelihood. It also considers the size of the sector, the sector’s distribution around the world and the number of organizations from that sector that are able to use the GRI Standards.

A second criterion for prioritizing a sector is the potential to exploit learnings and synergies from other Sector Standards that have been recently developed. Based on these criteria, mining has been selected to be the first Sector Standard developed after the pilot projects.

Mining organizations have a relatively high rate of reporting. It is the seventh sector by number of reports registered in GRI Sustainability Disclosure Database, and, during the public consultation on the GSSB Work Program, undertaken in 2020, it was the most-requested sector to prioritize.

Mining has a high environmental impact, often concentrated in and around extraction sites. Because many mines are in remote locations, the economic impacts can be significant for local communities but because mining can also require exclusive access to large areas and the influx of large workforces, social impacts can also be severe. Some mines are in conflict areas where there is a high risk of human rights abuses; in other cases, there is conflict with, or effects on, indigenous peoples’ rights.

Minerals produced by this sector are fundamental for large parts of the economy; other large sectors can be linked to sustainability impacts that can be traced back to mining. In many low-income economies mining is a key sector, responsible for a high share of production, exports, and government revenues.

These impacts are provided to give a first indication of the scope of issues covered by the proposed project. However, the issues recommended for inclusion within a Sector Standards for the mining sector will be determined by a multi-stakeholder process in accordance with the Due Process Protocol and may diverge from those contained within this project proposal.
Project objectives

The primary objective of this project is to develop a Sector Standard that improves the sustainability reporting of mining organizations, making reporting more complete and consistent across the sector.

This Sector Standard will:

- Identify and describe the topics that are likely material for a reporting organization in the mining sector based on the sector’s most significant impacts.
- Provide evidence and authoritative references for these topics to assist organizations to identify if they are material for them.
- Identify and list relevant disclosures for reporting on those topics.

Following the rollout of the revised GRI Universal Standards, organizations in the mining sector that want to report in accordance with GRI Standards will be required to use this Sector Standard.

Recommendations may also be made by the Mining Working Group regarding:

- The scope, key and name of the Sector Standard.
- Considerations that may be relevant to Sector Standards for related sectors.
- Revisions or updates to other GRI Standards.

Impacts identified within this project for which no GRI Standard exists will be assessed and prioritized by the GSSB for future GRI Standards development.

Division of responsibilities

A multi-stakeholder working group will be formed to contribute to identifying the most significant impacts for the mining sector and give recommendations on the development of the Sector Standard. The Standards Division will draft the Sector Standard, and the GSSB will have oversight and final approval over the Sector Standard before its release.

The Standards Division will ensure coherence between the Sector Standard for mining and any Sector Standards approved or under development.

The project will be conducted in accordance with the GSSB Due Process Protocol.

Timeline

The starting date of this project has not been determined and is subject to resource availability. Table 2, on the following page, outlines the anticipated project duration. The starting date, along with the predicted dates of other key milestones will be confirmed once known.

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2 For the purposes of this project proposal ‘mining’ or ‘mining sector’ refers to the organizations that fall within the description of the sector included in the Sector overview section.
Table 2: Estimated duration of Sector Standards Project for Mining³

<table>
<thead>
<tr>
<th>Phase</th>
<th>Duration (months)</th>
<th>Month 1</th>
<th>Month 2</th>
<th>Month 3</th>
<th>Month 4</th>
<th>Month 5</th>
<th>Month 6</th>
<th>Month 7</th>
<th>Month 8</th>
<th>Month 9</th>
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<th>Month 15</th>
<th>Month 16</th>
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³ Project scheduling changes may occur over the course of the project, including extensions to the duration of project due to approval processes or other circumstances.