



1 **Item 04 – GRI Sector Standards**
2 **Project for Mining – Draft project**
3 **proposal**
4 **For GSSB approval**

Date 11 February 2021

Meeting 25 February 2021

Project GRI Sector Standards Project for Mining

Description This document sets out the draft project proposal to develop a Sector Standard for the mining sector, for GSSB discussion and approval to send to the GRI Board and Stakeholder Council for feedback.

After feedback from the GRI Board and Stakeholder Council has been received and incorporated, the Standards Division will present the proposal to the GSSB for final approval, in accordance with the Due Process Protocol.

Please note: the development and submission of this draft project proposal marks the intention for the GRI Sector Standards Project for Mining to be the next to commence under the GRI Sector Program. The commencement date of this project has not been determined and is subject to the resource availability.

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This document does not represent an official position of the GSSB

6 Project background

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

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

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

16 Sector overview

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

- 19 • Exploration and extraction of all types of minerals, metallic and non-metallic, with the
20 exception of oil, gas and coal.
- 21 • Quarrying.
- 22 • Ancillary activities to mining and quarrying, such as transport, storage and primary processing
23 of minerals.
- 24 • Supplying specialized goods and services to mining organizations, such as engineering,
25 procurement and construction (EPC) contractors.
- 26 • Trading of minerals.

27 The GRI Standard Division (Standards Division) recommends limiting the scope of the Sector
28 Standard for mining to extractive activities, with the processing stage being the subject of another
29 Sector Standard to the extent possible. While some organizations are integrated along the value
30 chain and perform both extraction and processing, and metals and mining are often considered
31 together, the sustainability impacts of the extraction and processing stages are substantially different
32 and warrant separate Sector Standards.

33 The Standards Division also recommends including quarrying in the scope of this Sector Standard as
34 it has similar sustainability impacts to non-metallic mining, particularly in terms of environmental
35 impacts in and around their extraction sites.

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

38 It is proposed that this project is titled 'GRI Sector Standards Project for Mining'.

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

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

45

¹ [Sustainable Industry Classification System](#)® or SICS® is the classification system of SASB.

46 Table 1: Proposed sector key for the mining sector project

Classification Standard	Classification No.	Classification Name
ISIC	07	Mining of metal ores
	08	Other mining and quarrying
	099	Support activities for other mining and quarrying
	4662	Wholesale of metals and metal ores
ICB	551020000	General Mining
	551020000	Copper
	55102050	Nonferrous Metals
	55103020	Diamonds and Gemstones
	55103025	Gold Mining
	55103030	Platinum and Precious Metals
GICS	151040	Metals and Mining, with the exclusion of the manufacturers of aluminum and steel, and metal recycling
SICS®	EM-3	Metals and Mining, with the exclusion of the manufacturers of aluminum and steel, and metal recycling

47 Sustainability impacts

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

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

55 Mining organizations have a relatively high rate of reporting. It is the 7th sector by number of reports
 56 registered in GRI database, and, during the public consultation on the GSSB Work Program,
 57 undertaken in 2020, it was the most-requested sector to prioritize in the sector program.

58 Mining has a high environmental impact, often concentrated in and around their extraction sites.
 59 Because many mines are in remote locations, the economic impacts can be significant for local
 60 communities; because mining can require exclusive access to large areas and the influx of large
 61 workforces, social impacts can also be severe. Some mines are located in conflict areas where there
 62 is a high risk of human rights abuses; others can be in conflict with, or affect, indigenous peoples'
 63 rights.

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

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

72 **Project objectives**

73 The primary objective of this project is to develop a Sector Standard that improves the sustainability
74 reporting of mining² organizations, making reporting more complete and consistent across the sector.

75 This Sector Standard will:

- 76 • Identify and describe the topics that are likely material for a reporting organization in the
77 mining sector based on the sector's most significant impacts.
- 78 • Provide evidence and authoritative references for these topics to assist organizations to
79 identify if they are material for them.
- 80 • Identify and list appropriate disclosures for reporting on those topics.

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

83 Recommendations may also be made by the working group regarding:

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

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

89 **Division of responsibilities**

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

94
95 The Standards Division will ensure coherence between the mining standard and any Sector
96 Standards approved or under development.

97
98 The project will be conducted in accordance with the [GSSB Due Process Protocol](#).

99 **Timeline**

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

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

Phase	~Duration (months)	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24
Project commencement	1	█																							
Open call & recruitment of PWG	3		█	█	█																				
GSSB approval of Working Group membership	-				◆																				
Content development by Working Group	9					█	█	█	█	█	█	█	█	█											
GSSB approval of exposure draft	1														◆										
Public comment period	3															█	█	█							
Analysis of public comments and revision of draft	6																		█	█	█	█	█	█	
GSSB approval of final standard	1																								◆
Total (months)	24																								

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.