February 2020

ICMM
International Council
on Mining & Metals

MINING PRINCIPLES

Performance Expectations

INTRODUCTION

Increasingly, society understands that the decarbonising of the global economy, the meeting of the Paris Agreement climate targets and the realising of the UN Sustainable Development Goals (SDGs) requires a sustained demand for metals and minerals over the coming decades. This has rightly led to greater scrutiny of where these materials have come from and of whether they are being produced responsibly.

The International Council on Mining and Metals (ICMM) has long recognised that economic growth should never be at the expense of people or planet. In 2003, ICMM published its 10 Principles for sustainable development to set a standard of ethical performance for our members. Over time, we have worked to expand on these with eight position statements on key issues, such as water stewardship and transparency of mineral revenues.

In early April 2018, ICMM launched a global public consultation on the introduction of a comprehensive set of performance expectations on how members should be expected to manage a broad range of sustainability issues at the corporate and operational levels, to enhance these original 10 principles.

Our enhanced Mining Principles strengthen social and environmental requirements, on issues such as labour rights, resettlement, gender, access to grievance mechanisms, mine closure, pollution and waste. Implementation is supported by robust site-level validation, credible assurance and transparent disclosure. Aligned with the objectives of other responsible sourcing initiatives, our assurance and validation procedure reinforces commitments to transparency, and ensures the credibility of reported progress.

The environmental, social and governance demands on industry are becoming increasingly complex and at the same time essential. We encourage all mining companies to join our members in adopting ICMM's Mining Principles.

MINING PRINCIPLES

Performance Expectations

PRINCIPLE 1

ETHICAL BUSINESS

Apply ethical business practices and sound systems of corporate governance and transparency to support sustainable development.

Performance expectations

1.1 Establish systems to maintain compliance with applicable law.[1]

1.2 Implement policies and practices to prevent bribery, corruption and to publicly disclose facilitation payments.

1.3 Implement policies and standards consistent with the ICMM policy framework.

1.4 Assign accountability for sustainability performance at the Board and/or Executive Committee level.

1.5 Disclose the value and beneficiaries of financial and in-kind political contributions whether directly or through an intermediary.

PRINCIPLE 2

DECISION-MAKING

Integrate sustainable development in corporate strategy and decision-making processes.

Performance expectations

2.1 Integrate sustainable development principles into corporate strategy and decision-making processes relating to investments and in the design, operation and closure of facilities.

2.2 Support the adoption of responsible health and safety, environmental, human rights and labour policies and practices by joint venture partners, suppliers and contractors, based on risk.

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1. ICMM's member companies already comply with all applicable law in the countries that they operate in. However, many stakeholders say they want mining companies to show that they have strong systems that ensure legal compliance.

PRINCIPLE 3
HUMAN RIGHTS

Respect human rights and the interests, cultures, customs and values of employees and communities affected by our activities.

Performance expectations

3.1 Support the UN Guiding Principles on Business and Human Rights by developing a policy commitment to respect human rights, undertaking human rights due diligence and providing for or cooperating in processes to enable the remediation of adverse human rights impacts that members have caused or contributed to.

3.2 Avoid the involuntary physical or economic displacement of families and communities. Where this is not possible apply the mitigation hierarchy and implement actions or remedies that address residual adverse effects to restore or improve livelihoods and standards of living of displaced people.

3.3 Implement, based on risk, a human rights and security approach consistent with the Voluntary Principles on Security and Human Rights.

3.4 Respect the rights of workers by: not employing child or forced labour; avoiding human trafficking; not assigning hazardous/dangerous work to those under 18; eliminating harassment and discrimination; respecting freedom of association and collective bargaining and; providing a mechanism to address workers grievances.

3.5 Remunerate employees with wages that equal or exceed legal requirements or represent a competitive wage within that job market (whichever is higher) and assign regular and overtime working hours within legally required limits.

3.6 Respect the rights, interests, aspirations, culture and natural resource-based livelihoods of Indigenous Peoples in project design, development and operation; apply the mitigation hierarchy to address adverse impacts and; deliver sustainable benefits for Indigenous Peoples.

3.7 Work to obtain the free, prior and informed consent of Indigenous Peoples where significant adverse impacts are likely to occur, as a result of relocation, disturbance of lands and territories or of critical cultural heritage, and capture the outcomes of engagement and consent processes in agreements.

3.8 Implement policies and practices to respect the rights and interests of women and support diversity in the workplace.

PRINCIPLE 4
RISK MANAGEMENT

Implement effective risk-management strategies and systems based on sound science and which account for stakeholder perceptions of risks.

Performance expectations

4.1 Assess environmental and social risks and opportunities of new projects and of significant changes to existing operations in consultation with interested and affected stakeholders, and publicly disclose assessment results.[2]

4.2 Undertake risk-based due diligence on conflict and human rights that aligns with the OECD Due Diligence Guidance on Conflict-Affected and High-Risk Areas, when operating in, or sourcing from, a conflict-affected or high-risk area.

4.3 Implement risk-based controls to avoid/prevent, minimise, mitigate and/or remedy health, safety and environmental impacts to workers, local communities, cultural heritage and the natural environment, based upon a recognised international standard or management system.

4.4 Develop, maintain and test emergency response plans. Where risks to external stakeholders are significant, this should be in collaboration with potentially affected stakeholders and consistent with established industry good practice.

PRINCIPLE 5
HEALTH AND SAFETY

Pursue continual improvement in health and safety performance with the ultimate goal of zero harm.

Performance expectations

5.1 Implement practices aimed at continually improving workplace health and safety, and monitor performance for the elimination of workplace fatalities, serious injuries and prevention of occupational diseases, based upon a recognised international standard or management system.

5.2 Provide workers with training in accordance with their responsibilities for health and safety, and implement health surveillance and risk-based monitoring programmes based on occupational exposures.

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2. These should cover issues such as air, water, biodiversity, noise and vibration, health, safety, human rights, gender, cultural heritage and economic issues. The consultation process should be gender sensitive and inclusive of marginalised and vulnerable groups.

PRINCIPLE 6
ENVIRONMENTAL PERFORMANCE

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Pursue continual improvement in environmenal performance issues, such as water stewardship, energy use and climate change.

Performance expectations

6.1 Plan and design for closure in consultation with relevant authorities and stakeholders, implement measures to address closure-related environmental and social aspects, and make financial provision to enable agreed closure and post-closure commitments to be realised.

6.2 Implement water stewardship practices that provide for strong and transparent water governance, effective and efficient management of water at operations, and collaboration with stakeholders at a catchment level to achieve responsible and sustainable water use.

6.3 Design, construct, operate, monitor and decommission tailings disposal/storage facilities using comprehensive, risk-based management and governance practices in line with internationally recognised good practice, to minimise the risk of catastrophic failure.[3,4]

6.4 Apply the mitigation hierarchy to prevent pollution, manage releases and waste, and address potential impacts on human health and the environment.

6.5 Implement measures to improve energy efficiency and contribute to a low-carbon future, and report the outcomes based on internationally recognised protocols for measuring CO_2 equivalent (GHG) emissions.

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3. As of 5 August 2020, all ICMM members committed to implement the Global Industry Standard on Tailings Management (GISTM). All tailings facilities operated by members with "Extreme" or "Very high" potential consequences will be in conformance with the Standard by 5 August 2023. All other tailings facilities operated by members not in a state of safe closure will be in conformance with the Standard by 5 August 2025.

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4. Riverine tailings, freshwater lake and/or shallow marine tailings disposal may be considered only if deemed to be the most environmentally and socially sound alternative, based on an objective and rigorous environmental and social impact assessment of tailings management alternatives. The scope of the assessment should be agreed between the member company and the host government.

PRINCIPLE 7

CONSERVATION OF BIODIVERSITY

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Contribute to the conservation of biodiversity and integrated approaches to land-use planning.

Performance expectations

7.1   Neither explore nor develop new mines in World Heritage sites, respect legally designated protected areas, and design and operate any new operations or changes to existing operations to be compatible with the value for which such areas were designated.

7.2   Assess and address risks and impacts to biodiversity and ecosystem services by implementing the mitigation hierarchy, with the ambition of achieving no-net-loss of biodiversity.[5]

PRINCIPLE 8

RESPONSIBLE PRODUCTION

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Facilitate and support the knowledge-base and systems for responsible design, use, re-use, recycling and disposal of products containing metals and minerals.

Performance expectations

8.1   In project design, operation and de-commissioning, implement cost-effective measures for the recovery, re-use or recycling of energy, natural resources, and materials.

8.2   Assess the hazards of the products of mining according to UN Globally Harmonised System of Hazard Classification and Labelling or equivalent relevant regulatory systems and communicate through safety data sheets and labelling as appropriate.

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5. The ambition of no net loss applies to new projects and major expansions to existing projects that impact biodiversity and ecosystem services.

International Council on Mining and Metals

PRINCIPLE 9

SOCIAL PERFORMANCE

Pursue continual improvement in social performance and contribute to the social, economic and institutional development of host countries and communities.

Performance expectations

9.1 Implement inclusive approaches with local communities to identify their development priorities and support activities that contribute to their lasting social and economic wellbeing, in partnership with government, civil society and development agencies, as appropriate.

9.2 Enable access by local enterprises to procurement and contracting opportunities across the project life-cycle, both directly and by encouraging larger contractors and suppliers, and also by supporting initiatives to enhance economic opportunities for local communities.

9.3 Conduct stakeholder engagement based upon an analysis of the local context and provide local stakeholders with access to effective mechanisms for seeking resolution of grievances related to the company and its activities.

9.4 Collaborate with government, where appropriate, to support improvements in environmental and social practices of local Artisanal and Small-scale Mining (ASM).

PRINCIPLE 10

STAKEHOLDER ENGAGEMENT

Proactively engage key stakeholders on sustainable development challenges and opportunities in an open and transparent manner. Effectively report and independently verify progress and performance.

Performance expectations

10.1 Identify and engage with key corporate-level external stakeholders on sustainable development issues in an open and transparent manner.

10.2 Publicly support the implementation of the Extractive Industries Transparency Initiative (EITI) and compile information on all material payments, at the appropriate levels of government, by country and by project.

10.3 Report annually on economic, social and environmental performance at the corporate level using the GRI Sustainability Reporting Standards.

10.4 Each year, conduct independent assurance of sustainability performance following the ICMM guidance on assuring and verifying membership requirements.

ASSURANCE
AND VALIDATION

Building on the values and commitments of members, ICMM's Mining Principles combines enhanced performance expectations with robust site-level validation of performance expectations and assurance of corporate sustainability reports. Aligned with the objectives of other responsible sourcing initiatives, our assurance and validation procedure reinforces commitments to transparency, and ensures the credibility of reported progress on social and environmental performance.

While Sustainability Report Assurance has been the primary component of ICMM's assurance procedure since 2008, starting in 2020, validation of progress with implementing performance expectations at the corporate and asset levels is required. The expectation is that company members will disclose their validation activities on an annual basis.

Assets subject to validation include all operations involved in the production or refining of minerals and metals over which a company member exercises control. Validation comprises the following elements:

• Self-assessment of all assets subject to PE validation (ie subject assets).
• Prioritisation of assets for third-party validation.
• Third-party validation of prioritised assets.
• Disclosure.

Company members are required to complete a self-assessment of all applicable assets once every three years. Members are also required to conduct third-party validation of prioritised assets within a three-year validation cycle. Validation activities evaluate the implementation of the Performance Expectations individually. There is no overall outcome for a given asset. Validation outcomes are determined for each individual Performance Expectation, with possible outcomes comprising: 'Meets', 'Partially Meets,' and 'Does not Meet'. In some situations, the outcome may be 'not applicable'.

Third-party Validations must be conducted by qualified validation service providers (VSPs). VSPs are professional service providers that must meet ICMM requirements for independence, experience, expertise and lack of conflicts of interest. ICMM will keep a register of VSPs for members or other interested parties use.

Members are required to disclose, publicly, their validation activities on an annual basis. The disclosure will need to be made on a member's website or in a sustainability or corporate report.

POSITION STATEMENTS

Since 2003, Position Statements have been developed to clearly articulate member commitments on a number of critical industry challenges. Position Statements are endorsed by the ICMM Council and include specific commitments that members must implement, alongside the Performance Expectations.

Climate Change
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Mining Partnerships for Development
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Water Stewardship
3 4 6
7 10
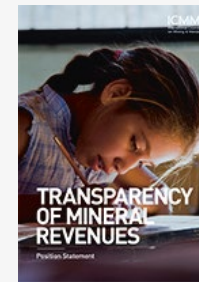
Transparency of Mineral Revenues
1 10

Tailings Governance
1 2 4 5
6 7 10

Mercury Risk Management
4 6 8

Indigenous Peoples and Mining
3 6 9
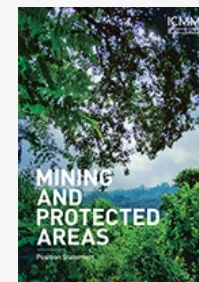
Mining and Protected Areas
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ICMM is an international organisation dedicated to a safe, fair, and sustainable mining and metals industry. Bringing together 27 companies – and over 35 regional, national, and commodities associations – we support mining with principles to sustainably manage the natural resources of our planet, and enhance the wellbeing of local communities.

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