



GRI

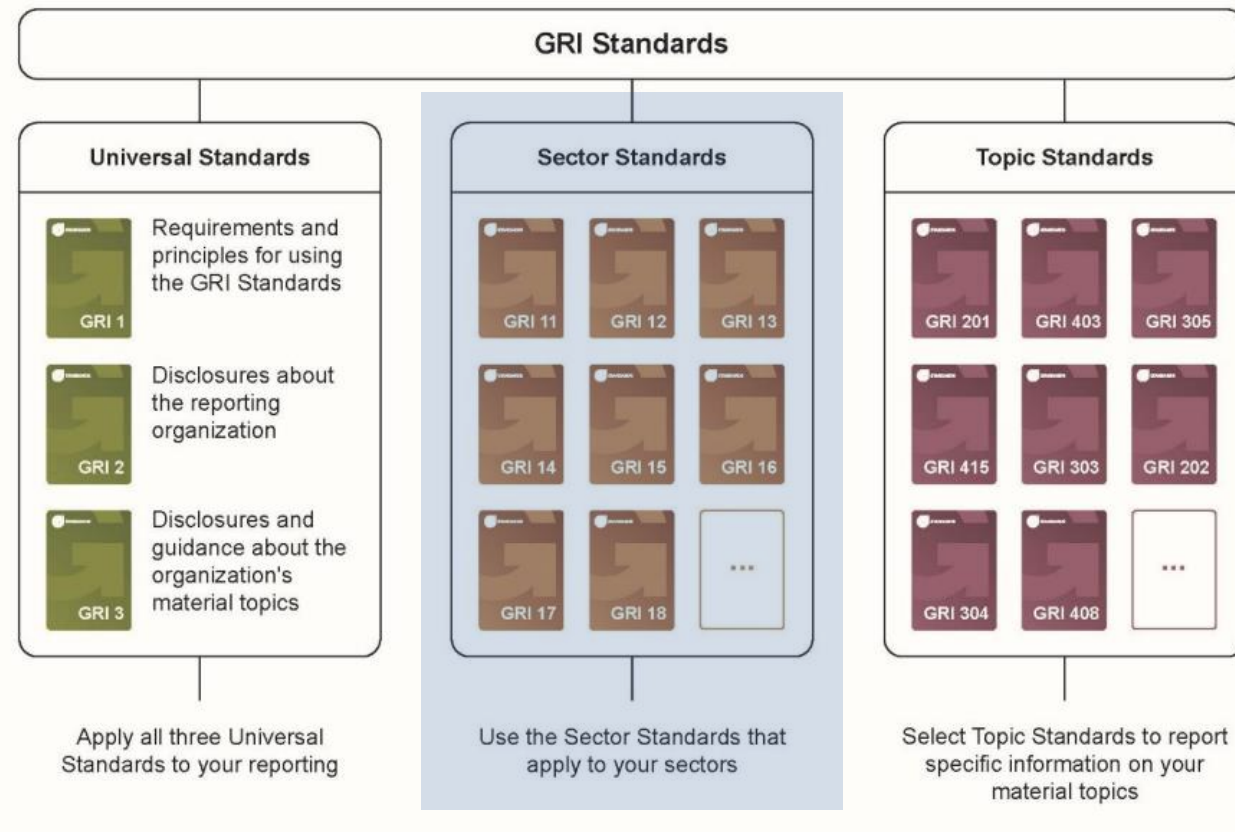
EFRAG Board meeting

GRI 12: Coal Sector and GRI 14: Mining Sector (draft)

GRI Standards Division, Mining project team

13 February 2023

Why Sector Standards?



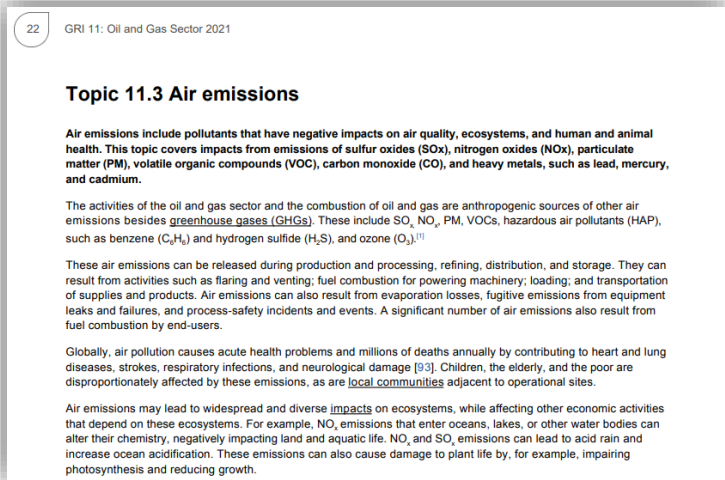
- Introduced to increase quality, completeness, and consistency of reporting
- Clarity on a **sector's most significant impacts** from a sustainable development perspective, focusing sustainability reporting on the **issues that matter most**
- If available, an organization is **obliged to use** the relevant Sector Standard when reporting in accordance

How are Sector Standards used?

1

When determining material topics

The organization uses the applicable Sector Standard when determining its material topics



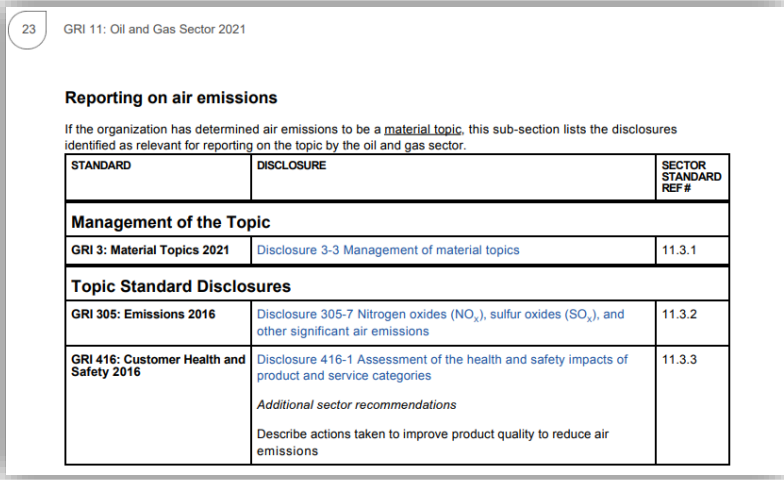
Material topics



2

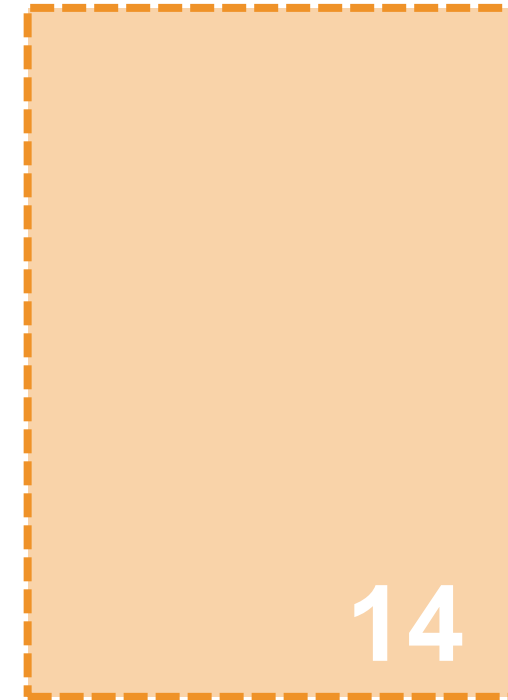
When determining disclosures to report on material topics

For the topics included in the Sector Standard that are material, the organization uses it to identify disclosures



Using Sector Standards is not a substitute for an organization's own materiality process

Growing Sector Standards family

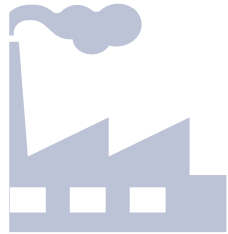


Rationale to separate coal from mining:

- For organizations involved in oil, gas and coal, climate change was seen as the single most important issue, specifically the low-carbon transition
- Reporting emphasizes e.g. governance and strategy on climate change such as CapEx investments on fossil fuels vs. renewables, climate lobbying, GHG emissions targets, and closure and its impacts on workers and communities,



GRI 12: Coal Sector 2022



Climate change

- Impacts resulting from coal use
- Need to disclose actions to mitigate impacts and transition away from coal



Operational impacts

- Impacts from day-to-day coal activities
- Transparency over those should be increased, not decreased

17-member multi-stakeholder Working Group

- ✓ 7 business representatives (incl. BHP, Sasol, Bettercoal)
- ✓ 4 mediating institutions (incl. EITI, SASB, UNEP-WCMC)
- ✓ 2 investment institutions (FTSE Russel & Robeco SAM)
- ✓ 2 civil society organizations (Earthworks and Natural Resource Governance Institute)
- ✓ 2 labor representatives

Scope of GRI 12: Coal Sector

Activities covered by *GRI 12*:

- Mining, and processing of thermal and metallurgical coal from underground or open-pit mines.
- Supply of equipment and services to coal mines, such as drilling, exploration, seismic information services, and mine construction.
- Transportation and storage of coal, such as slurry pipelines.



Exploration and
extraction of coal



Processing of
coal



Transport and
storage of coal



Sales and
marketing of coal

Highlights from specific topics



Climate change

- Impacts of decarbonization and low-carbon transition on coal organizations, workers, and communities.
- Reporting expected on all Scopes of GHG emissions.
- Extra reporting on governance, strategy, goals, and public advocacy related to climate change.



Environmental, health, and safety impacts

- Management of environmental impacts and risks of critical incidents to mitigate impacts on biodiversity, ecosystems, and people.
- Additional disclosures on tailings facility integrity in topic based on the Global Industry Standard on Tailings Management (GISTM).



Resource governance

- Relevance of state-owned enterprises and transparency on payments to governments, contracts, and beneficial ownership.
- Additional reporting disclosures and recommendations based on the EITI Standard 2019.



Local communities

- Socioeconomic, health, and human rights impacts on local communities discussed in five topics.
- Additional reporting on resettlement, health impacts, vulnerable groups, FPIC, and conflicts.

Likely material topics for reporting

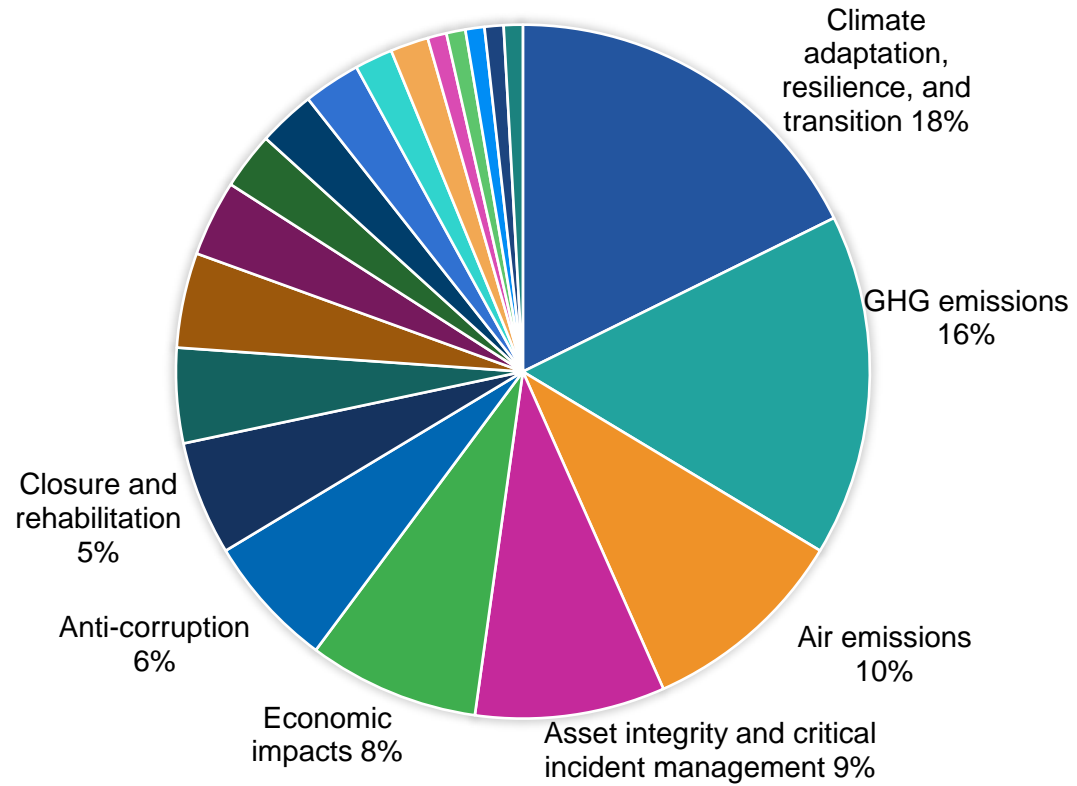


12.1 GHG emissions	12.12 Conflict and security
12.2 Climate adaptation, resilience, and transition	12.13 Asset integrity and critical incident management
12.3 Closure and rehabilitation	12.14 Occupational health and safety
12.4 Air emissions	12.15 Employment practices
12.5 Biodiversity	12.16 Child labor
12.6 Waste	12.17 Forced labor and modern slavery
12.7 Water and effluents	12.18 Freedom of association and collective bargaining
12.8 Economic impacts	12.19 Non-discrimination and equal opportunity
12.9 Local communities	12.20 Anti-corruption
12.10 Land and resource rights	12.21 Payments to governments
12.11 Rights of Indigenous Peoples	12.22 Public policy

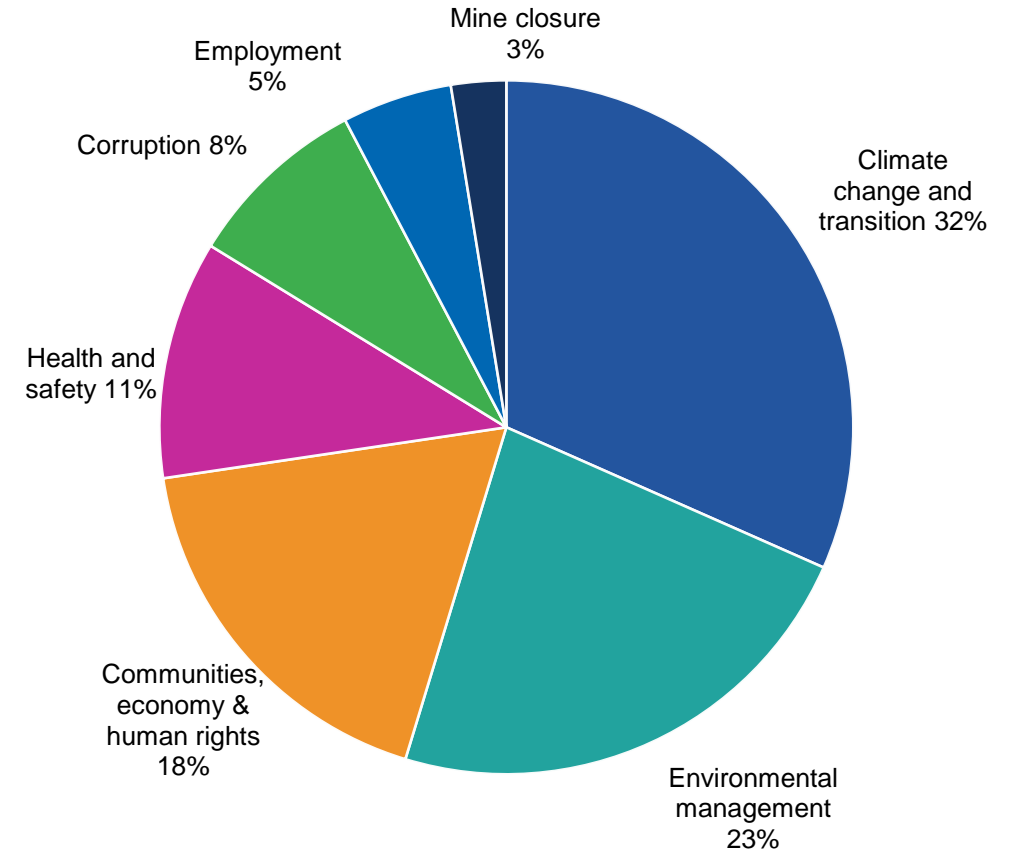
Key feedback to exposure draft on coal



COMMENTS TO INDIVIDUAL TOPICS



COMMENTS BY THEME





GRI 14: Mining Sector Standard (exposure draft)

Increasing demand for minerals

- Growth related to the low-carbon transition and accelerating development
- Concerns over minerals “boom” causing more environmental, governance and human rights risks



Importance of community relations

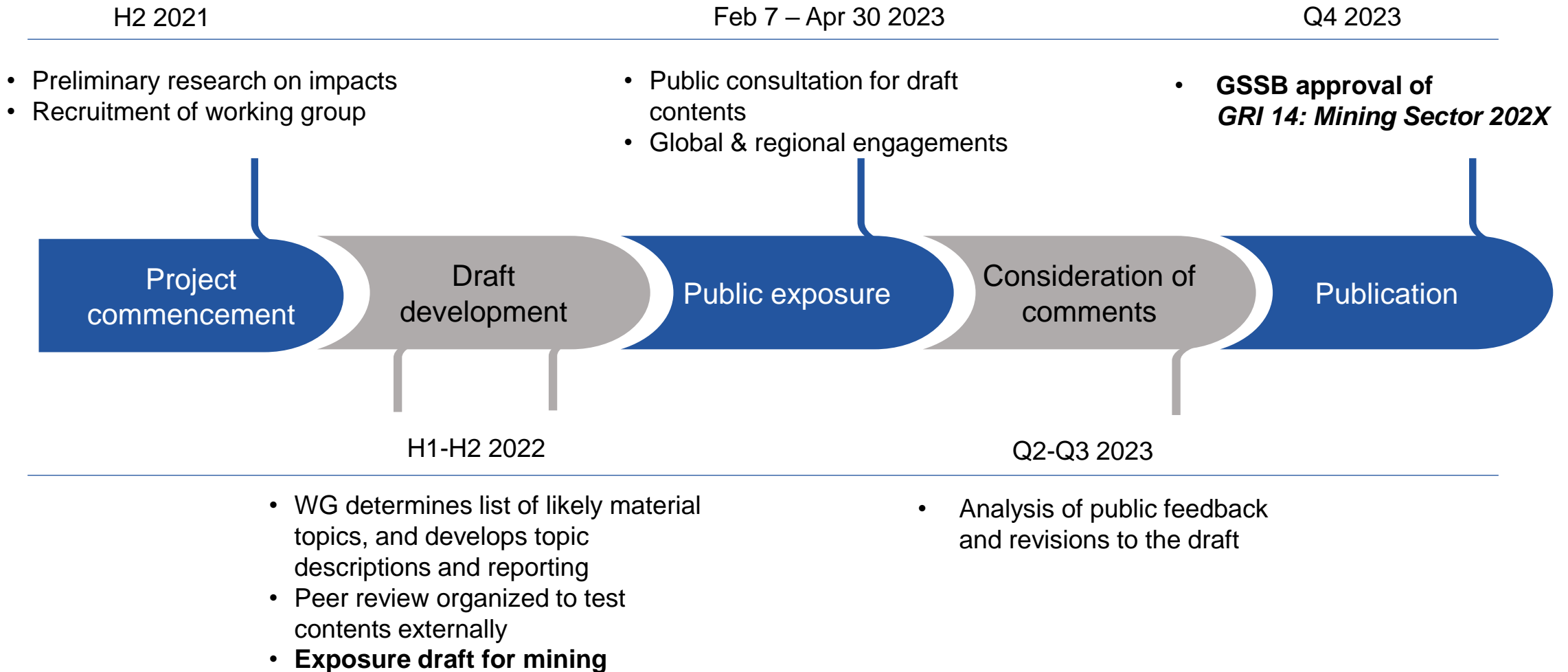
- Impacts on the environment have effects on community well-being
- Expectations for benefits on local and national levels



20-member multi-stakeholder Working Group

- ✓ 6 business representatives (incl. ICMM, Newmont, South 32, Anglo American)
- ✓ 6 mediating institutions (incl. World Bank, IRMA, Copper Mark, PwC)
- ✓ 4 civil society organizations (incl. Southern Africa Resource Watch, WWF, NRGi)
- ✓ 2 investment institutions (Mercy Investment, Hyperion Metals)
- ✓ 2 labor representatives (IF Metall, IndustriALL)

GRI 14: Project phases and content development



Scope of GRI 14: Mining Sector (draft)



Activities covered by *GRI 14* (exposure draft):



Exploration and extraction of minerals, including quarrying (excl. oil, gas and coal)



Primary processing of minerals



Supplying specialized goods and services to mining organizations



Support activities to mining, such as transport and storage.

Highlights from specific topics



Climate change

- Focus on own emissions and mitigation across the value chain. ‘Transition’ not regarded as relevant for the Sector as for oil, gas, and coal.



Economic impacts

- Expectations to only not avoid and mitigate negative impacts but generate positive impacts, benefits, and long-term development based on each community’s needs.



Community engagement

- Engagement with communities expected on several topics in the community cluster but also elsewhere (Closure and rehabilitation, Critical incident management, Climate adaptation and resilience).



Gender

- A focus area for the sector, a “gender lens” has been applied to many likely material topics, with additional sector recommendations for communities and worker impacts.

Likely material topics for mining (draft)



14.1 GHG emissions	14.14 Security practices
14.2 Climate adaptation, resilience, and transition	14.15 Critical incident management
14.3 Air emissions	14.16 Occupational health and safety
14.4 Biodiversity	14.17 Employment practices
14.5 Waste	14.18 Child labor
14.6 Water and effluents	14.19 Forced labor and modern slavery
14.7 Tailings	14.20 Freedom of association and collective bargaining
14.8 Closure and rehabilitation	14.21 Non-discrimination and equal opportunity
14.9 Economic impacts	14.22 Anti-corruption
14.10 Local communities	14.23 Payments to governments
14.11 Land and resource rights	14.24 Public policy
14.12 Rights of indigenous peoples	14.25 Conflict-affected and high-risk areas
14.13 Artisanal and small-scale mining	

New likely material topics relevant for the mining sector



Impacts covered

Artisanal and small-scale mining (ASM)

- Impacts from interactions of ASM and mining organizations
- Engagement with ASM, expectations for support and formalization

Conflict-affected & high-risk areas

- Increased likelihood of mining organizations' involvement with human rights violations, corruption and financial flows contributing to conflict
- Linkages to armed groups

Tailings

- Tailings facility management and integrity
- Management of (potential) impacts of failures on people and the environment

Reporting

- Engagement and programs to enhance positive impacts with legitimate ASM
- Mine sites where ASM occurs
- Incidents involving ASM

- Operations in CAHRAs
- Due diligence applied when operating in or sourcing from CAHRAs (OECD 5-step framework)
- Findings of risk assessments

- Tailings disposal methods used; actions to prevent catastrophic failures
- Compliance with the GISTM
- Details on tailings facilities, failure classifications, risk assessments, etc.

Impacts on local communities



Mining organizations can generate economic value for local communities

- Employment, local procurement, infrastructure investments, or development programs
- Financial flows (taxes, royalties)

Mining has impacts on local communities' health, safety, and human rights

- Displacement of communities, pollution of air, water, and soil, critical incidents, force used by security providers, violation of Indigenous Peoples rights, etc.

Expectation: community engagement

- Essential for mining organizations to understand how communities are affected
- To identify, mitigate, and remediate impacts on communities
- To get a social license to operate

Topics in draft Standard that with a focus on communities impacts:

- 14.8 Closure and rehabilitation
- 14.9 Economic impacts
- 14.10 Local communities
- 14.11 Rights of Indigenous Peoples
- 14.12 Land and resource rights
- 14.13 Artisanal and small-scale mining
- 14.14 Security Practices
- 14.15 Critical incident management
- 14.25 Conflict-affected and high-risk areas



Mine-site level reporting

Example of reporting



Reporting on closure and rehabilitation

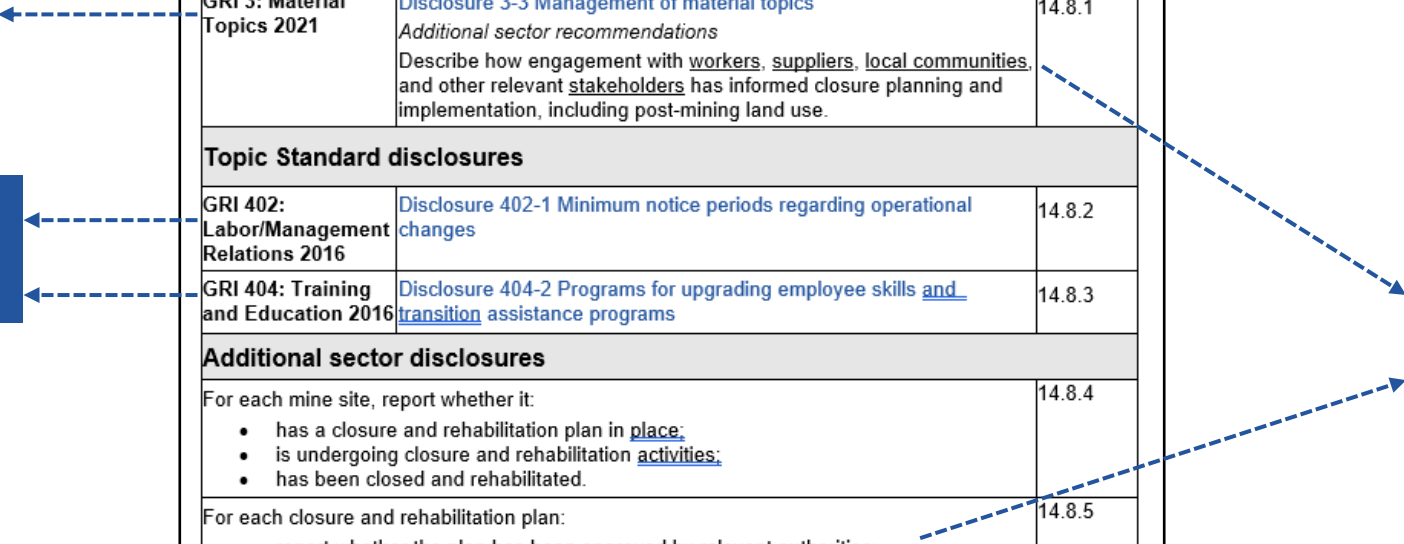
If the organization has determined closure and rehabilitation to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the mining sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
Management of the topic		
GRI 3: Material Topics 2021	<p>Disclosure 3-3 Management of material topics</p> <p><i>Additional sector recommendations</i></p> <p>Describe how engagement with <u>workers</u>, <u>suppliers</u>, <u>local communities</u>, and other relevant <u>stakeholders</u> has informed closure planning and implementation, including post-mining land use.</p>	14.8.1
Topic Standard disclosures		
GRI 402: Labor/Management Relations 2016	<p>Disclosure 402-1 Minimum notice periods regarding operational changes</p>	14.8.2
GRI 404: Training and Education 2016	<p>Disclosure 404-2 Programs for upgrading employee skills <u>and</u> <u>transition</u> assistance programs</p>	14.8.3
Additional sector disclosures		
	<p>For each mine site, report whether it:</p> <ul style="list-style-type: none"> has a closure and rehabilitation plan in <u>place</u>; is undergoing closure and rehabilitation <u>activities</u>; has been closed and rehabilitated. 	14.8.4
	<p>For each closure and rehabilitation plan:</p> <ul style="list-style-type: none"> report whether the plan has been approved by relevant <u>authorities</u>; report the dates of the most recent and next reviews of the plan. 	14.8.5
	For each mine site, report the estimated life of the mine (LOM). ¹⁴	14.8.6
	<p>For financial provisions made by the organization for closure and rehabilitation, including environmental and socioeconomic post-closure monitoring and aftercare for mine sites, report:</p> <ul style="list-style-type: none"> the total undiscounted monetary value, and a breakdown of this total by mine <u>site</u>; the methodology used to calculate the undiscounted financial provisions for closure and rehabilitation. 	14.8.7
	Describe non-financial provisions made by the organization to manage the <u>local community's</u> socioeconomic transition to a sustainable post-mining economy, including collaborative efforts, projects, and programs.	14.8.8

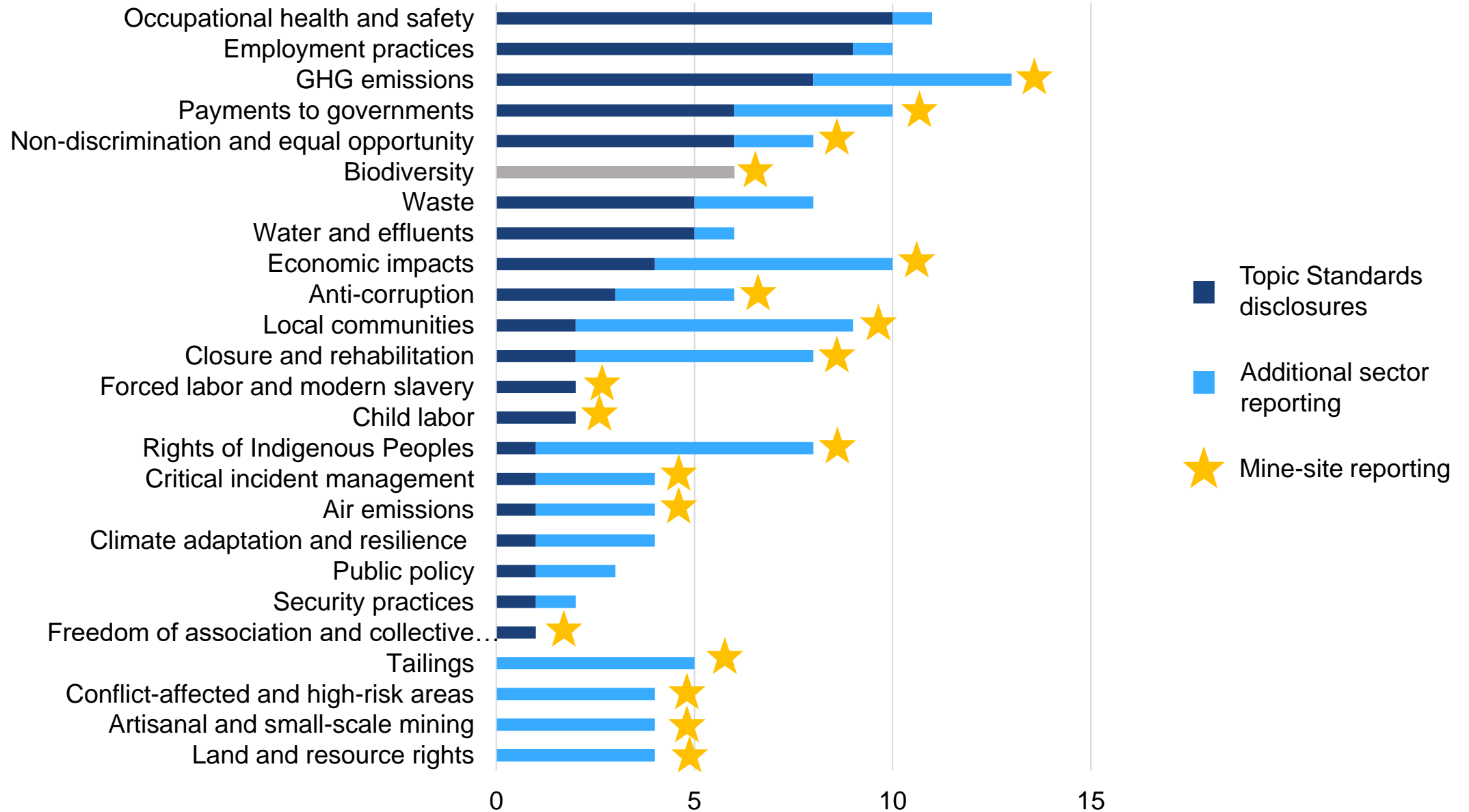
GRI 3-3
(Universal Standards)

Topic Standard Disclosures

Additional sector reporting



Mining Standard – reporting



Topics with reporting by operational site



GRI 12: Coal Sector

Topic	Mine-site
GHG emissions	
Climate adaptation, resilience, and transition	
Closure and rehabilitation	yes
Air emissions	
Biodiversity	yes
Waste	
Water and effluents	
Economic impacts	yes
Local communities	yes
Land and resource rights	yes
Rights of indigenous peoples	yes
Conflict and security	yes
Asset integrity and critical incident management	
Occupational health and safety	
Employment practices	
Child labor	yes
Forced labor and modern slavery	yes
Freedom of association and collective bargaining	yes
Non-discrimination and equal opportunity	
Anti-corruption	yes
Payments to governments	yes
Public policy	

GRI 14: Mining Sector (exposure draft)

Topic	Mine-site
GHG emissions	yes
Climate adaptation and resilience	
Air emissions	yes
Biodiversity	yes
Waste	
Tailings	yes
Water and effluents	
Closure and rehabilitation	yes
Economic impacts	yes
Local communities	yes
Rights of Indigenous Peoples	yes
Land and resource rights	yes
Artisanal and small-scale mining	yes
Security practices	
Critical incident management	yes
Occupational health and safety	
Employment practices	
Child labor	yes
Forced labor and modern slavery	yes
Freedom of association and collective bargaining	yes
Non-discrimination and equal opportunity	yes
Anti-corruption	yes
Payments to governments	yes
Public policy	
Conflict-affected and high-risk areas	yes

Examples of operational-level reporting

GRI Sector Standard for Mining (exposure draft)

- **14.3 Air emissions**
 - For each mine site, report a breakdown of the particulate matter (PM) emissions, by: PM10; PM2.5.
- **14.6 Tailings**
 - List the organization's tailings facilities, and report the name, location, and ownership status.
- **14.8 Closure and rehabilitation**
 - For each mine site, report whether it: has a closure and rehabilitation plan in place; is undergoing closure and rehabilitation activities; has been closed and rehabilitated.
- **14.12 Land and resource rights**
 - List the mine sites where involuntary resettlement has taken place or is planned. For each mine site, describe how peoples' livelihoods and human rights are or could be affected and restored.
- **14.21 Non-discrimination and equal opportunity**
 - Report the ratio of basic salary and remuneration of women to men, by mine site.

THANK YOU



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