STANDARD GUIDANCE

(COP 3) Reporting

A. Definition and applicability

Reporting is a process for publicly communicating about an organization's business practices relevant to the RJC Code of Practices.

Source:
- *RJC Code of Practices (2013)*
- *Global Reporting Initiative (GRI)*
  https://www.globalreporting.org/information/sustainability-reporting/Pages/default.aspx

The **Reporting** provision 3.1 is applicable to all Members, whereas 3.2 is applicable to Members in the Mining Sector. Conformance with provision 3.2 will result in conformance with 3.1.

B. Issue background

Increasingly, companies are incorporating economic, environmental and social information into their public reporting. This form of reporting responds to the expectations of stakeholders, including regulators, civil society, shareholders, communities, employees, and customers, in understanding the impacts of companies on society.

Many larger companies, particularly public companies, already issue non-financial sustainability reports as part of their normal reporting practice. For example, CorporateRegister.com, an online directory, provides access to sustainability reports issued by approximately 10,000 companies.

Companies must follow a generally accepted reporting framework for financial reporting. This common framework provides credibility, consistency, and comparability (see **Financial Accounts**). The need for a similar common framework for sustainability reporting led to the development of the Global Reporting Initiative (GRI). The GRI was launched in 1997 and has become the global voluntary standard in sustainability reporting.   The GRI's vision is that reporting on economic, environmental and social performance by all organizations is as routine and comparable as financial reporting. The Guidelines and supporting tools provide useful information about how to approach reporting in general, even if a company does not intend to formally report using the GRI.

Reporting can benefit from alignment with stakeholder and community engagement processes, to identify relevant issues for data collection and reporting.   Some reports take the opportunity to include third party commentary, such as from stakeholder panels, community groups, unions, non-government organisations or subject-matter experts.

C. Key initiatives

International initiatives
The GRI Reporting Framework contains the core product of the Sustainability Reporting Guidelines ("the Guidelines"), as well as Tools, Protocols and Sector Supplements. The Guidelines contain principles and guidance as well as standard disclosures – including indicators – to outline a disclosure framework that organizations can voluntarily, flexibly, and incrementally, adopt.

The Mining and Metals Sector Supplement, which was released in 2010, complements the Guidelines and includes supplementary reporting tools specific to the mining and metals sector.   The Supplement deals with

the aspects of sustainable development that characterize the mining and metals sector. The main issues that set the context for the Supplement include:

- The control, use, and management of land
- The contribution to national economic and social development
- Community and stakeholder engagement
- Labour relations
- Environmental management
- Relationships with artisanal and small-scale mining
- An integrated approach to minerals use

The GRI "Application Levels" rate the extent to which the G3 Guidelines have been utilised in a report on sustainability. They are intended to provide GRI reporters with a pathway in which they can continuously improve their reporting. There are three Application Levels: A, B and C. All GRI-aligned reports should include an Application Level.

External assurance focuses on verifying the content of the report and is designated with a "+" after the Application Level ie C+, B+ and A+. External assurance mechanisms must comply with the following key qualities, defined by the GRI:

- Conducted by groups or individuals external to the organization who are demonstrably competent in both the subject matter and assurance practices;
- Implemented in a manner that is systematic, documented, evidence-based, and characterized by defined procedures;
- Assesses whether the report provides a reasonable and balanced presentation of performance, taking into consideration the veracity of data in a report as well as the overall selection of content;
- Utilizes groups or individuals to conduct the assurance who are not unduly limited by their relationship with the organization or its stakeholders to reach and publish an independent and impartial conclusion on the report;
- Assesses the extent to which the report preparer has applied the GRI Reporting Framework (including the Reporting Principles) in the course of reaching its conclusions; and
- Results in an opinion or set of conclusions that is publicly available in written form, and a statement from the assurance provider on their relationship to the report preparer.

Common external assurance frameworks which fulfil the GRI's requirements include:

- International Standard for Assurance Engagements (ISAE) 3000; and
- AA1000 AS, issued by the non-profit organisation AccountAbility.

In 2005, members of the International Council on Mining and Metals (ICMM) committed to report in accordance with the GRI Guidelines and a Mining and Metals Sector Supplement. In 2008, ICMM members committed to report in accordance with the GRI's G3 Guidelines and to update the Mining and Metals Sector Supplement. ICMM's Assurance Procedure was also launched in 2008. It outlines ICMM's members' commitment to independent external assurance of the implementation and measurement of performance against the 10 ICMM Principles, and public reporting of performance. In addition, the ICMM Assurance Procedure helps guide ICMM member companies in developing their sustainability reports and in engaging with assurance providers.

The OECD's *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* includes, as one of the 5 due diligence steps, an annual reporting of information on due diligence for responsible supply chains of minerals from conflict-affected and high-risk areas. This information should be integrated where practicable into annual sustainability or corporate responsibility reports.

National law

Some jurisdictions may impose a requirement for regular public reporting from the mining sector, or on significant environmental impacts in general. It is important to be fully informed of all relevant legislation and regulations in every jurisdiction of operation.

D. Suggested implementation approach

- ***COP 3.1: Communication to Stakeholders:*** *Members shall communicate to stakeholders at least annually on their business practices relevant to the RJC Code of Practices.*
  Points to consider:
  - Nominate a senior manager to oversee the preparation of the report/communication.
  - Identify relevant issues – those that pertain to the COP and are of interest to stakeholders, and/or are of concern to the Member. These could include, for example, human rights due diligence, factory working conditions, promotion of responsible business practices with business partners, reduction of wastes, local procurement, or other issues of most relevance to the business, or that have been raised as concerns by affected stakeholders. Review issues relevant to the report during the course of the year, integrating it where possible with regular business review processes.
  - Review the GRI Guidelines for a general orientation about sustainability reporting and consider whether the company could adopt some or all of the reporting framework.
  - Identify relevant stakeholders (employees, civil society, business partners etc.)
  - Establish mechanisms for communication, such as through use of email, social media, mail-outs etc. As a minimum, companies that have a website should post the report/communication on the website.
  - Adopt a flexible, practical approach to the form and content of the report/communication, taking into account the scale and impacts of the business. For example for a small business, the report/communication could be in the form of a memorandum or email, it does not need to be a printed publication. It may be useful if the report/communication could be timed to tie into the annual process for **Policy and Implementation.**
  - In the report/communication, consider how to communicate the following in a suitable form for your relevant stakeholders:
    - The company's policies or positions with respect to the relevant issues that have been identified above.
    - Any actions the Member has taken or plans to take with respect to the identified relevant issues, and / or any other matters that are relevant to the COP. Note these actions could apply to the Member's own operations, or could apply more broadly, such as through a Member's involvement in community initiatives.
    - Where possible, quantitative or qualitative outcomes that the actions are expected to achieve.
    - Where particular issues such as human or labour rights impacts have been raised with the Member by affected stakeholders, the report/communication should aim to provide information sufficient to assess the adequacy of the Member's response.
  - *Note: RJC also welcomes the opportunity to work with Members on case studies for the RJC website.*

- ***COP 3.2: GRI Mining and Metals Sector Supplement:*** *Members with Mining Facilities shall report annually on their sustainability performance using the Global Reporting Initiative (GRI) Guidelines and GRI Mining and Metals Sector Supplement. The reports shall have external assurance.*
  Points to consider:
  - The GRI Supplement provides detailed guidance for the preparation of the report, including content, quality, boundary, disclosure, assurance etc., and should be followed.
  - A responsible senior manager should be appointed to oversee the report content, strategies for report quality, data collection and external assurance.
  - Opportunities for harmonisation of reporting should be identified, for example:
    - annual financial reporting
    - communicating progress under the Global Compact
    - disclosing revenues under the Extractive Industries Transparency Initiative
    - business contributions to the Millennium Development Goals
    - stakeholder, community and employee engagement processes
    - regulatory reporting
    - information for ethical investment markets

- o Systems for data collection, integrity and verification should be established and coordinated with existing management systems.
- o Reports should prepare information for all three types of disclosures – strategy and profile, management approach, and performance indicators – addressing all core indicators for economic, environmental, social performance, labour, human rights, society, and product responsibility in the G3 Guidelines and Mining and Metals Sector Supplement.
- o Reports should disclose their approach to external assurance (see GRI Guidelines for details)
  - o Key stakeholders, including local and affected communities at a Facility level, should be able to access Member's reports and/or a summary of their content in appropriate languages and formats, in addition to any site-based reporting.
  - o Reports should be made available on the external website, and in hard copy if appropriate.
  - o RJC does not specify an Application Level (A, B or C), but does require external assurance of whichever Level is chosen (i.e. A+, B+ or C+). Members may elect the GRI Application Level appropriate to their business.
- *Note: Members in the Mining Sector automatically comply with 3.1 by complying with 3.2.*

Check:
- ✓ All Members: do you communicate at least annually to relevant stakeholders about your business practices?
- ✓ Members in the Mining Sector: do you prepare an annual sustainability report according to GRI Guidelines?

E. Further information

The following websites have further information on sustainability and public reporting:

- CorporateRegister.com
  www.corporateregister.com/
- Global Reporting Initiative (GRI)
  www.globalreporting.org/Pages/default.aspx
- Global Reporting Initiative (GRI) G3.1 Guidelines
  www.globalreporting.org/reporting/latest-guidelines/g3-1-guidelines/Pages/default.aspx
- International Council on Mining and Metals (ICMM) - Sustainable Development Framework – Public Reporting
  www.icmm.com/our-work/sustainable-development-framework/public-reporting
- International Council on Mining and Metals (ICMM) – Sustainable Development Framework - Assurance Procedure (2008)
  www.icmm.com/document/439
- KPMG - KPMG International Survey of Corporate Responsibility Reporting (2011)
  www.kpmg.com/NL/en/Issues-And-Insights/ArticlesPublications/Pages/KPMG-International-Survey-of-Corporate-Responsibility-Reporting-2011.aspx
- OECD Due Diligence Guidance on the Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, Second Edition (2012)
  www.oecd.org/fr/daf/inv/mne/mining.htm
- The International Corporate Sustainability Reporting Site
  www.enviroreporting.com/
- United Nations Global Compact – Communicating Progress
  www.unglobalcompact.org/COP/index.html