Global Reporting Initiative™

GRI Mining and Metals Sector Supplement
Pilot Version 1.0

**Incorporating an abridged version of
the GRI 2002 *Sustainability Reporting Guidelines***

February 2005

Global Reporting Initiative (GRI)

ABOUT THE GRI MINING AND METALS SECTOR SUPPLEMENT PROJECT

The GRI Mining and Metals Sector Supplement was developed by a multi-stakeholder working group co-convened by the Global Reporting Initiative (GRI) and the International Council on Mining and Metals (ICMM).

ICMM is a CEO-led organisation comprising many of the world's leading mining and metals companies as well as regional, national and commodity associations whose vision is "a viable mining, minerals and metals industry that is widely recognised as essential for modern living and a key contributor to sustainable development". ICMM has established a Sustainable Development Framework comprising a set of four interrelated elements. The first element consists of ten principles against which corporate ICMM members have committed to measure their sustainable development performance and report publicly. The Mining and Metals Sector Supplement, together with the GRI 2002 *Sustainability Reporting Guidelines*, will provide the basis for ICMM members to fulfil this commitment. The other elements of the framework include a forthcoming verification system, and the systematic dissemination of good practices through an online library. For more information on ICMM and the Framework, visit www.icmm.com.

LEGAL LIABILITY

This document, designed to promote sustainability reporting, has been developed through a unique multi-stakeholder consultative process involving representatives of reporters and report users from around the world. While the GRI Board of Directors and Secretariat encourage use of the GRI *Sustainability Reporting Guidelines* ("*Guidelines*") and this Sector Supplement by all organisations, the preparation and publication of reports based fully or partially on the *Guidelines* or this Sector Supplement is the full responsibility of those producing them. Neither the GRI Board of Directors nor Stichting Global Reporting Initiative can assume responsibility for any consequences or damages resulting directly or indirectly from the use of the GRI *Guidelines* or this Sector Supplement in the preparation of reports or the use of reports based on the GRI *Guidelines* or this Sector Supplement.

REQUEST FOR NOTIFICATION OF USE

Organisations producing reports based on the GRI *Guidelines* and Sector Supplements are invited to notify the GRI Secretariat. Reports that mention use of the *Guidelines* will be included on the list of reporters on the GRI website.

Further information on the GRI and the GRI *Guidelines* may be obtained from:

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IMPORTANT NOTE

HOW TO USE THIS DOCUMENT

The GRI 2002 *Sustainability Reporting Guidelines* (the "*Guidelines*") are the foundation upon which all other GRI documents are based. The *Guidelines* represent the reporting content that has been identified as most broadly relevant to both reporting organisations and report users.

GRI recognises that sector-specific guidance must be developed to supplement the general information elicited in the *Guidelines*. This is essential to enable more robust and useful reporting – and to extend the applicability and uptake of the GRI *Guidelines* across sectors and around the world. GRI has been committed to engaging various partners to provide sector-specific guidance in the form of Sector Supplements. The Supplements are designed to compliment the 2002 *Guidelines*, and should be used in addition to, not in place of, the *Guidelines.*

GRI Sector Supplements capture the relevant issues essential to sustainability reporting in a specific sector, but which may not appear in the *Guidelines* since they are relevant primarily for a specific range of reporting organisations or sectors. By developing both the *Guidelines* and Sector Supplements, the GRI framework supports the comparison of reporting organisations both within and across sectors.

This Mining and Metals Sector Supplement ("Supplement") incorporates an abridged version of the *Guidelines* in order to facilitate ease of use for practitioners. New material developed specifically for the mining and metals sector appears in blue text so as to distinguish it from the original *Guidelines* material which appears in black. As a result, it is hoped that the incorporation of the *Guidelines* and Supplement presents an easy-to-use seamless document.

Much of the text, guidance and other resources contained in the *Guidelines* have been removed for the sake of practicality, but this does not imply that such material is not relevant to report preparers and report users endeavouring to use the Supplement. This Supplement is cross-referenced to both the print and HTML versions of the *Guidelines* so full text can easily be obtained.

Table of Contents

PART A: USING THE GRI *GUIDELINES* AND THE MINING AND METALS SECTOR SUPPLEMENT

Introduction

The Global Reporting Initiative (GRI) is a long-term, multi-stakeholder, international process whose mission is to develop and disseminate globally applicable *Sustainability Reporting Guidelines* (the "*Guidelines*"). These *Guidelines* are for voluntary use by organisations[1] for reporting on the economic, environmental, and social dimensions of their activities, products, and services[2]. The aim of the *Guidelines* is to assist reporting organisations and their stakeholders in articulating and understanding contributions of the reporting organisations to sustainable development.

What Are the GRI *Guidelines*?

The GRI *Guidelines* are a framework for reporting on an organisation's economic, environmental, and social performance. The *Guidelines*:

- present reporting principles and specific content to guide the preparation of organisation-level sustainability reports;
- assist organisations in presenting a balanced and reasonable picture of their economic, environmental, and social performance;
- promote comparability of sustainability reports, while taking into account the practical considerations related to disclosing information across a diverse range of organisations, many with extensive and geographically dispersed operations;
- support benchmarking and assessment of sustainability performance with respect to codes, performance standards, and voluntary initiatives; and
- serve as an instrument to facilitate stakeholder engagement.

The *Guidelines* are **not**:

- a code or set of principles of conduct;
- a performance standard (e.g., emissions target for a specific pollutant); or
- a management system.

The *Guidelines* do **not**:

- provide instruction for designing an organisation's internal data management and reporting systems; or
- offer methodologies for preparing reports, or for performing monitoring and verification of such reports.

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[1] This includes corporate, governmental, and non-governmental organisations. All are included within GRI's mission. In its first phase, GRI has emphasised use of the *Guidelines* by corporations with the expectation that governmental and non-governmental organisations will follow in due course.

[2] GRI uses the term "sustainability reporting" synonymously with citizenship reporting, social reporting, triple-bottom line reporting and other terms that encompass the economic, environmental, and social aspects of an organisation's performance.

The *Guidelines* are structured in five parts:	
Introduction	Trends driving sustainability reporting and the benefits of reporting.
Part A: Using the GRI *Guidelines*	General guidance on use of the *Guidelines*.
Part B: Reporting Principles	Principles and practices that promote rigorous reporting and underlie the application of the *Guidelines*.
Part C: Report Content	Content and compilation of a report.
Part D: Glossary and Annexes	Additional guidance and resources for using the *Guidelines*.

What Is a GRI "Sustainability Report"?

The GRI *Guidelines* organise "sustainability reporting" in terms of economic, environmental, and social performance (also known as the "triple bottom line"). This structure has been chosen because it reflects what is currently the most widely accepted approach to defining sustainability. GRI recognises that, like any simplification of a complex challenge, this definition has its limitations. Achieving sustainability requires balancing the complex relationships between current economic, environmental, and social needs in a manner that does not compromise future needs. Defining sustainability in terms of three separate elements (economic, environmental, and social) can sometimes lead to thinking about each element in isolation rather than in an integrated manner. Nonetheless, the triple bottom line is a starting point that is comprehensible and accessible to many, and has achieved a degree of consensus as a reasonable entry point into a complex issue. Looking ahead, GRI is committed to continually improving the structure and content of the *Guidelines* in line with the evolving consensus on how to best measure performance against the goal of sustainable development.

Who Should Use the *Guidelines*?

The use of the GRI *Guidelines* is voluntary. They are intended to be applicable to organisations of all sizes and types operating in any location. The *Guidelines* are designed to be used in a flexible manner by organisations with any level of experience in reporting. An organisation may choose to report on the full set of information in the *Guidelines* or may choose to apply a portion of the *Guidelines* and work towards fuller reporting over time. Alternatively, reporting may occur over a set of cycles which are appropriate to the agency and its work.

The *Guidelines* are intended to complement other initiatives to manage economic, environmental, and social performance and related information disclosure. The *Guidelines* and GRI-based reports are not a substitute for legally-mandated reporting or disclosure requirements, nor do they override any local or national legislation. Reporting organisations should note in their reports the instances where government regulations, conventions or treaties restrict disclosure of information asked for in the *Guidelines*.

Reporting Using the GRI Framework

The GRI reporting framework comprises of three sets of documents. Together, this family of documents represents a comprehensive framework for measuring and reporting on economic, environmental, and social sustainability at an organisational level. The GRI Reporting Framework includes:

- The GRI *Sustainability Reporting Guidelines*: The *Guidelines* represent the foundation upon which all other GRI reporting documents are based, and outline the core content that is broadly relevant to all organisations regardless of size, sector, or location. All organisations seeking to report using the GRI framework should use the *Guidelines* as the basis for their report, supported by the other GRI documents as applicable.

- Sector Supplements: GRI Supplements capture the relevant issues essential to sustainability reporting in a specific sector, but which may not appear in the *Guidelines* since they are relevant primarily for a specific range of reporting organisations or sectors.

- Technical Protocols: GRI is drafting a collection of Technical Protocols that offer specific guidance on various technical aspects of reporting within the GRI framework, including expectations related to measurement of specific indicators.

> **For more information on GRI or to obtain a copy of the 2002 *Guidelines* or other GRI documents, please visit the GRI website at:** www.globalreporting.org.

This Supplement incorporates an abridged version of the 2002 *Guidelines* in order to facilitate ease of use for practitioners. Much of the text, guidance and resources contained in the 2002 *Guidelines* have been removed for the sake of practicality, but this does not imply that such material is not relevant to report preparers and report readers endeavouring to use the Supplement. This Supplement is cross-referenced to both the print and HTML versions of the 2002 *Guidelines* so that the full text can easily be obtained.

Guidance Contained in Part A of the *Guidelines*

Part A of the *Guidelines* contains useful guidance on aspects related to applying the *Guidelines* and building a sustainability report, including:

- Relationship of the *Guidelines* to other sustainability management tools;
- Reporting expectations and design, including flexibility, incremental and in accordance reporting[3]; and
- Frequency and medium of reporting, credibility of reports.

This guidance has been removed in this document, but readers looking for further information are invited to consult the *Guidelines*.

> **For full text of the general guidance contained in Part A, see *Guidelines* pages 7-18 or visit:** www.globalreporting.org/guidelines/2002/a08.asp

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[3] Part of this section is available in Appendix 1 (pages 38-40) of this document.

Context for Sustainability Reporting in the Mining and Metals Sector

This Supplement identifies aspects of mining and metals companies' operations that are significant to a discussion of sustainable development by companies in the sector, but which are not captured by the reporting elements and indicators in the 2002 *Guidelines*. This section briefly outlines the context for reporting in the sector and the broad overarching issues. The mining and metals sector includes exploration, feasibility, construction, mining and metal processing (including metal fabrication and recycling), and closure. Mining and metals form an integral part of modern society and industrial chains, and their activities and products interact with a wide range of groups.

There are many aspects relevant for reporting in the sector, but not all are easily amenable to performance indicators and sometimes must be dealt with qualitatively. However, there is work in progress in a number of areas to help advance approaches to measurement on many important issues such as transfer payments (e.g., the Extractive Industries Transparency Initiative) as well as understanding economic dimensions such as value added.

Companies produce a range of information in different formats for various audiences covering activities at both site and corporate level. The GRI framework aims to identify organisational level indicators to enable reporting that offers a view of the organisation as a whole, whether it has a few or many sites. Sustainability reporting can complement and provide a framework and context for other types of disclosure and communication, many of which are already used by companies, including project-level studies and related documentation. Sustainability reports will include some project/site-related information. However, the GRI *Guidelines* were not designed with the intention of specifying all of the project/site level information that may be of interest to stakeholder groups.

A framework for organisational level reporting must provide indicators that balance the need for describing an organisation as a whole, with the need for detail that makes such information meaningful. It has not been possible in certain areas to develop generic descriptions or indicators that provide meaningful information about organisations working across a diverse range of countries and cultures. Similarly, some information is of greater relevance when tied to a specific context or location. Case studies are sometimes a useful way of illustrating a company's approach to sustainable development. Reporting on performance indicators should be supplemented by case studies about challenges, processes, and outcomes. When used, the case studies should be representative of the reporting organisation i.e., cover the range of geographical regions where the reporting organisation operates, include both corporate and local issues, and contain examples of where performance has been good or bad.

Decisions on which case studies to include, or whether facts or incidents are "significant" and should be disclosed, should be guided by the principles in Part B of the *Guidelines*, including completeness and relevance. In particular, information should be given if it would likely affect a decision of the report user. Reporting organisations should describe the processes and standards used in determining what is "significant", either on a case-by-case basis with respect to each indicator for which the determination is made, or in a summary statement, as appropriate.

Some areas of stakeholder interest are covered in disclosures required by existing regulations or laws, such as financial reports or reports to the South African

government on compliance with legislation on Historically Disadvantaged South Africans. It is important that companies consider the principles outlined in Part B of the *Guidelines* and how they should be applied in the context of each company's own business operations to guide disclosures.

In preparing sustainability reports, it is important for organisations to provide information on the overall approaches to key issues such as social and economic capacity building at the community level or other broad topics. This information complements the more specific performance indicators that appear in a report and helps to provide a broad context.

Partnerships are important in solving challenges to sustainable development in the sector. Companies should therefore include a narrative discussion about the partnerships they have developed for addressing challenges in different areas, such as biodiversity and community development.

Companies should define their policy on language. For example, if the document is in English but a number of their projects are operating where the official language is not English, is any material available in that language (e.g., on the website of the individual project)?

Finally, the supplement process does not aim to supplant or duplicate ongoing efforts and seeks to be informed by other initiatives such as those under the auspices of the United Nations. Similarly, this Supplement is a living document and future revisions will seek to benefit and incorporate developments from other initiatives.

Aspects to Be Reported through Narrative Descriptions

There are also a few topics of particular importance that are best addressed through the narrative disclosures in a report:

Stakeholder Engagement: Disclosure element **2.9** in the GRI *Guidelines* (page 17 of this document) covers the types of stakeholders to be identified by the reporter, and disclosure elements **3.9**-**3.12** (page 19 of this document) cover the basic aspects of stakeholder engagement. The importance of internal and external stakeholder engagement applies throughout the project cycle of mining and metals, but the approaches to engagement will vary depending on:

1. The stage of the project cycle (exploration, feasibility, construction, mining and metal processing (including metal fabrication and recycling), and closure),
2. The nature of the operation (underground, open pit, heap leach, metals refining, etc.),
3. The roles, levels of interest (e.g., directly affected or interested parties, etc.) and engagement objectives of the major stakeholders identified for the operational context.

A company's Sustainable Development Report should respond to disclosure elements **3.9**-**3.12** in describing engagement practices relative to these three variables (e.g., consultation and information sharing, participatory decision-making, or practices of dispute resolution). The narrative should also describe any overarching policies guiding these engagement practices through the project cycle of the operation, and how inputs from stakeholders are used by the reporting organisation.

Community Engagement and Support: The issue of broad and ongoing community support, or lack of it, is recognised as particularly important for the mining and metals sector. Some stakeholders refer to this as 'free prior informed consent'. It is generally agreed that broad community support is critical for project approval and implementation. However, there is an ongoing debate about what community support means, and how and when it is achieved. In the absence of consensus around these issues, companies should report on their process of community engagement, including the following:

1. Overall policy related to community engagement, including an explanation of the goal of the engagement process (e.g., community consent, community support, social license to operate, etc.).

2. Basis for identification of community-level decision-makers and representative institutions in proposed and existing operations sites.

3. Approach to community engagement processes, including:

   - Issues in which community participation and support are sought such as access to land, social and environmental impact assessments, project design and implementation, community development planning, closure, etc.;

   - Procedures for provision of information to communities;

   - Dispute resolution mechanisms used;

   - Community involvement in monitoring and oversight mechanisms;

   - Identification of and engagement with marginalised groups (e.g., indigenous peoples, women, youth and ethnic minorities); and

   - Extent to which community engagement processes and desired outcomes are formalised in negotiated agreements.

4. Mechanisms used for equitable and transparent administration of funds and benefits for local communities.

5. Mechanisms used to protect local cultural and intellectual property rights and sacred sites.

6. Company policies and practices for situations in which community support is lacking.

7. Outcomes of significant engagement processes during the year.

Impact Assessment: The approach to environmental and social impact assessment of projects is a concern for many stakeholders and cuts across a wide range of issues. Assessments provide a baseline against which changes over time can be measured. The detailed results of impact assessments or similar studies are typically disclosed through formats other than sustainability reports. However, an explanation of impact assessment approaches and related stakeholder engagement, including case studies where relevant, along with how they address common challenges, is an important part of reporting. Approaches to operational phase monitoring to assess whether actual impacts are consistent with those identified in the assessment may also be included.

PART B: REPORTING PRINCIPLES

Introduction

This section of the *Guidelines* identifies reporting principles essential to producing a balanced and reasonable report on an organisation's economic, environmental, and social performance. GRI views these principles as integral to its reporting framework, equal in weight to the elements and indicators in Part C of the *Guidelines*. Organisations using the *Guidelines* are expected to apply these principles in their report preparation. Collectively, the principles define a compact between the reporting organisation and report user, ensuring that both parties share a common understanding of the underpinnings of a GRI-based report.

The 11 principles outlined in the following section will help ensure that reports:

- present a balanced and reasonable account of economic, environmental, and social performance, and the resulting contribution of the organisation to sustainable development;
- facilitate comparison over time;
- facilitate comparisons across organisations; and
- credibly address issues of concern to stakeholders.

> **For full text on reporting principles and how to use them, see *Guidelines* pages 22-31 or visit:** www.globalreporting.org/guidelines/2002/b22.asp

The Principles

The principles are grouped in four clusters. Those that:

- form the framework for the report (transparency, inclusiveness, auditability);
- inform decisions about what to report (completeness, relevance, sustainability context);
- relate to ensuring quality and reliability (accuracy, neutrality, comparability); and
- inform decisions about access to the report (clarity, timeliness).

Transparency

Full disclosure of the processes, procedures, and assumptions in report preparation are essential to its credibility.

Inclusiveness

The reporting organisation should systematically engage its stakeholders to help focus and continually enhance the quality of its reports.

Auditability

Reported data and information should be recorded, compiled, analysed, and disclosed in a way that would enable internal auditors or external assurance providers to attest to its reliability.

Completeness

All information that is material to users for assessing the reporting organisation's economic, environmental, and social performance should appear in the report in a manner consistent with the declared boundaries, scope, and time period. For more on defining reporting boundaries see: www.globalreporting.org/boundary

Relevance

Relevance is the degree of importance assigned to a particular aspect, indicator, or piece of information, and represents the threshold at which information becomes significant enough to be reported.

Sustainability Context

The reporting organisation should seek to place its performance in the larger context of ecological, social, or other limits or constraints, where such context adds significant meaning to the reported information.

Accuracy

The accuracy principle refers to achieving the degree of exactness and low margin of error in reported information necessary for users to make decisions with a high degree of confidence.

Neutrality

Reports should avoid bias in selection and presentation of information and should strive to provide a balanced account of the reporting organisation's performance.

Comparability

The reporting organisation should maintain consistency in the boundary and scope of its reports, disclose any changes, and restate previously reported information.

Clarity

The reporting organisation should remain cognizant of the diverse needs and backgrounds of its stakeholder groups and should make information available in a manner that is responsive to the maximum number of users while still maintaining a suitable level of detail.

Timeliness

Reports should provide information on a regular schedule that meets user needs and comports with the nature of the information itself.

PART C: REPORT CONTENT

Overview of Part C

Part C of the *Guidelines* specifies the content of a GRI-based report. The report content is organised in what GRI considers a logical order, and reporting organisations are encouraged to follow this structure in writing their reports. See General Notes[4] and Part A in the previous section for further guidance on report structure. Questions regarding other issues related to application of the *Guidelines* are also addressed in Part A. Please note that Part C is best read in conjunction with Part B.

Part C of the *Guidelines* comprises five sections:

1. *Vision and Strategy* – description of the reporting organisation's strategy with regard to sustainability, including a statement from the CEO.
2. *Profile* – overview of the reporting organisation's structure and operations and of the scope of the report.
3. *Governance Structure and Management Systems* – description of organisational structure, policies, and management systems, including stakeholder engagement efforts.
4. *GRI Content Index* – a table supplied by the reporting organisation identifying where the information listed in Part C of the *Guidelines* is located within the organisation's report.
5. *Performance Indicators* – measures of the impact or effect of the reporting organisation divided into integrated, economic, environmental, and social performance indicators.

For full text on the distribution and organisation of GRI indicators, and commentary on qualitative vs. quantitative indicators see pages 35-37 of the *Guidelines* or visit: www.globalreporting.org/guidelines/2002/c34.asp

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GRI Report Content

The following five sections contain the reporting elements and performance indicators for the 2002 GRI *Guidelines,* including interpretive commentary for the mining and metals sector, and new performance indicators specifically developed for use by the sector.

Reporting elements are numbered (e.g., **2.10**) and performance indicators are contained in tables in Section 5. The elements and indicators are listed in **bold type.** Some are supported by additional guidance or explanation in standard type.

1. Vision and Strategy

This section encompasses a statement of the reporting organisation's sustainability vision and strategy, as well as a statement from the CEO.

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[4] For General Notes on reporting, such as reporting boundaries, technical protocols, metrics, timeframes, targets, data issues and graphics, see Appendix 2 (pages 41-42) of this Supplement.

1.1. Statement of the organisation's vision and strategy regarding its contribution to sustainable development

Present overall vision of the reporting organisation for its future, particularly with regard to managing the challenges associated with economic, environmental, and social performance. This should answer, at a minimum, the following questions:

- What are the main issues for the organisation related to the major themes of sustainable development?

- How are stakeholders included in identifying these issues?

- For each issue, which stakeholders are most affected by the organisation?

- How are these issues reflected in the organisation's values and integrated into its business strategies?

- What are the organisation's objectives and actions on these issues?

Reporting organisations should use maximum flexibility and creativity in preparing this section. The reporting organisation's major direct and indirect economic, environmental, and social issues and impacts (both positive and negative) should inform the discussion. Reporting organisations are encouraged to draw directly from indicators and information presented elsewhere in the report. They should include in their discussion any major opportunities, challenges, or obstacles to moving toward improved economic, environmental, and social performance. International organisations are also encouraged to explicitly discuss how their economic, environmental, and social concerns relate to and are impacted by their strategies for emerging markets.

1.2. Statement from the CEO (or equivalent senior manager) describing key elements of the report

A statement from the reporting organisation's CEO (or equivalent senior manager if other title is used) sets the tone of the report and establishes credibility with internal and external users. GRI does not specify the content of the CEO statement; however, it believes such statements are most valuable when they explicitly refer to the organisation's commitment to sustainability and to key elements of the report. Recommended elements of a CEO statement include the following:

- Highlights of report content and commitment to targets;

- Description of the commitment to economic, environmental, and social goals by the organisation's leadership;

- Statement of successes and failures;

- Performance against benchmarks such as the previous year's performance and targets and industry sector norms;

- The organisation's approach to stakeholder engagement; and

- Major challenges for the organisation and its sector in integrating responsibilities for financial performance with those for economic, environmental, and social performance, including the implications for future business strategy.

The CEO statement may be combined with the statement of vision and strategy.

2. Profile

This section provides an overview of the reporting organisation and describes the scope of the report. Thus, it provides readers with a context for understanding and evaluating information in the rest of the report. The section also includes organisational contact information.

Organisational Profile

Reporting organisations should provide the information listed below. In addition, they are encouraged to include any additional information that is needed for a full picture of the organisation's operations, products, and services.

2.1   Name of reporting organisation.

2.2   Major products and/or services, including brands if appropriate.

The reporting organisation should also indicate the nature of its role in providing these products and services, and the degree to which the organisation relies on outsourcing.

2.3   Operational structure of the organisation.

2.4   Description of major divisions, operating companies, subsidiaries, and joint ventures.

2.5   Countries in which the organisation's operations are located.

2.6   Nature of ownership; legal form.

2.7   Nature of markets served.

2.8   Scale of the reporting organisation:

- Number of employees;
- Products produced/services offered (quantity or volume);
- Net sales; and
- Total capitalisation broken down in terms of debt and equity.

In addition to the above, reporting organisations are encouraged to provide additional information, such as:

- Value added;
- Total assets; and
- Breakdowns of any or all of the following:
  - Sales/revenues by countries/regions that make up 5 percent or more of total revenues;
  - Major products and/or identified services;
  - Costs by country/region; and
  - Employees by country/region.

In preparing the profile information, organisations should consider the need to provide information beyond that on direct employees and financial data. For example, some organisations with few direct employees will have many indirect employees. This could include the employees of subcontractors, franchisees, joint ventures, and companies entirely dependent on or answerable to the reporting organisation. The extent of these relationships may interest stakeholders as much or more than information on direct employees. The reporting organisation should consider adding such information to its profile where relevant.

Reporting organisations should choose the set of measures best suited to the nature of their operations and stakeholders' needs. Measures should include those that can be used specifically to create ratios using the absolute figures provided in other sections of the report (See Annex 5 for information on ratios). All information should cover that portion of the organisation that is covered by the report.

2.9   **List of stakeholders, key attributes of each, and relationship to the reporting organisation.**

Stakeholders typically include the following groups (examples of attributes are shown in parentheses):

- Communities (locations, nature of interest);
- Customers (retail, wholesale, businesses, governments);
- Shareholders and providers of capital (stock exchange listings);
- Suppliers (products/services provided, local/national/international operations);
- Trade unions (relation to workforce and reporting organisation);
- Workforce, direct and indirect (size, diversity, relationship to the reporting organisation); and
- Other stakeholders (business partners, local authorities, NGOs).

Report Scope

2.10   **Contact person(s) for the report, including e-mail and web addresses.**

2.11   **Reporting period (e.g., fiscal/calendar year) for information provided.**

2.12   **Date of most recent previous report (if any).**

2.13   **Boundaries of report (countries/regions, products/services, divisions/facilities/joint ventures/subsidiaries) and any specific limitations on the scope.**

If reporting boundaries do not match the full range of economic, environmental, and social impacts of the organisation, state the strategy and projected timeline for providing complete coverage.

2.14   **Significant changes in size, structure, ownership, or products/services that have occurred since the previous report.**

2.15   **Basis for reporting on joint ventures, partially owned subsidiaries, leased facilities, outsourced operations, and other situations that can**

significantly affect comparability from period to period and/or between reporting organisations.

2.16   **Explanation of the nature and effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).**

Report Profile

2.17   **Decisions not to apply GRI principles or protocols in the preparation of the report.**

2.18   **Criteria/definitions used in any accounting for economic, environmental, and social costs and benefits.**

2.19   **Significant changes from previous years in the measurement methods applied to key economic, environmental, and social information.**

2.20   **Policies and internal practices to enhance and provide assurance about the accuracy, completeness, and reliability that can be placed on the sustainability report.**

This includes internal management systems, processes, and audits that management relies on to ensure that reported data are reliable and complete with regard to the scope of the report.

2.21   **Policy and current practice with regard to providing independent assurance for the full report.**

2.22   **Means by which report users can obtain additional information and reports about economic, environmental, and social aspects of the organisation's activities, including facility-specific information (if available).**

3. Governance Structure and Management Systems

This section provides an overview of the governance structure, overarching policies, and management systems in place to implement the reporting organisation's vision for sustainable development and to manage its performance. In contrast, Section 5 (Performance Indicators) addresses the results and breadth of the organisation's activities. Discussion of stakeholder engagement forms a key part of any description of governance structures and management systems.

Some of the information listed in this section may overlap with information in other publications from the organisation. GRI is sensitive to the need to avoid unnecessary duplication of effort. However, for the sake of ensuring full and complete contextual information for users of sustainability reports, it is important to cover the items listed below in combination with other information on the organisation's economic, environmental, and social performance. Organisations may wish to cross-reference between different documents, but this should not be done at the expense of excluding necessary information in a sustainability report.

Structure and Governance

3.1   Governance structure of the organisation, including major committees under the board of directors that are responsible for setting strategy and for oversight of the organisation.

Describe the scope of responsibility of any major committees and indicate any direct responsibility for economic, social, and environmental performance.

3.2   Percentage of the board of directors that are independent, non-executive directors.

State how the board determines "independence".

3.3   Process for determining the expertise board members need to guide the strategic direction of the organisation, including issues related to environmental and social risks and opportunities.

3.4   Board-level processes for overseeing the organisation's identification and management of economic, environmental, and social risks and opportunities.

3.5   Linkage between executive compensation and achievement of the organisation's financial and non-financial goals (e.g., environmental performance, labour practices).

3.6   Organisational structure and key individuals responsible for oversight, implementation, and audit of economic, environmental, social, and related policies.

Include identification of the highest level of management below the board level directly responsible for setting and implementing environmental and social policies, as well as general organisational structure below the board level.

3.7   Mission and values statements, internally developed codes of conduct or principles, and polices relevant to economic, environmental, and social performance and the status of implementation.

Describe the status of implementation in terms of degree to which the code is applied across the organisation in different regions and departments/units. "Policies" refers to those that apply to the organisation as a whole, but may not necessarily provide substantial detail on the specific aspects listed under the performance indicators in Part C, Section 5 of the *Guidelines*.

3.8   Mechanisms for shareholders to provide recommendations or direction to the board of directors.

Include reference to any policies or processes regarding the use of shareholder resolutions or other mechanisms for enabling minority shareholders to express opinions to management.

Stakeholder Engagement

Stakeholder engagement activities should reflect the organisation's stakeholders as identified in the Profile section.

3.9   Basis for identification and selection of major stakeholders.

This includes the processes for defining an organisation's stakeholders and for determining which groups to engage.

3.10   Approaches to stakeholder consultation reported in terms of frequency of consultations by type and by stakeholder group.

This could include surveys, focus groups, community panels, corporate advisory panels, written communication, management/union structures, and other vehicles.

3.11   Type of information generated by stakeholder consultations.

Include a list of key issues and concerns raised by stakeholders and identify any indicators specifically developed as a result of stakeholder consultation.

3.12   Use of information resulting from stakeholder engagements.

For example, this could include selecting performance benchmarks or influencing specific decisions on policy or operations.

Overarching Policies and Management Systems

GRI has included policy indicators in both Section 3 (Governance Structure and Management Systems) and Section 5 (Performance Indicators), using the general principle of grouping information items closest to the most relevant aspect. The broader, overarching policies are most directly related to the governance structure and management systems section of the report. The most detailed level of policy (e.g., policies on child labour) may be captured in the performance indicator section of the report. Where the reporting organisation perceives an overlap in the GRI framework, it should choose the most appropriate location in its report for the information.

3.13   Explanation of whether and how the precautionary approach or principle is addressed by the organisation.

This could include an example that illustrates the organisation's approach to risk management in the operational planning or the development and introduction of new products. For reference, see the glossary for text of Article 15 of the Rio Principles on the precautionary approach.

3.14   Externally developed, voluntary economic, environmental, and social charters, sets of principles, or other initiatives to which the organisation subscribes or which it endorses.

Include date of adoption and countries/operations where applied.

3.15   Principal memberships in industry and business associations, and/or national/international advocacy organisations.

3.16   Policies and/or systems for managing upstream and downstream impacts, including:

- **Supply chain management as it pertains to outsourcing and supplier environmental and social performance; and**
- **Product and service stewardship initiatives.**

Stewardship initiatives include efforts to improve product design to minimise negative impacts associated with manufacturing, use, and final disposal.

Commentary for the Mining and Metals Sector on 3.16

The mining and metals industry is generally characterised by long and complex production chains. Reporting would be particularly valuable that highlights materials stewardship activities such as:

1. *Communications of materials and product-related information to users up and down the value chain.*
2. *Overall approach to, and progress with, use of Life-cycle Assessment (LCA) to improve processes and products.*
3. *Collaborative efforts with groups such as product designers, manufacturers, consumers, local authorities, etc.*
4. *Support of scientific research activities.*

3.17 Reporting organisation's approach to managing indirect economic, environmental, and social impacts resulting from its activities.

See below (under Economic Performance Indicators) for a discussion of indirect economic impacts.

3.18 Major decisions during the reporting period regarding the location of, or changes in, operations.

Explain major decisions such as facility or plant openings, closings, expansions, and contractions.

3.19 Programmes and procedures pertaining to economic, environmental, and social performance. Include discussion of:

- **Priority and target setting;**
- **Major programmes to improve performance;**
- **Internal communication and training;**
- **Performance monitoring;**
- **Internal and external auditing; and**
- **Senior management review.**

3.20 Status of certification pertaining to economic, environmental, and social management systems.

Include adherence to environmental management standards, labour, or social accountability management systems, or other management systems for which formal certification is available.

4. GRI Content Index

4.1. A table identifying location of each element of the GRI Report Content, by section and indicator.

The purpose of this section is to enable report users to quickly assess the degree to which the reporting organisation has included the information and indicators contained in the GRI *Guidelines*. Specifically, the reporter should identify the location of the following GRI elements:

- *Vision and Strategy*: **1.1** and **1.2**
- *Profile*: **2.1** to **2.22**
- *Governance Structure and Management Systems*: **3.1** to **3.20**
- *Performance Indicators*: all core performance indicators and identification of the location of explanations for any omissions
- Any of the additional indicators from Section 5 of Part C that the reporter chooses to include in the report

Reporters are encouraged to identify any use of sector specific disclosures and performance indicators in their reports.

5. Performance Indicators

This section lists the core and additional performance indicators for GRI-based reports. To make these performance indicators as relevant as possible for the mining and metals sector, comments were added to some of the indicators. Also included are new sector-specific performance indicators that capture the relevant issues essential to reporting for companies in the sector. Report preparers should also read Parts A and Part B of the *Guidelines* before preparing indicators.

> **For full text on topics such as the grouping of GRI indicators, and how to identify and use integrated indicators see *Guidelines* pages 44-45 or visit:** www.globalreporting.org/guidelines/2002/c44a.asp

Economic Performance Indicators

The economic dimension of sustainability concerns an organisation's impacts on the economic circumstances of its stakeholders and on economic systems at the local, national and global levels. Economic impacts can be divided into direct and indirect impacts.

The aspects for this section were organised around stakeholder groups in order to understand the distribution of financial and other economic benefits created by the reporting organisation amongst its various stakeholder groups. Most monetary flow indicators are paired with one or more other indicators that provide insight into the nature of the performance and impact on the stakeholder's economic capacity.

> **For full text on how to use GRI's economic indicators see *Guidelines* pages 45-47 or visit:** www.globalreporting.org/guidelines/2002/c45.asp

Economic Performance Indicators

Core Indicators	Additional Indicators
Direct Economic Impacts	
Customers	
Monetary flow indicator: **EC1. Net sales.** As listed in the profile section under **2.8**.	

Core Indicators	Additional Indicators
EC2. Geographic breakdown of markets. For each product or product range, disclose national market share by country where this is 25% or more. Disclose market share and sales for each country where national sales represent 5% or more of GDP.	
Suppliers	
Monetary flow indicator: **EC3. Cost of all goods, materials, and services purchased.**	**EC11. Supplier breakdown by organisation and country.** List all suppliers from which purchases in the reporting period represent 10% or more of total purchases in that period. Also identify all countries where total purchasing represents 5% or more of GDP.
EC4. Percentage of contracts that were paid in accordance with agreed terms, excluding agreed penalty arrangements. Terms may include conditions such as scheduling of payments, form of payment, or other conditions. This indicator is the percent of contracts that were paid according to terms, regardless of the details of the terms.	
Employees	
Monetary flow indicator: **EC5. Total payroll and benefits (including wages, pension, other benefits, and redundancy payments) broken down by country or region.** This remuneration should refer to current payments and not include future commitments. (Note: Indicator **LA9** on training also offers information on one aspect of the organisation's investment in human capital.)	
Providers of Capital	
Monetary flow indicator: **EC6. Distributions to providers of capital broken down by interest on debt and borrowings, and dividends on all classes of shares, with any arrears of preferred dividends to be disclosed.** This includes all forms of debt and borrowings, not only long-term debt.	
EC7. Increase/decrease in retained earnings at end of period. (Note: the information contained in the profile section (**2.1-2.8**) enables calculation of several measures, including ROACE (Return On Average Capital Employed)).	

Core Indicators	Additional Indicators
Public Sector	
Monetary flow indicators: **EC8. Total sum of taxes of all types paid broken down by country.**	**EC12. Total spent on non-core business infrastructure development.** This is infrastructure built outside the main business activities of the reporting entity such as a school, or hospital for employees and their families.
EC9. Subsidies received broken down by country or region. This refers to grants, tax relief, and other types of financial benefits that do not represent a transaction of goods and services. Explain definitions used for types of groups.	
EC10. Donations to community, civil society, and other groups broken down in terms of cash and in-kind donations per type of group.	
Indirect Economic Impacts	
	EC13. The organisation's indirect economic impacts. Identify major externalities associated with the reporting organisation's products and services.

New Economic Indicators for the Mining and Metals Sector

The following are new indicators developed by the working group which represent what they felt should be included in reports from mining and metals companies.

Note: The Extractive Industries Transparency Initiative (EITI) is piloting a protocol for disclosure of payments to governments on a country-by-country basis.

Aspects	New Indicators
Revenue Capture, Management, and Distribution	**MM1. Identify those sites where the local economic contribution and development impact is of particular significance and interest to stakeholders (e.g., remote sites) and outline policies with respect to assessing this contribution. Relevant information includes:** ▪ **Percentage of goods, materials, and services purchased locally;** ▪ **Percentage of workforce from local communities;** ▪ **Investment in public infrastructure and its maintenance; and** ▪ **Compensation payments.** *Note: The reporting organisation should describe the definition of "local" used and the criteria used to identify sites where the local economic contribution and development impact is of particular significance.*
Value added	**MM2. Value added disaggregated to country level.** *Note: Value added is defined as total revenues less total cost of procurement.*

Environmental Performance Indicators

The environmental dimension of sustainability concerns an organisation's impacts on living and non-living natural systems, including ecosystems, land, air and water. In reporting on environmental indicators, reporting organisations are also encouraged to keep in mind the principle of sustainability context. It is particularly important to provide environmental performance information in terms of both absolute figures and normalised measures (e.g., resource use per unit of output).

> **For full text on how to use GRI's environmental indicators see *Guidelines* pages 48-49 or visit:** www.globalreporting.org/guidelines/2002/c48.asp

Environmental Performance Indicators

Core Indicators	Additional Indicators
Materials	
EN1. Total materials use other than water, by type. Provide definitions used for types of materials. Report in tonnes, kilograms, or volume.	
EN2. Percentage of materials used that are wastes (processed or unprocessed) from sources external to the reporting organisation. Refers to both post-consumer recycled material and waste from industrial sources. Report in tonnes, kilograms, or volume.	
Energy[5]	
EN3. Direct energy use segmented by primary source. Report on all energy sources used by the reporting organisation for its own operations as well as for the production and delivery of energy products (e.g., electricity or heat) to other organisations. Report in joules.	**EN17. Initiatives to use renewable energy sources and to increase energy efficiency.**
	EN18. Energy consumption footprint (i.e., annualised lifetime energy requirements) of major products. Report in joules.
EN4. Indirect energy use. Report on all energy used to produce and deliver energy products purchased by the reporting organisation (e.g., electricity or heat). Report in joules.	**EN19. Other indirect (upstream/downstream) energy use and implications, such as organisational travel, product lifecycle management, and use of energy-intensive materials.**

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[5] A Technical Protocol has been developed for these indicators. Please see www.globalreporting.org for further details.

Core Indicators	Additional Indicators
Water[6]	
EN5. Total water use.	**EN20. Water sources and related ecosystems/habitats significantly affected by use of water.** Include Ramsar-listed wetlands and the overall contribution to resulting environmental trends.
	EN21. Annual withdrawals of ground and surface water as a percent of annual renewable quantity of water available from the sources. Breakdown by region.
	EN22. Total recycling and reuse of water. Include wastewater and other used water (e.g., cooling water).
Biodiversity	
EN6. Location and size of land owned, leased, or managed in biodiversity-rich habitats.	**EN23. Total amount of land owned, leased, or managed for production activities or extractive use**.
	EN24. Amount of impermeable surface as a percentage of land purchased or leased.
EN7. Description of the major impacts on biodiversity associated with activities and/or products and services in terrestrial, freshwater, and marine environments.	**EN25. Impacts of activities and operations on protected and sensitive areas.** (e.g., IUCN protected area categories 1-4, world heritage sites, and biosphere reserves).
	EN26. Changes to natural habitats resulting from activities and operations and percentage of habitat protected or restored. Identify type of habitat affected and its status.
	EN27. Objectives, programmes, and targets for protecting and restoring native ecosystems and species in degraded areas.
	EN28. Number of IUCN Red List species with habitats in areas affected by operations.
	EN29. Business units currently operating or planning operations in or around protected or sensitive areas.

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[6] A Technical Protocol has been developed for these indicators. Please see www.globalreporting.org for further details.

Core Indicators	Additional Indicators
Emissions, Effluents, and Waste	
EN8. Greenhouse gas emissions. (CO_2, CH_4, N_2O, HFCs, PFCs, SF_6). Report separate subtotals for each gas in tonnes and in tonnes of CO_2 equivalent for the following: • direct emissions from sources owned or controlled by the reporting entity • indirect emissions from imported electricity heat or steam See WRI-WBCSD Greenhouse Gas Protocol.	**EN30. Other relevant indirect greenhouse gas emissions.** (CO_2, CH_4, N_2O, HFCs, PFCs, SF_6). Refers to emissions that are a consequence of the activities of the reporting entity, but occur from sources owned or controlled by another entity Report in tonnes of gas and tonnes of CO_2 equivalent. See WRI-WBCSD Greenhouse Gas Protocol.
EN9. Use and emissions of ozone-depleting substances. Report each figure separately in accordance with Montreal Protocol Annexes A, B, C, and E in tonnes of CFC-11 equivalents (ozone-depleting potential).	**EN31. All production, transport, import, or export of any waste deemed "hazardous" under the terms of the Basel Convention Annex I, II, III, and VIII.**
EN10. NOx, SOx, and other significant air emissions by type. Include emissions of substances regulated under: • local laws and regulations • Stockholm POPs Convention (Annex A, B, and C) – persistent organic pollutants • Rotterdam Convention on Prior Informed Consent (PIC) • Helsinki, Sofia, and Geneva Protocols to the Convention on Long-Range Trans-boundary Air Pollution ***Commentary for the Metal and Mining Sector*** *Reporting should include:* - *emissions from both major mobile sources and on-site stationary sources;* - *management of fugitive emissions such as dust from mining and processing activities (i.e., monitoring activities, compliance with regulatory limits or number of dust-related complaints and how they were addressed);* - *case studies where significant local emissions occur.*	**EN32. Water sources and related ecosystems/habitats significantly affected by discharges of water and runoff.** Include Ramsar-listed wetlands and the overall contribution to resulting environmental trends. See GRI Water Protocol.

Core Indicators	Additional Indicators
EN11. Total amount of waste by type and destination. "Destination" refers to the method by which waste is treated, including composting, reuse, recycling, recovery, incineration, or landfilling. Explain type of classification method and estimation method. ***Commentary for the Metal and Mining Sector*** *For the mining and metals sector this refers to site waste, e.g., waste oils, spent cell lining, office, canteen and camp waste, scrap steel, tyres and construction waste. The breakdown of "types" of waste (as requested in the indicator) should distinguish between hazardous and non-hazardous.* *Note: When collecting hazardous waste data for reporting, the reporting organisation should use the definition contained in the regulations which apply to the site.*	
EN12. Significant discharges to water by type. See GRI Water Protocol.	
EN13. Significant spills of chemicals, oils, and fuels in terms of total number and total volume. Significance is defined in terms of both the size of the spill and impact on the surrounding environment. ***Commentary for the Metal and Mining Sector*** *The reporting organisation should provide a description of any significant incidents. This should also include spillage of tailings, slimes, or other significant process materials.* *Note: Describe the definition of "significant" used.*	
Suppliers	
	EN33. Performance of suppliers relative to environmental components of programmes and procedures described in response to Governance Structure and Management Systems section (Section 3.16).
Products and Services	
EN14. Significant environmental impacts of principal products and services. Describe and quantify where relevant.	

Core Indicators	Additional Indicators
EN15. Percentage of the weight of products sold that is reclaimable at the end of the products' useful life and percentage that is actually reclaimed. "Reclaimable" refers to either the recycling or reuse of the product materials or components.	
Compliance	
EN16. Incidents of and fines for non-compliance with all applicable international declarations/conventions/treaties, and national, sub-national, regional, and local regulations associated with environmental issues. Explain in terms of countries of operation.	
Transport	
	EN34. Significant environmental impacts of transportation used for logistical purposes.
Overall	
	EN35. Total environmental expenditures by type. Explain definitions used for types of expenditures.

New Environmental Indicators for the Mining and Metals Sector

The following are new indicators developed by the working group which represent what they felt should be included in reports from mining and metals companies. In some cases, rather than develop a new indicator, the working group elected to use an existing GRI "additional" indicator to address an aspect of primary concern.

Aspects	New Indicators
Biodiversity	This indicator applies to mining companies. **EN23. Total amount of land owned, leased, and managed for production activities or extractive use.** **Mining companies should report the following:** 1. **Total land disturbed and not yet rehabilitated (opening balance);** 2. **Total amount of land newly disturbed within the reporting period;** 3. **Total amount of land newly rehabilitated within the reporting period to the agreed upon end use; and** 4. **Total land disturbed and not yet rehabilitated (closing balance).** The above set of figures allows the reader to assess both the stock of land disturbed and the annual changes. Disturbance may include both physical and chemical disturbance.

Aspects	New Indicators
	MM3. The number/percentage of sites identified as requiring biodiversity management plans, and the number/percentage of sites with plans in place. Also include criteria for deciding that a biodiversity management plan is required and the key components of a plan.
Materials	**MM4. Percentage of products(s) derived from secondary materials.** This includes both post-consumer recycled material and waste from industrial sources (e.g., new scrap from fabricators and old scrap from end-of-life equipment), but excludes internal recycling within the facility.
Materials stewardship	**MM5. Describe policies for assessing the eco-efficiency and sustainability attributes of products (e.g., recyclability, material use, energy use, toxicity, etc.)**
Large volume mining and mineral processing waste	**MM6. Describe approach to management of overburden, rock, tailings, and sludges/residues including:** - **assessment of risks;** - **structural stability of storage facilities;** - **metal leaching potential; and** - **hazardous properties.** Quantities of waste that are hazardous should be reported. The relevance of reporting other quantities of waste will be determined by the risk assessment. *Note: When collecting hazardous waste data for reporting, the reporting organisation should use the definitions contained in the regulations which apply to the site.*

Social Performance Indicators

The social dimension of sustainability concerns an organisation's impacts on the social systems within which it operates. Social performance can be gauged through an analysis of the organisation's impacts on stakeholders at the local, national, and global levels. In some cases, social indicators influence the organisation's intangible assets, such as its human capital and reputation.

> **For full text explaining the rationale behind GRI's social indicators, categorisation and how to use them see *Guidelines* pages 51-52 or visit:** www.globalreporting.org/guidelines/2002/c51.asp

The specific aspects for labour practices and human rights performance are based mainly on internationally recognised standards and conventions. Many of the social issues that are the subject of performance measurement are not easily quantifiable, therefore, a number of social indicators are qualitative measures of the organisation's systems and operations, including policies, procedures, and management practices. These indicators relate not to general, overarching policies (as listed in Section 3 of Part C) but to specific, narrowly defined social aspects such as forced or compulsory labour, or freedom of association.

Social Performance Indicators: Labour Practices and Decent Work

Core Indicators	Additional Indicators
Employment	
LA1. Breakdown of workforce, where possible, by region/country, status (employee/non-employee), employment type (full time/part time), and by employment contract (indefinite or permanent/fixed term or temporary). Also identify workforce retained in conjunction with other employers (temporary agency workers or workers in co-employment relationships), segmented by region/country.	**LA12. Employee benefits beyond those legally mandated.** (e.g., contributions to health care, disability, maternity, education, and retirement).
LA2. Net employment creation and average turnover segmented by region/country.	
Labour/Management Relations	
LA3. Percentage of employees represented by independent trade union organisations or other bona fide employee representatives broken down geographically OR percentage of employees covered by collective bargaining agreements broken down by region/country.	**LA13. Provision for formal worker representation in decision making or management, including corporate governance.**
LA4. Policy and procedures involving information, consultation, and negotiation with employees over changes in the reporting organisation's operations (e.g., restructuring).	
Health and Safety[7]	
LA5. Practices on recording and notification of occupational accidents and diseases, and how they relate to the ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases.	**LA14. Evidence of substantial compliance with the ILO Guidelines for Occupational Health Management Systems.**
LA6. Description of formal joint health and safety committees comprising management and worker representatives and proportion of workforce covered by any such committees.	**LA15. Description of formal agreements with trade unions or other bona fide employee representatives covering health and safety at work and proportion of the workforce covered by any such agreements.**
LA7. Standard injury, lost day, and absentee rates and number of work-related fatalities (including subcontracted workers).	
LA8. Description of policies or programmes (for the workplace and beyond) on HIV/AIDS.	

[7] A Technical Protocol is available for Health and Safety indicators. Please see www.globalreporting.org for further details.

Core Indicators	Additional Indicators
Training and Education	
LA9. Average hours of training per year per employee by category of employee. (e.g., senior management, middle management, professional, technical, administrative, production, and maintenance).	**LA16. Description of programmes to support the continued employability of employees and to manage career endings.**
	LA17. Specific policies and programmes for skills management or for lifelong learning.
Diversity and Opportunity	
LA10. Description of equal opportunity policies or programmes, as well as monitoring systems to ensure compliance and results of monitoring. Equal opportunity policies may address workplace harassment and affirmative action relative to historical patterns of discrimination.	
LA11. Composition of senior management and corporate governance bodies (including the board of directors), including female/male ratio and other indicators of diversity as culturally appropriate.	

Social Performance Indicators: Human Rights

Core Indicators	Additional Indicators
Strategy and Management	

HR1. Description of policies, guidelines, corporate structure, and procedures to deal with all aspects of human rights relevant to operations, including monitoring mechanisms and results.
State how policies relate to existing international standards such as the Universal Declaration and the Fundamental Human Rights Conventions of the ILO.
 	
Commentary for the Metal and Mining Sector
Companies should demonstrate that:
 	
   - *their rules of conduct for security personnel support human rights principles; and*
   - *the rules of conduct apply to security personnel either as employees or as contractors.*
 	
*Note: Any significant incidents involving security personnel should be reported under **MM7**.*
	HR8. Employee training on policies and practices concerning all aspects of human rights relevant to operations.
	Include type of training, number of employees trained, and average training duration.

HR2. Evidence of consideration of human rights impacts as part of investment and procurement decisions, including selection of suppliers/contractors.	

Core Indicators	Additional Indicators
HR3. Description of policies and procedures to evaluate and address human rights performance within the supply chain and contractors, including monitoring systems and results of monitoring. "Human rights performance" refers to the aspects of human rights identified as reporting aspects in the GRI performance indicators.	
Non-discrimination	
HR4. Description of global policy and procedures/programmes preventing all forms of discrimination in operations, including monitoring systems and results of monitoring.	
Freedom of Association and Collective Bargaining	
HR5. Description of freedom of association policy and extent to which this policy is universally applied independent of local laws, as well as description of procedures/programmes to address this issue.	
Child Labour	
HR6. Description of policy excluding child labour as defined by the ILO Convention 138 and extent to which this policy is visibly stated and applied, as well as description of procedures/programmes to address this issue, including monitoring systems and results of monitoring.	
Forced and Compulsory Labour	
HR7. Description of policy to prevent forced and compulsory labour and extent to which this policy is visibly stated and applied as well as description of procedures/programmes to address this issue, including monitoring systems and results of monitoring. See ILO Convention No. 29, Article 2.	
Disciplinary Practices	
	HR9. Description of appeal practices, including, but not limited to, human rights issues. Describe the representation and appeals process.
	HR10. Description of non-retaliation policy and effective, confidential employee grievance system (including, but not limited to, its impact on human rights).

Core Indicators	Additional Indicators
Security Practices	
	HR11. Human rights training for security personnel. Include type of training, number of persons trained, and average training duration.
Indigenous Rights	
	HR12. Description of policies, guidelines, and procedures to address the needs of indigenous people. This includes indigenous people in the workforce and in communities where the organisation currently operates or intends to operate.
	HR13. Description of jointly managed community grievance mechanisms/authority.
	HR14. Share of operating revenues from the area of operations that are redistributed to local communities.

Social Performance Indicators: Society

Core Indicators	Additional Indicators
Community	
SO1. Description of policies to manage impacts on communities in areas affected by activities, as well as description of procedures/programmes to address this issue, including monitoring systems and results of monitoring. Include explanation of procedures for identifying and engaging in dialogue with community stakeholders. *Commentary for the Metal and Mining Sector* *Issues for particular consideration include:* - *Community economic development planning processes, including sources of community income, community access to services and social infrastructure, access to capital and natural resources, and access to further education and skills training* - *Co-ordination with other agencies affecting livelihoods, for example on poverty alleviation and environmental conservation initiatives (which may affect access to natural resources)* - *Programmes for training workforce drawn from local communities* - *Procedures for identifying and protecting subsistence-related resources of local communities, including water, plants, and wildlife.*	**SO4. Awards received relevant to social, ethical, and environmental performance.**

Core Indicators	Additional Indicators
Bribery and Corruption	
SO2. Description of the policy, procedures/management systems, and compliance mechanisms for organisations and employees addressing bribery and corruption. Include a description of how the organisation meets the requirements of the OECD Convention on Combating Bribery.	
Political Contributions	
SO3. Description of policy, procedures/management systems, and compliance mechanisms for managing political lobbying and contributions.	**SO5. Amount of money paid to political parties and institutions whose prime function is to fund political parties or their candidates.**
Competition and Pricing	
	SO6. Court decisions regarding cases pertaining to anti-trust and monopoly regulations.
	SO7. Description of policy, procedures/management systems, and compliance mechanisms for preventing anti-competitive behaviour.

Social Performance Indicators: Product Responsibility

Core Indicators	Additional Indicators
Customer Health and Safety	
PR1. Description of policy for preserving customer health and safety during use of products and services, and extent to which this policy is visibly stated and applied, as well as description of procedures/programmes to address this issue, including monitoring systems and results of monitoring. Explain rationale for any use of multiple standards in marketing and sales of products.	**PR4. Number and type of instances of non-compliance with regulations concerning customer health and safety, including the penalties and fines assessed for these breaches.**
	PR5. Number of complaints upheld by regulatory or similar official bodies to oversee or regulate the health and safety of products and services.
	PR6. Voluntary code compliance, product labels or awards with respect to social and/or environmental responsibility that the reporter is qualified to use or has received. Include explanation of the process and criteria involved.
Products and Services	
PR2. Description of policy, procedures/management systems, and compliance mechanisms related to product information and labelling.	**PR7. Number and type of instances of non-compliance with regulations concerning product information and labelling, including any penalties or fines assessed for these breaches.**

Core Indicators	Additional Indicators
	PR8. Description of policy, procedures/management systems, and compliance mechanisms related to customer satisfaction, including results of surveys measuring customer satisfaction. Identify geographic areas covered by policy.
Advertising	
	PR9. Description of policies, procedures/management systems, and compliance mechanisms for adherence to standards and voluntary codes related to advertising. Identify geographic areas covered by policy.
	PR10. Number and types of breaches of advertising and marketing regulations.
Respect for Privacy	
PR3. Description of policy, procedures/management systems, and compliance mechanisms for consumer privacy. Identify geographic areas covered by policy.	**PR11. Number of substantiated complaints regarding breaches of consumer privacy.**

New Social Indicators for the Mining and Metals Sector

The following are new indicators developed by the working group which represent what they felt should be included in reports from mining and metals companies.

Aspects	New Indicators
Community	**MM7. Describe significant incidents affecting communities during the reporting period, and grievance mechanisms used to resolve the incidents and their outcomes.** *Note: The reporting organisation should describe the definition of "significant" used.*
	MM8. Describe programmes in which the reporting organisation has been involved that addressed artisanal and small-scale mining (ASM) within company areas of operation.
Resettlement	**MM9. Describe resettlement policies and activities:** - Identify sites where resettlements took place and the number of households resettled in each; - Include practices regarding resettlement and compensation, and the degree of alignment with the World Bank Operational Directive on Involuntary Resettlement.
Operations Closure	**MM10. Number or percentage of operations with closure plans, covering social – including labour transition –, environmental and economic aspects. Describe company policy, stakeholder engagement processes, frequency of plan review, and amount and type of financial provisions for closure.**

Aspects	New Indicators
Land rights	**MM11. Describe process for identifying local communities' land and customary rights, including those of indigenous peoples, and grievance mechanisms used to resolve any disputes.** *Note: Any significant incidents involving land rights should be reported under **MM7**.*
Emergency Preparedness	**MM12. Describe approach to identifying, preparing for, and responding to emergency situations affecting employees, communities, or the environment. Include a description of the nature of existing skills, teams who respond to emergency situations, training, drills, review processes and community involvement.** *Note: Any significant incidents should be reported under **EN13** or **MM7**.*
Health & Safety[8]	**MM13. Number of new cases of occupational disease by type. Describe programmes to prevent occupational disease.**

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[8] Note that the working group recognised the work then underway to develop the Health and Safety Protocol to provide guidance and consistency in interpreting the existing GRI Health and Safety indicators, and referred questions of interpretation of those indicators to the protocol development process.

PART D: GLOSSARY AND ANNEXES IN THE *GUIDELINES*

Part D of the *Guidelines* contains the following Glossary and Annexes.

Glossary
Guidelines reference: page 60
Internet reference: www.globalreporting.org/guidelines/2002/dglossary.asp

Annex 1: Overview of the Global Reporting Initiative
Guidelines reference: page 65
Internet reference: www.globalreporting.org/guidelines/2002/dannex1.asp

Annex 2: Linkages between sustainability and financial reporting
Guidelines reference: page 68
Internet reference: www.globalreporting.org/guidelines/2002/dannex2.asp

Annex 3: Guidance on incremental application of the *Guidelines*
Guidelines reference: page 73
Internet reference: www.globalreporting.org/guidelines/2002/dannex3.asp

Annex 4: Credibility and assurance
Guidelines reference: page 76
Internet reference: www.globalreporting.org/guidelines/2002/dannex4.asp

Annex 5: GRI indicators
Guidelines reference: page 80
Internet reference: www.globalreporting.org/guidelines/2002/dannex5.asp

Annex 6: GRI Content Index
Guidelines reference: page 85
Internet reference: www.globalreporting.org/guidelines/2002/dannex6.asp

Annex 7: Quick reference guide to international agreements cited in GRI indicators
Guidelines reference: page 60
Internet reference: www.globalreporting.org/guidelines/2002/dannex7.asp

Acknowledgements and Disclaimer
Guidelines reference: page 87-94
Internet reference: www.globalreporting.org/guidelines/2002/acknlo_discl.asp

Appendix 1: Reporting Expectations and Design

This appendix outlines some of the reporting expectations using the GRI *Guidelines.* These notes are included in the *Guidelines* on pages 12-15 or visit: www.globalreporting.org/guidelines/2002/a12.asp.

The issues below are addressed in the following pages:
- core versus additional indicators;
- flexibility in using the *Guidelines;*
- customising a report within the GRI framework;
- frequency and medium of reporting;
- financial reports; and
- credibility of reports.

Core Versus Additional Indicators

The 2002 *Guidelines* contain two categories of performance indicators: core and additional. Both types of indicators have emerged from the GRI consultative process as valuable measures of the economic, environmental, and social performance of organisations. These *Guidelines* distinguish between the two types of indicators as follows:

Core indicators are:
- relevant to most reporting organisations; and
- of interest to most stakeholders.

Thus, designation as "core" signifies general relevance to both reporters and report users. In designating an indicator as "core", however, GRI exercises some discretion. For some core indicators, relevance may be limited to many, but not most, potential reporters. In the same vein, an indicator may be of keen interest to many, but not most, stakeholders. Over time, GRI expects that development of sector supplements will lead to the shifting of a number of core indicators to such supplements.

Additional indicators are defined as those that have one or more of the following characteristics:
- represent a leading practice in economic, environmental, or social measurement, though currently used by few reporting organisations;
- provide information of interest to stakeholders who are particularly important to the reporting entity; and
- are deemed worthy of further testing for possible consideration as future core indicators.

Reporting organisations are encouraged to use the additional indicators in Section 5 of Part C to advance the organisation's and GRI's knowledge of new measurement approaches. Feedback on these indicators will provide a basis for assessing the readiness of additional indicators for future use as core indicators, for use in sector supplements, or for removal from the GRI indicator list.

Flexibility in Using the Guidelines

GRI encourages the use of the GRI *Guidelines* by all organisations, regardless of their experience in preparing sustainability reports. The *Guidelines* are structured so that all organisations, from beginners to sophisticated reporters, can readily find a comfortable place along a continuum of options.

Recognising these varying levels of experience, GRI provides ample flexibility in how organisations use the *Guidelines*. The options range from adherence to a set of conditions for preparing a report "in accordance" with the *Guidelines* to an informal approach. The latter begins with partial adherence to the reporting principles and/or report content in the *Guidelines* and incrementally moves to fuller adoption. This range of options is detailed below, and in Figure 2.

<u>Reporting "In Accordance" with the Guidelines</u>

"In Accordance" Conditions

Organisations that wish to identify their report as prepared in accordance with the 2002 GRI *Guidelines* must meet five conditions:

1. Report on the numbered elements in Sections 1 to 3 of Part C.

2. Include a GRI Content Index as specified in Section 4 of Part C.

3. Respond to each core indicator in Section 5 of Part C by either (a) reporting on the indicator or (b) explaining the reason for the omission of each indicator.

4. Ensure that the report is consistent with the principles in Part B of the *Guidelines*.

5. Include the following statement signed by the board or CEO: "This report has been prepared in accordance with the 2002 GRI *Guidelines*. It represents a balanced and reasonable presentation of our organisation's economic, environmental, and social performance."

The decision to report in accordance with the *Guidelines* is an option, not a requirement. It is designed for reporters that are ready for a high level of reporting and who seek to distinguish themselves as leaders in the field. The growing number of organisations with strong reporting practices demonstrates the ability of numerous organisations to adopt the in accordance option.

The conditions for reporting in accordance with the GRI *Guidelines* seek to balance two key objectives of the GRI framework:

- comparability; and
- flexibility.

Comparability has been integral to GRI's mission from the outset, and is closely tied to its goal of building a reporting framework parallel to financial reporting. The in accordance conditions help to advance GRI's commitment to achieving maximum comparability across reports by creating a common reference point for all reporters that choose to use this option.

While GRI seeks to enhance comparability between reports, also it is committed to supporting flexibility in reporting. Legitimate differences exist between organisations

and between industry sectors. The GRI framework must have sufficient flexibility to allow reports to reflect these differences.

The in accordance conditions rely on transparency to balance the dual objectives of comparability and flexibility. Reporting organisations are asked to clearly indicate how they have used the *Guidelines* and, in particular, the core indicators. The evaluation of these decisions is then left to report users.

Reporting organisations that choose to report in accordance must note the reasons for the omissions of any core indicators in their reports, preferably in or near the GRI Content Index. GRI recognises that various factors may explain the omission of a core indicator. These include, for example: protection of proprietary information; lack of data systems to generate the required information; and conclusive determination that a specific indicator is not relevant to an organisation's operations. In providing these explanations, reporting organisations are encouraged to indicate their future reporting plans, if any, relative to each excluded core indicator. Indicators omitted for the same reason may be clustered and linked to the relevant explanation.

GRI emphasises that the exclusion of some core indicators still allows organisations to report in accordance with the *Guidelines* as long as explanations appear. At this time, GRI does not certify claims of in accordance nor does it validate explanations of omitted information. However, reporting organisations that elect an in accordance approach should anticipate that users will compare their reports against the five conditions associated with the in accordance status and make judgements based on such evaluation.

Informal Application of the Guidelines

Given the youthful state of comprehensive economic, environmental, and social reporting, GRI recognises that many organisations are still building their reporting capacity. These organisations are invited to choose an informal approach consistent with their current capacity (see Annex 3 in the *Guidelines*). They may choose not to cover all of the content of the GRI *Guidelines* in their initial efforts, but rather to base their reports on the GRI framework and incrementally improve report content coverage, transparency, and structure over time.

For example, a first-time reporter may use a portion of the performance indicators (Part C) without having to provide an indicator-by-indicator explanation of omissions. Gradually, expanding use of the reporting principles and/or indicators will move the organisation toward more comprehensive coverage of economic, environmental, and social performance. Organisations that choose an incremental approach may reference GRI in their report. Such a reference should include a brief description of how GRI informed development of the report. However, incremental reporters may not use the term in accordance nor include the prescribed board or CEO statement unless all conditions for the in accordance option are met.

In sum, aware of the wide spectrum of reporter experience and capabilities, GRI enables reporters to select an approach that is suitable to their individual organisations. With time and practice, organisations at any point along this spectrum can move gradually toward comprehensive reporting built on both the principles and content of the GRI framework. Similarly, GRI will continue to benefit from the experiences of reporting organisations and report users as it strives to continually improve the *Guidelines*.

Appendix 2: General Notes on Reporting

This appendix outlines some of the general policies and expectations regarding use of the GRI *Guidelines* on some common issues relating to the design and presentation of sustainability reports. These notes are included in the *Guidelines* on page 34 or visit: www.globalreporting.org/guidelines/2002/c34.asp.

1. *Boundaries:* Organisations using the *Guidelines* may have complex internal structures, multiple subsidiaries, joint ventures, and/or foreign operations. Particular care should be taken to match the scope of the report with the economic, environmental, and social "footprint" of the organisation (i.e., the full extent of its economic, environmental, and social impacts). Any differences should be explained. For more on reporting boundaries see: www.globalreporting.org/boundary

2. *Use of technical protocols:* In reporting on indicators contained within the *Guidelines,* reporters should use GRI technical protocols whenever available. If, for any reason, a reporting organisation does not use an existing GRI protocol, it should clearly describe the measurement rules and methodologies used for data compilation. For situations where a formal GRI protocol is not yet available, reporting organisations should use their professional judgement, drawing on international standards and conventions wherever possible. For more on availability of technical protocols see: www.globalreporting.org/guidelines/protocols.asp

3. *Metrics:* Reported data should be presented using generally accepted international metrics (e.g., kilograms, tonnes, litres), calculated using standard conversion factors. When other metrics are used, reports should provide conversion information to enable international users to make conversions.

4. *Time frames and targets:* Wherever possible, reports should present information for all performance indicators in a manner that enables users to understand current and future trends. At a minimum, reporting organisations should present data for the current reporting period (e.g., one year) and at least two previous periods, as well as future targets where they have been established. This information provides essential context for understanding the significance of a given piece of information. Comparisons with industry averages, where available, can also provide useful context.

5. *Absolute/normalised data:* As a general principle, reporting organisations should present indicator data in absolute terms and use ratios or normalised data as complementary information. Providing only normalised data may mask absolute figures, which is the information of primary interest to some stakeholders. However, if absolute data are provided, users will be able to compile their own normalised analysis using information from Section 2 of Part C (Profile). Nevertheless, GRI does recognise the utility of data presented as ratios. Ratio data may be useful in conjunction with absolute data for communicating performance trends or articulating performance across two or more linked dimensions of sustainability. When ratios are included, organisations are asked to make use of normalising factors from within the report, and from Section 2 of Part C, if appropriate. See Annex 5 for more information on ratios.

6. *Data consolidation and disaggregation:* Reporting organisations will need to determine the appropriate level of consolidation (aggregation) of indicator data. For example, indicators could be presented in terms of the performance of the organisation worldwide or broken down by subsidiaries, countries of operation, or even individual facilities. This decision requires balancing the reporting burden against the potential additional value of data reported on a disaggregated (e.g., country or site) basis. Consolidation of information can result in loss of a significant amount of value to users, and also risks masking particularly strong or poor performance in specific areas of operation. In general, reporting organisations should disaggregate information to an appropriate and useful level as determined through consultation with stakeholders. The appropriate level of consolidation/disaggregation may vary by indicator.

7. *Graphics:* The use of graphics can enhance the quality of a report. However, care should be taken to ensure that graphics do not inadvertently lead readers to incorrect interpretations of data and results. Care is needed in the selection of axes, scales, and data (including conversion of raw data to ratios and indices for graphic purposes), and the use of colour and different types of graphs and charts. Graphics should be a supplement to – not a substitute for – text and narrative disclosure of information. In general, raw data should accompany graphical presentations, either alongside or in appendices. Graphs should always clearly indicate the source of their data.

8. *Executive summary:* GRI encourages the inclusion of an executive summary. In keeping with the reporting principles in Part B, the summary should draw only on material from within the report and be materially consistent with the content of the report.

Appendix 3: Development Process of the Mining and Metals Sector Supplement

In 2001, GRI launched its sector supplement programme in response to consistent feedback on the importance of sector-specific guidelines built on the foundation of the *Guidelines*. GRI Sector Supplements capture issues essential to sustainability reporting in a specific sector, but which may not appear in the *Guidelines* since they are relevant primarily for a specific range of reporting organisations or sectors. By developing both the *Guidelines* and Sector Supplements, the GRI framework supports the comparison of reporting organisations both within and across sectors.

This Supplement was developed by a multi-stakeholder working group co-convened by GRI and International Council on Mining and Metals (ICMM). The group was comprised of individuals from a number of constituencies including businesses, civil society organisations, trade unions, and investors drawn from a range of geographic regions. See Appendix 4 (page 45) for a list of working group members.

The working group met for the first time in October 2003 to examine the state of play in reporting, the current content of the 2002 *Guidelines*, the scope of issues to be covered in the Supplement, and the issues considered relevant to the mining and metals sector. At the second and third meetings in February and April 2004, the working group made further progress identifying possible performance indicators and developing the Supplement.

Following the third meeting, the draft Supplement was released for an 11-week public comment period. Comments were received from 39 organisations and individuals representing industry, labour, academics, and NGOs from North and South America, Europe, Australia and South Africa. The draft Supplement was available in English and Spanish and three sets of comments provided in Spanish were translated into English. During the public comment period working group members also organised three consultation meetings in the US and UK. The working group was most grateful for the time individuals and organisations spent in reviewing the draft Supplement and providing input.

The fourth and final working group meeting was held in London in September 2004. The working group reviewed feedback received during the public comment period and reached agreement on the content of the pilot version of the Supplement. The comments provided the working group with a rich range of feedback and during compilation and review of the public comments, a number of broad issues began to emerge. At the beginning of the meeting, the working group developed some high level principles to guide their consideration of the comments. A summary of the main issues raised in the public comments and the guiding principles used to address them is available on the GRI website at: www.globalreporting.org.

Following the release of a pilot version, the GRI will establish a Structured Feedback Process (SFP) under the supervision of its Technical Advisory Council to capture the new learning that emerges through use. This process will engage reporters and users in the broader marketplace to provide feedback resulting from use of the Supplement. Based on the feedback received, the GRI Technical Advisory Council will present its recommendations to the GRI Board of Directors as to whether further refinement and consultation is needed prior to release under the title of Final Version. GRI expects to initiate a SFP in 2005-2006. New participants will be welcomed in this process.

This Supplement development process is based on common practice used for setting international standards and reflects the basic steps applied to the development of the GRI *Guidelines* since 1999. It should be noted, however, that even 'final' versions will continue to follow the cycle of review, testing and improvement that is required of all GRI framework documents, including the *Guidelines*. GRI recognises the need for stability and predictability and will ensure that these objectives are properly balanced with innovations.

The GRI strongly encourages the uptake and use of the pilot version of the Supplement. Learning by doing has been the key force driving the continued improvement in the GRI reporting framework, and the Sector Supplements will be no exception. This document represents the best thinking to date, developed through the GRI multi-stakeholder process, on sustainability performance indicators for the mining and metals sector, and the culmination of almost a year of work by ICMM, the broader sector and its many stakeholders.

GRI expresses its deep appreciation to all the stakeholders who participated in the development of this Supplement. The GRI looks forward to continued engagement with the participants in this process and welcomes new opportunities for developing supplements in other sectors.

Appendix 4: Working Group Members

Andrew Vickerman, Rio Tinto (Chair, Industry)

Maxwell Gomera, IUCN Southern Africa Program (Chair, Non-Industry)

Frank Almond, World Wildlife Fund

Dave Baker[9], Newmont Mining Corporation

Simon Billenness, Oxfam International

Mauricio Born, Alcoa

Peter Bradshaw, First Point Minerals Corporation

Ian Emsley, Anglo American

Toshiharu Kanai, Sumitomo Metal Mining

Rob Lake, Hendersons Global Investors

Julie McDowell, Standard Life Investments

Glen Mpufane, National Union of Mineworkers of South Africa

Calvin Price, Placer Dome

Michael Rae, Mining Certification Evaluation Project

Jo Render, Independent consultant on company/indigenous community relations

Christopher Sheldon, IFC / World Bank Group

Leonard Surges, Noranda

Bert Swennen, Umicore

Ian Wood, BHP Billiton

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[9] Helen Macdonald attended three meetings instead of Dave Baker.