



Australian Government
**Australian Accounting
Standards Board**

Postal Address
PO Box 204
Collins Street West VIC 8007
Telephone: (03) 9617 7600

GSSB Secretariat
Global Sustainability Standards Board
P O Box 10039
1001 EA
Amsterdam
The Netherlands

28 April 2023

Dear Dr Adams

GRI Sector Standards Project for Mining – Exposure Draft

The Australian Accounting Standards Board (AASB) is pleased to have the opportunity to provide comments on the GSSB's *GRI Sector Standards Project for Mining – Exposure Draft (ED)*, issued in February 2023. While the application of GRI Standards remains voluntary for Australian entities, we are pleased to have the opportunity to contribute to the ongoing rigour of the GRI Standards which seek to address the information needs of stakeholders beyond investors.

We have only provided comments on a selected number of questions posed in the ED, and in formulating the comments we have included commentary from those stakeholders that provided feedback directly to the AASB. These stakeholders were only representative of preparers.

The key points raised in our response relates to Topic 14.6 *Tailings* as this section was highlighted by our stakeholders. For example, during the development of our responses, we noted some crossover of disclosure requirements with the SASB Standard on *Metals & Mining* section on *Tailings Storage Facilities Management* and the Global Industry Standard on Tailings Management (GISTM) for Topic 14.6 *Tailings*. However, some disclosures from the SASB Standard and GISTM were not replicated in the ED, and as such we encourage the GSSB to align disclosure requirements with other widely accepted international standards as much as practicable.

We also continue to encourage collaboration and alignment with the International Sustainability Standards Board (ISSB) wherever practicable. We are of the view that interoperability between the GRI Standards and the IFRS Sustainability Disclosure Standards should be prioritised.



The Appendix to this letter includes the AASB's comments to some of the questions asked in the consultation document.

If you have any questions regarding this letter, please do not hesitate to contact me or Siobhan Hammond, Acting Director, AASB Sustainability Reporting (shammond@asb.gov.au).

Yours sincerely,

Dr Keith Kendall
Chair, Australian Accounting Standards Board



Appendix

AASB responses to selected questions raised in the *GRI Sector Standards Project for Mining – Exposure Draft*

Scope

Question 1 – Is the scope of the sector for this Standard clear and practical? Are there any other activities or types of organizations that should fall within the scope of this Standard? Please suggest what could be improved.

The AASB agrees that the scope of the proposals in the ED is clear and practical. However, the boundary of some activities is not clear. For example, the ED proposes that some reporting be required at a mine-site level, however ‘mine-site’ is not defined or described. To ensure consistency and compatibility in reporting, it would be helpful to provide some guidance on what is considered to be a ‘mine-site’ if this level of reporting is required.

We also agree with the use of the Global Industry Classification Standard (GICS) as a reference for organisations to assist in identifying whether GRI 14 applies. The Australian and New Zealand Standard Industrial Classification (ANZSIC) is similar to GICS and therefore such an approach to industrial classification is well understood by Australian stakeholders.

Likely Material Topics

Question 2 – Do the topics included in the exposure draft represent the mining sector’s most significant impacts and are therefore likely to be material for most organizations in the sector to report? If not, please explain which topics or significant impacts are missing or, alternatively, which topics should not be listed as likely material for the sector.

The AASB agrees that the proposed topics identified in the ED are representative of significant impacts related to the mining sector, although we acknowledge that not all topics will be relevant for Australian entities. For example, for operations within Australia it is unlikely organisations will have to report on Topic 14.18 *Child Labour*.

While we acknowledge that the list of topics included in the ED is not intended to be exhaustive, feedback from stakeholders observed that the ED did not explicitly refer to the use of carbon capture utilisation and storage (CCUS) to help manage emissions. We note that under Topic 14.1 *Reporting on climate adaption and resilience* the use of GRI 201-2 *Financial Implications and other risks and opportunities due to climate change* is required and, in the guidance to GRI 201-2, methods used to manage the risk or opportunity due to climate change includes CCUS. Therefore, we recommend that in the description to Topic 14.2 CCUS be included in the final paragraph which provides examples of methods to combat climate change.



Mine-site level reporting

Question 4.2(a) – Is it feasible for mining organizations to report the listed mine-site-level data/information for these topics? What are the challenges to reporting this information by mine site? Please explain any suggested revisions where relevant.

Stakeholders have commented that whilst it is feasible to gather and report data on the topics listed it will be resource intensive and costly. These stakeholders highlighted that, in their view, the additional cost that would be required to gather relevant data at a mine-site level would far exceed any incremental benefits of doing so. This could result in a situation where entities would seek to depart from voluntarily applying the proposed requirements because the cost of compliance would be too high. Consequently, these stakeholders urged the GSSB to consider using a higher threshold than ‘mine-site’ to help reduce the reporting burden for preparers. Further, for some of the topics listed, for example Topic 14.11 *Rights of Indigenous Peoples*, information may be commercially sensitive or cannot legally be disclosed (e.g. negotiations for use of traditional lands) and therefore may not be able to be publicly reported.

Question 4.3.(a) – Is your organization collecting data on Scope 3 GHG emissions at a mine-site level? Please explain why or why not?

Presently Scope 3 greenhouse gas (GHG) emissions data is not required to be reported under the National Greenhouse and Energy Reporting Scheme (NGER) in Australia. However, stakeholders commented that data on Scope 3 GHG emissions captured at a mine-site level would not, in their view, be accurate. These stakeholders therefore questioned the usefulness of such data at this stage.

Tailings

Question 5.1 – Is what Topic 14.6 *Tailings* cover clear? Are there impacts missing from the topic description? If so, please explain what could be revised and how.

The AASB agrees that what Topic 14.6 *Tailings* covers is clear. See also our response to question 5.2.

Question 5.2 – Do the reporting disclosures listed reflect critical information needs on the management of tailings facilities? Is there anything missing? Please explain what could be improved.

As we have mentioned above, the AASB encourages the alignment with international sustainability-related financial reporting standards. While we have observed a substantial cross-over with the SASB Standard on *Metals & Mining* we have identified disclosures in the SASB Standard that are not in the ED. These are as follows:

- Dam construction method - the topic description to Topic 14.6 *Tailings* notes that “Poor design or management of tailings facilities can, at worst lead to catastrophic failures ...”. However, there is no requirement to state what dam construction method has been used at a facility. Different types of dam construction methods are suitable for different geological areas. For example, the ‘upstream construction method’ is banned for use in Chile due to the seismic activity of the region. The SASB Standard on *Metals & Mining* requires disclosure of tailings facility construction method.



We also note that the Global Industry Standard on Tailings Management (GISTM) also requires disclosure of the design and construction of tailings facilities.

We acknowledge that Sector Standard Ref # 14.6.3 requires a description of the tailings facility however there is no accompanying guidance to indicate what this description should include. Therefore, we recommend that the ED explicitly requires the disclosure of dam construction method.

- Site-specific emergency preparedness and response plan (EPRP) – in the event of a failure of tailings dam it is important, before any such emergency, for employees and surrounding communities that may be impacted to be aware of the procedures that have been developed to address a tailings dam failure. The SASB Standard on *Metals & Mining* and the GISTM both require the disclosure of site-specific EPRPs and how the entity engages with local stakeholders for emergency preparedness.

While we acknowledge that Topic 14.5 *Critical incident management* in the ED recommends an organisation describe its approach to emergency preparedness and response plans (including how engagement with local stakeholders has informed those plans) this is not a requirement but only a recommendation. Further, the recommendation is not specific to a tailing's facility EPRP. Therefore, we recommend that the ED explicitly requires the disclosure of site-specific EPRPs and how the entity engages with local stakeholders for emergency preparedness.

We also consider Topic 14.6 *Tailings* lacks guidance that would usually be found in a specific Topic standard. For example, the guidance for reporting Topic 14.7 *Water and effluents* can be found in GRI 303: *Water and Effluents 2018*. Topic standards give the detailed guidance for organisations to apply the requirements of Sector standards. Whilst we understand that Tailings is specific only to the mining sector, we consider that lack of detailed guidance may result in inconsistent disclosures across reporting organisations. Therefore, we recommend that more detailed guidance be either included in Topic 14.6 *Tailings* for each of the disclosures required or cross-references to SASB Standard on *Metals & Mining* or the GISTM Principle 15 be made.