Assurance and Validation Procedure

Performance Expectations

ICMM Mining with Principles

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Executive Summary

The International Council on Mining and Metals (ICMM) is an international organisation dedicated to improving the social and environmental performance of the mining and metals industry.

Since 2006, ICMM company members have been required to implement the ICMM Sustainable Development (SD) Framework (now referred to as the ICMM Mining Principles), which comprises 10 SD Principles and a set of eight related Position Statements that include more specific commitments on issues ranging from biodiversity to water management, public reporting on performance, and obtaining independent assurance that the ICMM commitments are met.

In 2018, ICMM developed a more comprehensive set of Performance Expectations (PEs) for members to manage a broad range of sustainability issues, especially at the operational level.
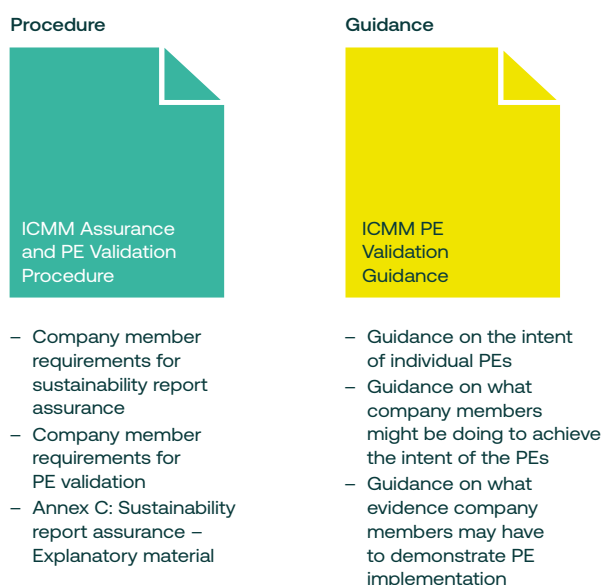
This document replaces the ICMM Assurance Procedure which was developed and introduced in 2008. It outlines procedural requirements for Sustainability Report Assurance and PE Validation. This is not an assurance standard, nor a substitute for existing global assurance and auditing standards, which assurance providers should still refer to.

Company members are expected to implement this ICMM Assurance and Validation Procedure for reporting periods starting on or after 1 January 2021. The expectation is that company members will disclose their validation activities on an annual basis (see section 3.3.5) from this point onwards.

A related ICMM PE Self-Assessment and Validation Guidance document is available, for use by ICMM company members and their assurance providers. Additional explanatory material (guidance) on Sustainability Report Assurance is provided in Annex C.

If you require any further information relating to this ICMM Procedure, please contact ICMM at info@icmm.com (and include the word assurance in the subject line).

Sustainability Report Assurance

ICMM company members are required to report on their sustainability performance in accordance with the Global Reporting Initiative (GRI) Standards. For data published in 2023, reporting with reference to the GRI Standards is acceptable. An independent third party must be contracted to undertake annual assurance of selected sustainability disclosures included in the sustainability report or other online material, using a recognised assurance standard.

In a sustainability report assurance engagement, the assurance provider attests, in a public independent Assurance Statement, as to whether the disclosed information, which is the responsibility of the reporting company, is fairly stated in accordance with the criteria.

Figure 1: ICMM Assurance and Validation Procedure and Guidance

Procedure

ICMM Assurance and PE Validation Procedure

– Company member requirements for sustainability report assurance
– Company member requirements for PE validation
– Annex C: Sustainability report assurance – Explanatory material

Guidance

ICMM PE Validation Guidance

– Guidance on the intent of individual PEs
– Guidance on what company members might be doing to achieve the intent of the PEs
– Guidance on what evidence company members may have to demonstrate PE implementation

The assurance provider undertakes activities to collect sufficient evidence to support the conclusions in the statement.

There are different standards for assurance on sustainability reports and disclosures – the most commonly used global standard is ISAE3000. ICMM does not require members to conduct assurance in accordance with ISAE3000, and recognises that alternatives may be used. In addition, ICMM does not prescribe a required level of assurance (reasonable or limited assurance); the choice is the responsibility of the company, considering management needs and user interests.

This ICMM Procedure explains key concepts and terminology in sustainability report assurance engagements. It then focuses on the ICMM sustainability report assurance requirements and how company members can meet these. Additional explanatory material provided in Annex C includes information on selecting an assurance provider, and how to ensure a common understanding between the company member and its assurance provider.

ICMM has five specific subject matters to be covered by the sustainability report assurance engagement:

1. The alignment of the company member's sustainability policies, management standards and procedures to the ICMM Principles, any mandatory requirements set out in ICMM Position Statements, the corporate-level PEs, and corporate-level aspects of combined PEs (see Annex B and the ICMM PE Self-Assessment and Validation Guidance document).

2. The company's material sustainability risks and opportunities based on its own review of the business and the views and expectations of its stakeholders.

3. The existence of systems and approaches that the company is using to manage each (or a selection) of the identified material sustainability risks and opportunities.

4. The company's reported performance during the given reporting period for each (or a selection) of the identified material sustainability risks and opportunities.

5. Disclosures regarding the company's prioritisation process for selecting assets for third-party PE Validation.

The information pertaining to subject matter 5 may be disclosed on the company website rather than in the sustainability report.

Company members must follow the reporting requirements and guidance for boundary setting in the GRI Standards to determine which entities' (eg subsidiaries, joint ventures, suppliers) performance will be included in the report for each identified material risk or opportunity.

There is an expectation that some assurance procedures take place at asset level as well as at the corporate level. This is required in order to review source data and to understand the flow of data from the source through to the corporate level for consolidation in the sustainability report.

The assurance provider prepares a written statement, including an opinion (reasonable assurance) and/or conclusion (limited assurance) on the disclosures for each subject matter, which is typically published as an integral part of the sustainability report.

If agreed in the assurance engagement, assurance providers will also produce a report for company management, which includes detailed findings and recommendations.

PE Validation

PE Validation is an integral part of ICMM's assurance requirements.

Assets subject to PE Validation include operations involved in the production or refining of minerals and metals over which the company member exercises control with regard to financial and operating policies and practices. This excludes activities in a company's portfolio that are not producing saleable products, such as exploration sites, non-managed operations, legacy properties and projects or non-managed joint ventures (JV). However, JV companies that are majority owned by ICMM members (either singly or jointly) are encouraged to implement ICMM's membership requirements.

PE Validation comprises the following elements:

— Self-assessment of all assets subject to PE validation (ie subject assets).

— Prioritisation of assets for third-party validation.

— Third-party validation.

— Disclosure.

This ICMM Procedure presents the requirements of each element of PE Validation in more detail.

Company members are required to complete a self-assessment of all subject assets once every three years; and members are required to conduct third-party validation of prioritised assets within a three-year validation cycle. A member-driven prioritisation process determines the number and frequency of the third-party validation for member assets.

Once the list of prioritised assets for third-party validation has been determined, members will schedule third-party validations at times that are suitable for their organisation within the 3-year cycle. The outcome of PE Validation is determined per individual PE. The possible outcomes for the validation of an applicable individual PE are 'Meets', 'Partially Meets,' and 'Does not Meet'.

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

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

Further details on implementing the PEs are available in a separate PE Self-Assessment and Validation Guidance document.

1.1 Background and Context

The International Council on Mining and Metals (ICMM) is an international organisation dedicated to improving the social and environmental performance of the mining and metals industry.

An ICMM Assurance Procedure was released in 2008 that established requirements for company members to meet ICMM commitments; including measuring performance against the 10 ICMM principles and Position Statement commitments, and reporting in line with the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines ICMM issued Interpretative Guidance for assurance in 2010.

In 2018, following extensive consultation with members and stakeholders, ICMM developed a more comprehensive set of Performance Expectations (PEs) for members to manage a broad range of sustainability issues, at both the corporate and asset level (see the ICMM PE Self-Assessment and Validation Guidance document). The objective of these PEs is to set a minimum requirement for responsible practices in the mining sector for both members and other committed mining and metals companies, especially at the operational level.

While Sustainability Report Assurance has been the primary component of ICMM's assurance procedure since 2008, starting in 2020, validation of PE implementation at the **corporate** and **asset levels** (PE Validation) is required. The expectation is that company members will disclose their validation activities on an annual basis (see section 3.3.5) for reporting periods starting on or after 1 January 2021. The validation process and related timings are outlined in section 3 and summarised in Figure 3.2.

1.2 Introduction to ICMM Assurance and Validation Procedure

The ICMM Assurance and Validation Procedure (ICMM Procedure) – sets out ICMM's company member requirements for independent assurance and validation.

This document is organised according to:

— Sustainability Report Assurance (Section 2).

— PE Validation (Section 3).

A separate ICMM PE Self-Assessment and Validation Guidance document is available, for use by ICMM company members and their assurance providers. Additional explanatory material (guidance) on Sustainability Report Assurance is provided in Annex C.

This ICMM Procedure is for use by ICMM company members and their assurance providers. It is not intended to duplicate existing assurance arrangements nor require these to be re-done. It provides company members with the necessary information to commission assurance engagements that fulfil ICMM's requirements and draws on best practice. For assurance providers and VSPs, it sets out the scope of ICMM's assurance and validation requirements.

ICMM recognises that company members' SD related polices and standards will differ, as will their systems and approaches to managing SD issues. While this ICMM Procedure highlights the need for alignment between company members' sustainability policies and/or standards and the ICMM Principles, there is no expectation that company members' management systems should be structured specifically around the ICMM Principles.

ICMM also recognises that company members may have already in place internal or external assurance processes in relation to the management and reporting of their sustainability performance, for example ISO14001 certification or report assurance.

Each company member and its third party assurance and validation service provider(s) should consider all existing assurance processes, confirm the ability to rely on these, and complement them as needed with new assurance work to fully comply with this ICMM Procedure's requirements.

This ICMM Procedure is not an assurance standard, nor a substitute for existing global assurance and auditing standards, which assurance providers should still refer to.

Figure 1.1 provides an overview of the ICMM assurance and validation requirements.

Corporate-level PE validation will be part of the Sustainability Report Assurance process for Subject Matter 1. Company members are required to disclose the company's process (criteria) for prioritisation of assets for third-party validation as well as any activities for the reporting year. This disclosure will be assured as part of the Sustainability Report Assurance Process of Subject Matter 5 (see Section 2, Sustainability Report Assurance).

Asset-level PE Validation will include self-assessment of all assets, as well as third-party validation for prioritised assets.

Figure 1.1 Overview of the ICMM assurance and validation requirements

ICMM: Company Members

ICMM Company Member Requirements

Annual Sustainability Report in accordance with (or for 2023, with reference to) GRI Standards

Implementation of ICMM Policies and Performance Expectations (PE)

Assurance and Validation is carried out at this stage

Sustainability Report Assurance: Assurance of 5 ICMM subject matters
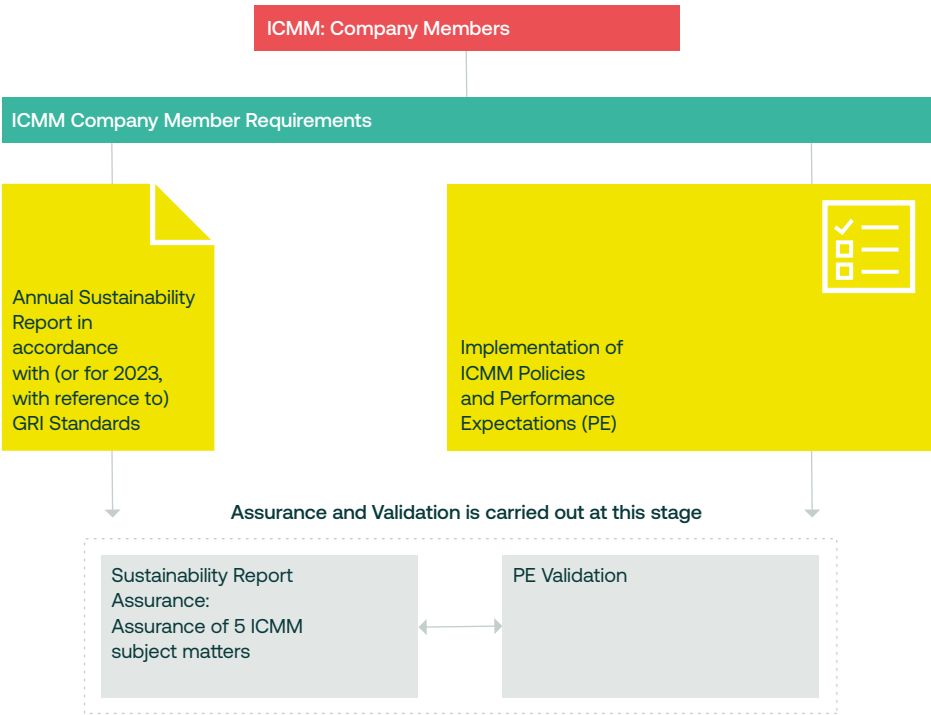
PE Validation

Figure 1.2 Different models/scenarios for undertaking third party assurance /validation

Models/scenarios

Scenario 1	Scenario 2	Scenario 3	Scenario 4
Sustainability Report (SR) Assurance Provider	Sustainability Report (SR) Assurance Provider/ PE VSP	Sustainability Report (SR) Assurance Provider	Sustainability Report (SR) Assurance Provider
PE VSP		Region 1 PE VSP	Asset PE VSP 1
		Region 2 PE VSP	Asset PE VSP 2
		Region 3 PE VSP	Asset PE VSP 3
			Asset PE VSP 4

Scope of corporate assurance engagement

SM1
SM2
SM3
SM4
SM5

Subject Matter (SM) 1 including 6 Corporate Performance Expectations (PEs) & the corporate elements of the 23 combined PEs. SM1 continues to be simply a confirmation that ICMM 'requirements' (i.e. principles, position statements and now PEs) are reflected and addressed in company practices, and is carried out independent of self-assessments at the company or asset-level.
SM5 The company member's prioritisation process for the selection of assets for PE validation
Optional extras as agreed, e.g.:

• GRI Standards 'in accordance' declaration (for data published in 2023, reporting with reference to GRI is also acceptable)
• Additional performance indicators or qualitative information
• Whole report

PE Validation
Asset level elements of **23** combined PEs
9 Asset level only PEs
Companies can choose a number of PE VSPs to look at their areas and regions, distributed as they wish, and potentially year by year (rather than by region or by asset). Four potential scenarios are shown, but these options are not exhaustive.

The ICMM PE Self-Assessment and Validation Guidance document provides details of which PEs are applicable at the corporate-level, asset-level, or both levels.

The scope of a sustainability report assurance engagement and the PE validation is presented in Figure 1.2. One or multiple sustainability report assurance providers / PE VSPs can be used, as illustrated in different scenarios.

1.3 Timing
Company members are expected to commence implementation of the ICMM Procedure in 2020 with disclosure of PE Validation activities for reporting periods starting on or after 1 January 2021. Figure 3.2 shows further details of the ICMM PE Validation process and associated timings.

1.4 Further Information
If you require any further information relating to this ICMM Procedure, please contact ICMM at info@icmm.com (and include the word assurance in the subject line).

Sustainability Report Assurance

2.1 Introduction

Alongside a commitment to implement the ICMM 10 Principles, any mandatory requirements set out in Position Statements and the PEs, company members of the ICMM are required to report on their sustainability performance against the GRI Standards. Company members are also required to contract an independent **third party** to undertake annual assurance, using a recognised **assurance standard**, of selected disclosures in their **sustainability report**. These disclosures are referred to as the ICMM **Subject Matters (1–5)** as described in Section 2.3.

The assurance is required to be in line with this procedure. Section 2 provides general information, the ICMM requirements and related guidance for sustainability report assurance.

Additional explanatory material (guidance) referenced in Section 2 can be found in Annex C.

2.1.1 Objective

Figure 2.1 presents the organisation of Section 2, which is designed to assist ICMM company members, who contract the services of independent assurance providers to undertake sustainability report assurance, to achieve a common understanding and consistency of assurance engagements that fulfil ICMM requirements. This approach is designed to provide the management of ICMM company members, their stakeholders, and ICMM with confidence regarding the reliability of members' disclosures on the status of their conformance with ICMM requirements as well as their sustainability performance.

The content is based on feedback from ICMM company members and assurance providers, drawing on their experience of applying the previous ICMM Assurance Procedure since 2008, and using international assurance standards.

2.1.2 Use of this ICMM Procedure

Assurance providers should refer to the requirements and associated guidance in existing assurance and auditing standards used for sustainability report assurance (see Section 2.2.2).

This procedure and the related guidance is written for an **attestation** assurance engagement (assuring disclosures that are the responsibility of the company member) rather than direct assurance on underlying management systems or processes.

Figure 2.1 Organisation of Section 2: Sustainability Report Assurance

Section 2.2
Explanation of the elements of a report assurance engagement including key terms and concepts

Section 2.3
ICMM requirements for sustainability report assurance: details of the subject matter information to be assured and the criteria against which the assurance is carried out, as well as requirements to ensure the engagement is conducted in line with good practice

2.2 Introduction to Sustainability Report Assurance

2.2.1 What is Sustainability Report Assurance?

In relation to sustainability reports, 'assurance' means third-party independent assurance on management disclosures and assertions in an annual sustainability report. The report assurance process is usually referred to as an **assurance engagement**.

Assurance Procedures

In a sustainability report assurance engagement, the assurance provider undertakes activities (procedures) in order to collect sufficient evidence to support the conclusions in their assurance statement. Procedures include, among others:

- Assessing the risk of a material misstatement (error or omission) in the reported information for each of the disclosures selected for assurance including (at corporate level) governance, control environment, IT risks, and risk of fraud.

- Reviewing reporting guidance (for assets), Key Performance Indicator (KPI) definitions, conversion and emission factors.

- Reviewing the design and implementation of reporting systems and related controls, usually via a walk through per KPI for each of the selected material risks and opportunities.

- Testing (the effectiveness of) internal controls relating to report content (asset/business/corporate levels as appropriate) if reliance is being placed on these.

- Undertaking analytical data procedures on the full data set at corporate level for Subject Matter 4.

- Undertaking substantive procedures (asset/business/corporate levels as appropriate), including reviewing underlying source data, testing mathematical accuracy of calculations and consolidation, and reviewing the reasonableness of estimates and extrapolations.

- Reviewing the (fair) presentation of assured information in the sustainability report.

2.2.2 Reporting Criteria, Assurance Standards, and Levels of Assurance

Reporting Criteria
In an assurance engagement, the subject matter is compared to, or tested against, identified criteria. Applicable criteria are used for particular engagements. The main applicable criteria used by ICMM members to report their sustainability performance (the reporting criteria) include:

- The GRI Sustainability Reporting Standards (GRI Standards).

- The ICMM Principles, any mandatory requirements set out in the Position Statements and the PEs.

- Specific criteria for reporting performance for the each of the sustainability risks and opportunities identified in the member's materiality process. The specific criteria for reporting quantitative performance may include:

  - The **Greenhouse Gas Protocol** (and subsequent updates and guidance).

- The ICMM Water Reporting Framework.

- Other publicly available indicators (eg Sustainability Accounting Standards Board [SASB], Occupational Safety and Health Administration [OSHA]).

- Company-defined indicators, which are made available to the user either in the report or on the company website.

The applicable criteria for an assurance engagement must be considered by the assurance provider to be suitable criteria for the assurance engagement.

The company describes the reporting criteria and definitions used for reporting sustainability performance in the report (or other public document) and is responsible for measuring its performance against the criteria and presenting the outcome of this process (the subject matter information) in its report.

The assurance provider assures (attests to) the fair presentation of the subject matter information specified in the assurance engagement.

Assurance Standards

The assurance standards used for assurance on sustainability reports which are acceptable for ICMM sustainability report assurance include, but are not limited to:

— ISAE3000 (Revised 2013) International Standard on Assurance Engagements: Assurance Engagements Other than Audits or Reviews of Historical Financial Information (a generic assurance standard).

— National Standards for Assurance on Sustainability Reports issued by national accounting bodies (for example in The Netherlands, Sweden and Germany).

— AT Section 101 (Attestation) Standard in the US.

— AA1000AS: AccountAbility Standard for assurance on sustainability management and reporting.

Although these different standards are used for assurance on sustainability reports, or specific disclosures within those reports, the most commonly used generic standard (globally) for assurance on sustainability reports and disclosures is **ISAE3000**. ICMM **does not require** members to conduct assurance in accordance with ISAE3000; however, this standard is referenced in the rest of this procedure and guidance, while recognising that alternatives may be used.

In addition, for assuring greenhouse gas (GHG) emissions, the following may be used:

— ISAE3410 International Standard on Assurance Engagements 3410: Assurance Engagements on Greenhouse Gas Statements;

— ISO 14064:3: Specification with guidance for the validation and verification of GHG assertions; or

— Regional, National and (for US/Canada) State-Level GHG reporting and assurance regulations and trading schemes (eg EUETS, NGER, California, etc.).

Levels of Assurance

The assurance standards used in relation to sustainability reports refer to two levels of assurance.

Standard	Level 1	Level 2
ISAE3000/ISAE3410 (IAASB)	Limited Assurance	Reasonable Assurance
ISAs/ISREs (IAASB)	Review	Audit
AT Section 101 (US)	Review	Examination
AA1000AS 2008 (AccountAbility)	Moderate	High

ICMM does not prescribe a required level of assurance on the subject matters. The choice is the responsibility of the company, considering management needs and user interests.

Difference Between Reasonable and Limited Assurance

The level of assurance does not reflect the reliability of the reported information, but rather the type and depth of the activities/procedures undertaken by the assurance provider.

A. For reasonable assurance, the assurance provider must undertake sufficient work to reduce the risk of a material misstatement in the subject matter information to an acceptably low level – this requires extensive testing and evidence collection

and results in a positively worded **opinion**. This is standard practice in financial auditing and increasingly seen in relation to specific sustainability information such as GHG emissions.

B. For limited assurance, the amount and depth of work is less than for reasonable assurance; therefore, the assurance **conclusion** has a double negative wording (eg 'Nothing has come to our attention to indicate that the [subject matter information…] is materially misstated.').

It is possible to combine reasonable and limited assurance (on different subject matters or disclosures) in one assurance engagement (eg reasonable assurance on GHG emissions and community engagement activities), and limited assurance on other specified information/indicators or on the rest of the report. The wording of each opinion/conclusion reflects the level of assurance and references the applicable criteria.

For each level, the type of activities/procedures undertaken by the assurance provider and the extent of evidence collection is determined after an assessment of the maturity of the company's reporting systems and processes and the extent of internal controls (including governance, internal auditing and internal Quality Assurance/Quality Control [QA/QC]) around the information to be assured.

Annex C, Section 6 provides additional information on types of assurance activities for each of the ICMM subject matters for each level of assurance.

2.2.3 Assurance Procedures

Procedures for assurance on sustainability reports may include, among others:

— Assessing the risk of a material misstatement (error or omission) in the reported information for each subject matter including governance, control environment, IT risks, and risk of fraud.

— Interviewing those at company- and asset-level accountable for external reporting, and those responsible for the specific subject matters and performance disclosures.

— Reviewing reporting guidance (used for reporting by assets), KPI definitions, conversion, and emission factors.

— Reviewing the design and implementation of reporting systems and related controls, usually via a walk through per KPI for each of the selected material risks and opportunities.

Table 2.1 Criteria for Selecting an External Assurance Provider

Criteria	External Assurance Provider Attributes
Objectivity	The assurance provider must be able to perform the engagement in a way that is demonstrably objective (ISAE3000, Introduction para 3) and should not allow bias, conflict of interest or undue influence of others to override professional or business judgments.
	Providers should make a public statement of independence that makes the nature of their relationship with the reporting organisation explicit.
	Assurance providers should have no direct financial or material indirect financial interest in the assurance client.
	An assurance provider should have no undue dependence on total fees from assurance client (no more than 30% of total income from assurance client is recommended).
	No member of the assurance team should perform services for the assurance client that directly relate to the subject matter of the assurance engagement or deal in or be a promoter of shares and securities in the assurance client (Handbook of International Auditing, Assurance and Ethics Pronouncements).
	No member of the assurance team should act as an advocate on behalf of an assurance client in litigation or in resolving disputes with third parties (Handbook of International Auditing, Assurance and Ethics Pronouncements).
	An assurance provider should be impartial and reach conclusions based on objective criteria, rather than on the basis of bias or prejudice.
	Other threats to objectivity such as familiarity and intimidation should also be considered.
Individual competencies	Individuals involved in any specific assurance process must be demonstrably competent in terms of skills, knowledge of sustainability subject matter, industry experience, assurance process experience and areas of expertise to cover the assurance topics.
	A multidisciplinary team should provide the expertise necessary to adequately assure a company's sustainability performance
	The engagement partner has final responsibility for the assurance engagement and shall 'have sufficient competence in the underlying subject matter and its measurement or evaluation to accept responsibility for the assurance conclusion' (ISAE3000 31c).
	The engagement partner shall 'be satisfied that those persons who are to perform the engagement collectively have the appropriate competence and capabilities' (ISAE3000 32a).
Organisational competencies	The organisations through which individuals provide assurance must be able to demonstrate adequate institutional competencies, including adequate assurance oversight, understanding of the legal aspects, and infrastructure, including quality control.

— Testing (the effectiveness of) internal controls relating to report content (asset through to corporate level) if reliance is being placed on these.

— Implementing analytical data procedures on the full data set at corporate level for Subject Matter 4.

— Conducting substantive procedures (asset and corporate level). For example, reviewing the reasonableness of estimates and extrapolations, checking the completeness of entities within the boundary in the consolidated disclosures, and testing the mathematical accuracy of calculations, conversions, and consolidation.

2.2.4 Selecting an Assurance Provider

Company members shall ask assurance providers to demonstrate their objectivity and competency in accordance with the criteria in Table 2.1. These criteria are based on the professional principles underlying the assurance standards used for assurance on sustainability reports, including ISAE3000.

Company members should refer to Sections 2.2 and 2.3 when developing their request for proposals (RFPs) for report assurance and related discussions. This should ensure a common understanding early in the engagement, and support both comprehensive reporting and robust assurance that adds value for management as well as external users.

Management is responsible for managing and reporting sustainability performance. To enable an efficient assurance engagement, management should agree on the following with assurance providers at the proposal/ engagement stage:

A. The subject matter information to be assured and how this will be presented within the company's sustainability report.

B. The level of assurance being sought for each subject matter and, where relevant, for the selected performance metrics under ICMM Subject Matter 4.

C. The criteria used by the company to report performance and whether those criteria provide a suitable basis for undertaking the assurance work (for example GRI Standards, the GHG Protocol).

D. The assurance standard(s) that the assurance provider will use to undertake the engagement.

E. The assurance engagement team.

Management should also discuss the following with the assurance provider:

F. Initial expectations regarding the assurance approach and the extent of work to be undertaken at the head office (corporate level) as well as the extent of evidence collection at the asset level for relevant indicators.

G. The initial documentation that will need to be made available to the assurance provider to assess the company's governance (accountability), reporting systems, and associated controls (QA/QC) around the subject matter information.

2.2.5 Materiality and Evidence Collection

For sustainability reporting and assurance, **materiality** has two components:

1. Report materiality: the completeness of the material sustainability issues included in the report based on the company's assessment of material risks and opportunities (covered by assurance on ICMM Subject Matter 2).

2. Subject matter information materiality: the reliability (completeness and accuracy) of the reported qualitative and quantitative performance reported for the material risks and opportunities selected for assurance (for ICMM Subject Matters 1, 3, 4 and 5).

For (1) above the GRI includes requirements in the materiality Reporting Principle for defining report content in GRI Standard 101, which states:

'The report shall cover topics that:

— Reflect the reporting organisation's significant economic, environmental, and social impacts; or

— Substantively influence the assessments and decisions of stakeholders.'

GRI 101 provides further information on determining material topics for reporting based on the organisation's impacts and the concerns of stakeholders and society as well as the organisation's strategy and regulatory requirements.

For (2) above ISAE3000 provides some guidance which is used by the assurance provider to determine the risk of misstatement and therefore the type and extent of assurance procedures to be undertaken.

Materiality: An error in reported information or omission is material if it will influence the decisions of the intended users. Determining materiality is a matter of judgment. Factors to consider when assessing whether an error or omission is material include the size of the error or omission; the impact of the error or omission on the evaluation or measurement of the subject matter; and the interests of the intended users.

The assurance provider therefore considers materiality in relation to each selected performance measure and determines what size of error or omission may influence user decisions. This will vary depending on the type of indicator: it may be a percentage (eg for energy use or GHG emissions), an absolute number (eg for fatalities, spills, incidents). The percentage may also vary depending on the relationship of the indicator to reported trends, baselines or targets. For qualitative (descriptive) information, other factors such as completeness and balance are also considered. Based on this assessment, and the risk of a material misstatement, the assurance provider determines the quantity (sufficiency) and quality (appropriateness) of evidence needed is determined in order to plan the nature, extent, and timing of its assurance approach.

2.2.6 Reporting by the Assurance Provider

The Independent Assurance Statement/ Assurance Report
The assurance provider prepares a written statement that includes an opinion (reasonable assurance) and/or conclusion (limited assurance) on the disclosures for each subject matter. The reporting criteria are used as a frame of reference to present the assurance opinions/ conclusions.

The wording of the opinion/conclusion should be appropriate to the level of reliability that the **assurance statement** intends to convey. As long as these do not undermine the assurance opinion/conclusion, additional observations can be included to increase user transparency on issues identified during the assurance process, for example recommendations regarding the materiality process or improvements in reporting systems and controls.

The assurance statement is normally published as an integral part of the sustainability report so that the specific information covered by the engagement can be identified in the statement in order to enhance

transparency regarding the scope of the assurance and the activities undertaken. The assured information in the sustainability report is normally identified using asterisks, colour coding or footnotes.

Assurance of web-based reporting should be agreed with the assurance provider at an early stage to ensure users understand the relationship between the assured subject matter information and the assurance opinion/ conclusions.

While the overall minimum content of the assurance statement is determined by the assurance standard(s), assurance providers have flexibility regarding the order of sections and the level of detail in the assurance statement (see Section 2.3.1 (5) and Annex C Section 5.3 for additional information). Company members can request a draft (sample) statement at the proposal stage or early in the assurance process to facilitate consideration of stakeholder information needs in the final version.

2.2.7 Adding Value – Meeting Management and Stakeholder Needs
Corporate reports, including sustainability reports, are ultimately produced for **stakeholders** to use when forming opinions on a company's performance or engaging with a reporting company. Independent assurance aims to increase reporting credibility, providing confidence that the disclosures and assertions made by the company concerning its performance and the way it manages its business are transparent, complete, accurate, and fairly presented.

Companies are encouraged to seek stakeholder views not only on their concerns and material topics for the report (Subject Matter 2), but also on their priorities for the selection of material sustainability risks and opportunities (under Subject Matters 3 and 4) for third-party assurance. The outcome of the consultation can be used as input, alongside management priorities, to determine the annual scope of the performance information to be assured for Subject Matters 3 and 4. This will help to ensure that assurance focuses on the performance information most important to internal and external stakeholders, leading to increased trust in the company's reporting.

Including details of assurance activities and procedures taken in the Assurance Statement, can also help increase transparency for stakeholders regarding the assurance

process. The inclusion of key observations and recommendation in the assurance statement can also be used to enhance credibility, trust and transparency.

Sustainability reports cover a wide range of subject matters with information and data derived from multiple internal systems. The assurance provider will initially review the various reporting systems and processes. Wherever possible, the assurance provider will place reliance on existing internal controls around the reported information in order to reduce the extent of direct assurance procedures and, therefore, the cost of assurance. Improving reporting systems and related internal controls are also important if a company wishes to move to a reasonable level of assurance for specific disclosures without a significant increase in (external) assurance effort.

Although the assurance provider's objectivity must not be compromised, it is possible for the company and assurance provider to leverage each other's expertise and experience. This could include engaging internal teams (for example environmental, health, and safety auditors, community engagement staff, or internal audit departments) in the assurance process, alongside corporate sustainability professionals and the communications team, in order to strengthen internal controls around the disclosures and reduce external assurance effort over time.

2.3 ICMM Requirements for Sustainability Report Assurance

2.3.1 ICMM Subject Matters for Assurance

Table 2.2 sets out the ICMM assurance requirements for annual sustainability reports and additional ICMM requirements for disclosures, and details what each requirement means in practice for company members with regard to:

1. Assurance subject matters.

2. Assurance criteria.

3. Assurance evidence.

4. Level of assurance.

5. Assurance statement.

6. Assurance provider.

7. Frequency of assurance.

Table 2.2 ICMM Assurance Requirements and Meaning in Practice

ICMM company members are required to report the following selected information (disclosures) in their annual sustainability report and have this information assured by an independent third party.

1. Assurance Subject Matters

ICMM Requirement	Meaning in Practice
Subject Matter 1	
The alignment of the member's sustainability policies, management standards and procedures to the ICMM Principles and relevant PEs as well as mandatory requirements set out in ICMM Position Statements.	A description of how the company member has aligned its policies, management standards, and procedures with the ICMM Principles and relevant PEs, and any mandatory requirements set out in ICMM Position Statements.
	Relevant PEs for report assurance are those which are applicable at corporate level only as well as the corporate-level aspects of combined PEs. These are set out in the ICMM PE Self-Assessment and Validation Guidance document.
	Any gaps should be clearly identified/explained and, ideally, management should provide a time-bound commitment as to when these gaps will be addressed.
	Note: If corporate policies, management standards, and procedures were assured in the prior year, the assurance effort required for Subject Matter 1 may be reduced, focusing on any changes to policies, standards, and procedures during the reporting year.
Subject Matter 2	
The company's material sustainability risks and opportunities based on its own review of the business and the views and expectations of its stakeholders.	A description of the processes in place to identify and prioritise the sustainability risks and opportunities faced by the business during the reporting period and the outcome of these processes (ie its list of material issues, the number will depend on the size and complexity of the company). This should be in line with the GRI requirements in the GRI Standards (GRI 101: Materiality Principle; GRI 102-15 and GRI 102-40 to GRI 102-47).
	While many companies only undertake a materiality assessment every 2–4 years, the company should update this assessment to reflect any new risks or opportunities in the reporting year, for example as a result of changes to the business or events during the year.
	Note: If there are no significant changes to the business since the previous sustainability materiality assessment and no new materiality assessment has taken place then the assurance effort for Subject Matter 2 may be reduced, focusing on any specific issues in the reporting year.
Subject Matter 3	
The existence and status of implementation of management systems and approaches that the company is using to manage each (or a selection) of the identified material sustainability risks and opportunities.	A brief description of the systems and approaches the company is using to **manage** each (or a selection) of the identified material sustainability risks and opportunities in line with the requirements of GRI 103, together with a brief description of the status of implementation of these.
	For Subject Matter 3 (and 4) company members have the option of choosing a selection of **material** sustainability risks and opportunities for assurance in discussion with the assurance provider. This selection may change from year to year based on an assessment of risk and the material concerns of stakeholders.

ICMM Requirement	Meaning in Practice
Subject Matter 4	
The company's reported performance during the given reporting period for each (or a selection) of the identified material sustainability risks and opportunities.	Performance information (eg reporting year data for performance indicators, progress against targets etc.) for the (selected) material sustainability risks and opportunities.
	The definitions of any quantitative or qualitative performance measures need to publicly available. This may include cross-referencing to the relevant GRI topic-specific standards (200-, 300-, 400-) or other generally accepted reporting standards such as the WBCSD/WRI GHG Protocol or, if not publicly available, including these in the sustainability report or on the company website).
	For Subject Matter 4 (and 3) company members have the option to select the material sustainability risks and opportunities for assurance in discussion with the assurance provider. This selection may change from year to year based on an assessment of risk (of error/ omission) and/or the material concerns of stakeholders.
Subject Matter 5	
The company member's prioritisation process for the selection of assets for PE validation.	A description of the process and criteria used to identify assets for PE validation, and the outcome of this process (assets selected) in the reporting year. These disclosures must be included in the sustainability report or, alternatively, on the company's website and hyperlinked from the sustainability report and the assurance statement.
	Note: If there are no significant changes to the prioritisation process since the previous assurance engagement then the assurance effort for Subject Matter 5 may be reduced, and will focus on the application of the process in the reporting year (selected assets).

2. Assurance Criteria

ICMM Requirement	Meaning in Practice
The evaluation by the assurance provider of the subject matters set out above should be based on the following criteria:	The company member will need to provide sufficient information to the assurance provider to enable the assurance provider to assess the suitability of the criteria for each of the selected subject matters, for example:
Subject Matter 1	
ICMM Principles and relevant PEs and any mandatory requirements set out in ICMM Position Statements.	The company's policies, management standards, procedures, and other documentation to show the current status regarding alignment of these with the corporate PEs (corporate only plus corporate aspects of combined PEs), and plans to address any gaps.
Subject Matter 2	
The company's description of its process for identifying material issues that meet the principles of completeness and materiality as defined in GRI 101.	The company's process for identifying and prioritizing its material sustainability risks and opportunities and how it has addressed the GRI Principles of completeness and materiality (in GRI Standard 101), as follows:
	Completeness: The report SHALL include coverage of material topics and their boundaries, sufficient to reflect significant economic, environmental, and social impacts, and to enable stakeholders to assess the reporting organisation's performance in the reporting period.
	Materiality: The report SHALL cover topics that reflect the organisation's significant economic, environmental and social impacts, or substantively influence the assessments and decisions of stakeholders.

ICMM Requirement	Meaning in Practice
Subject Matter 3	
The company's description of systems and approaches (as reported) that meet the reporting requirements of GRI 103.	Descriptions of the company's systems and approaches used to manage each (or a selection) of the identified material sustainability risks and opportunities in accordance with the requirements of GRI 103 as follows: — General requirements for reporting the management approach. — Disclosure 103-1 Explanation of the material topic and its Boundary. — Disclosure 103-2 The management approach and its components. — Disclosure 103-3 Evaluation of the management approach.
Subject Matter 4	
Publicly available definitions used to report quantitative and qualitative performance.	**Subject Matter 4:** Definitions and guidance used by the company for reporting quantitative/qualitative performance for each (or a selection) of the identified material sustainability risks and opportunities, which are available to the user of the information. These may be GRI Standards (200+, 300+, 400+), other publicly available indicators or the company's own (published) definitions.
Subject Matter 5	
	The description of the company's asset prioritisation process and its application (selected assets) in line with Section 3.3.2 of this procedure.

3. Assurance Evidence

ICMM Requirement	Practical Steps
ICMM recognises that company members may already have internal or external assurance processes in place in relation to the ICMM requirements or GRI reporting. This assurance and validation procedure is not intended to duplicate existing assurance arrangements nor require these to be re-done. The company member and its report assurance provider should consider all existing assurance processes, confirm the ability to rely on these, and complement them as needed with new assurance work to fully comply with the revised ICMM assurance requirements.	Examples of the sort of evidence gathering activities that an assurance provider may conduct include:
When undertaking report assurance work, the assurance provider must obtain sufficient appropriate evidence to support the assurance conclusions on each of the subject matters. This will include evidence gathering activities at different levels, including corporate, business/country level (if relevant) and asset level.	**Subject Matter 1:** Documentation review of policies, management standards and procedures and status assessments regarding alignment with ICMM requirements; Management interviews.
As part of the assurance evidence gathering, the assurance provider should always give due consideration to other assurance processes such as relevant work undertaken by the company's internal audit department, other internal controls (eg data review and quality assurance by corporate sustainability staff) and regulatory reporting (eg for GHG or other emissions, permit limits). When placing reliance on other assurance processes, it is important to assess whether:	**Subject Matter 2:** Review materiality process; Interview management involved in the design and implementation of the process; Sample test the integrity of underlying information; Review supporting documentation, undertake independent media research.
— The scope of the (other) assurance process is sufficiently aligned to the scope of the assurance engagement.	**Subject Matter 3:** Management interviews; Documentation review including roll out plans, status reports and gap analyses; Review evidence from other assurance processes, eg internal monitoring reports, asset PE validation reports, etc.
— The other assurance providers/auditors have sufficient technical competence to perform the work required.	**Subject Matter 4:** Management interviews; Review evidence resulting from other assurance processes; Quantitative and qualitative interrogation of data for quantitative performance indicators; Where possible, test internal controls for prevention and detection of material errors in reported information; assess the impact of the results of asset level assurance procedures; check consolidation for mathematical accuracy.
— The other assurance work has been carried out with due professional care.	
— The assurance provider will have access to the other assurance provider(s) and their work to confirm the adequacy of their work.	**Subject Matter 5:** Review the applied prioritisation process, the application of the criteria in practice, and whether the disclosures are fairly stated.
Selection of assets for visits for report assurance is based on the risk of material misstatement in the reported (corporate) performance for the selected indicators (Subject Matter 4) in the reporting year as well as the results of these visits in previous years. The number of assets selected will also reflect the level of assurance required for each subject matter and the robustness of internal controls (see 'Level of Assurance'). Visits may include 'virtual visits' (conference or video calls) as well as in person.	Finally, the assurance provider will review the presentation of the performance information and explanatory notes data in the (draft) sustainability report, including a review of trends and consistency over time.
If the report assurance provider is the same as the provider for asset PE validation, and there is an overlap between the assets selected for report assurance and for PE validation and the timing is appropriate, it may be possible to combine the two processes.	

4. Level of Assurance

ICMM Requirement	Practical Steps
Company members should engage with their assurance provider to determine the level of assurance to be obtained for Subject Matters 1, 2 and 5 and for each disclosure for the material risks and opportunities selected for assurance under Subject Matter 3 and Subject Matter 4. Where the assurance engagement is not being conducted in line with ISAE3000, the level of assurance must be equivalent to 'reasonable' or 'limited' (see table in Section 2.2.2 on levels of assurance which show equivalent terminology for other standards). Where a company's systems are not sufficiently mature to deliver reliable information and data for inclusion in the sustainability report, it may not be possible to provide assurance on some of the reported information and data. In such cases, the company must report how it intends to bridge any identified gaps and provide a timeframe within which it intends to do so (in line with options for omissions in the GRI Standards). The assurance provider must state in their assurance statement which level of assurance the statement is intended to convey. If confirmed, this may lead to a qualified assurance opinion or conclusion in relation to the specific subject matter.	In practice, the extent of the assurance work required and the quality of the evidence gathered to provide reasonable assurance will be greater than that required to provide limited assurance. The efficiency of evidence gathering will depend on the maturity of the company's systems used to collate, validate, and report the relevant information and data in the sustainability report as well as the cumulative assurance knowledge and experience of the assurance provider in relation to the company member in the context of the scope of work. *Note: It is not possible to change an engagement from reasonable to limited assurance to avoid a qualified conclusion or opinion if errors or omissions are found in the reported information. If errors or omissions are identified, irrespective of the level of assurance, the assurance provider will try to determine whether these are 'incidental' or 'systemic' (likely to occur at multiple assets). If the latter, the assurance provider will try to determine if these would lead to a potential risk of a material error or omission in the consolidated corporate performance data.*

5. Assurance Statement

ICMM Requirement	Practical Steps
Company members and assurance providers should disclose details of the assurance engagement and its conclusions. This should be done in an Independent Assurance Statement (Assurance Report) prepared by the assurance provider and disclosed in the sustainability report. The assurance statement should be prepared in accordance with good practice and the requirements of the assurance standard used, including (but not limited to): — The scope of the assurance engagement, including a description of the ICMM Subject Matters and the selected material risks and opportunities and performance for Subject Matter 3 and Subject Matter 4. — The level of assurance for each subject matter and for each material risk or opportunity (Subject Matter 3) or specific performance indicator (Subject Matter 4). — The related reporting criteria. — A description of the activities undertaken to obtain evidence to evaluate the selected subject matters and information in the scope of the engagement, including the assets visited. — Assurance conclusions/opinion relating to the content and integrity of reported information for each of the subject matters and for sub-sections of Subject Matter 3 and Subject Matter 4. The assurance statement normally includes standard wording that is 'non-negotiable' as well as sections where the assurance provider may allow the company the opportunity to comment and provide feedback on the writing style and language used in the assurance statement (eg in describing the assessment activities undertaken or in the wording of any key observations or recommendations for improvement).	A draft version of the assurance statement is often provided to the company once the assurance provider has had the opportunity to review and comment on a good quality draft version of the relevant sustainability report. The final version of the assurance statement is normally issued to the company once the assurance provider has reviewed the final version of the sustainability report that has been approved for publication. In line with some assurance standards (including ISAE3000), the assurance provider may request written representations from senior management confirming their responsibility for the completeness of the content of the report and that it has provided all of the information relevant for the engagement to the assurance provider. Further information is provided in Annex C, Section 5.3

6. Assurance Provider

ICMM Requirement	Practical Steps
The report assurance of Subject Matters 1–5 must be conducted by an external independent assurance provider. To ensure the credibility of the assurance engagement, company members should select an assurance provider that can demonstrate: — Objectivity (including independence and impartiality). — Organisational and individual expertise and competence in the sector sustainability risks and opportunities. — Knowledge and understanding of GRI Standards. — Understanding of reporting systems and related internal controls. — Understanding of, and experience in, assurance procedures for reporting (attestation engagements). — Internal systems for quality management and control. Assurance providers should meet good practice criteria and must be able to demonstrate objectivity (including independence and impartiality) and competence in accordance with the requirements of the assurance standard used.	For further information on selecting an assurance provider, see Section 2.2.4. In addition to the sustainability report assurance by an external assurance provider, company members may use internal or external assurance/audit (or a combination) as part of their internal sustainability management systems and processes.

7. Frequency of Assurance

ICMM Requirement	Practical Steps
Company members are required to report and seek assurance covering the subject matters set out above on an annual basis.	While assurance will be conducted annually, the scope and effort required will vary depending on various factors such as the relevant activities in the reporting year. For Subject Matters 1, 2 and 5 the effort will reflect the level of activity in the reporting year, for example, any changes to policies and procedures, or a new materiality assessment or asset prioritisation process for PE validation. The material risks and opportunities selected for Subject Matter 3 and 4, may change year by year so that some are undertaken annually and others less frequently. *Note: Multi-year assurance engagements, which are becoming more common in sustainability assurance (as in financial audit) may allow for a more efficient rolling programme for assurance in relation to Subject Matters 3 and 4, as well as avoiding repetition of assurance work for Subject Matters 1, 2 and 5, thereby reducing the overall costs of the assurance per year.*

PE Validation

3.1 Introduction

3.1.1 Background

PE Validation is an integral part of ICMM's membership requirements. The six corporate-only PEs and the corporate-level aspects of the 23 corporate/asset PEs are validated through the sustainability report assurance process described in Section 2. This section presents the approach to validating the implementation of the remaining nine asset-only PEs and the asset-level aspects of the 23 corporate/asset PEs. Where Position Statement commitments apply to individual company members, they will be explicitly referenced in the PE Self-Assessment and Validation Guidance document. Members will be required to provide evidence of implementation as part of the validation process. For further details on implementing the PEs, refer to the PE Self-Assessment and Validation Guidance document.

3.1.2 PE Validation Objectives

The PE validation objectives include:

— To confirm the company member's self-assessment of PE implementation, to the extent that they are applicable in a given operating context.

— To minimise the duplication of effort in reporting and validation by leveraging existing assurance-type activities where possible.

— To provide flexibility to adjust the level of site-level scrutiny and evidence gathering to be responsive to stakeholder needs.

— To provide confidence to consumer-facing manufacturers, financial institutions, investors or other interested parties that the PEs are being implemented.

Figure 3.1 ICMM PE Validation
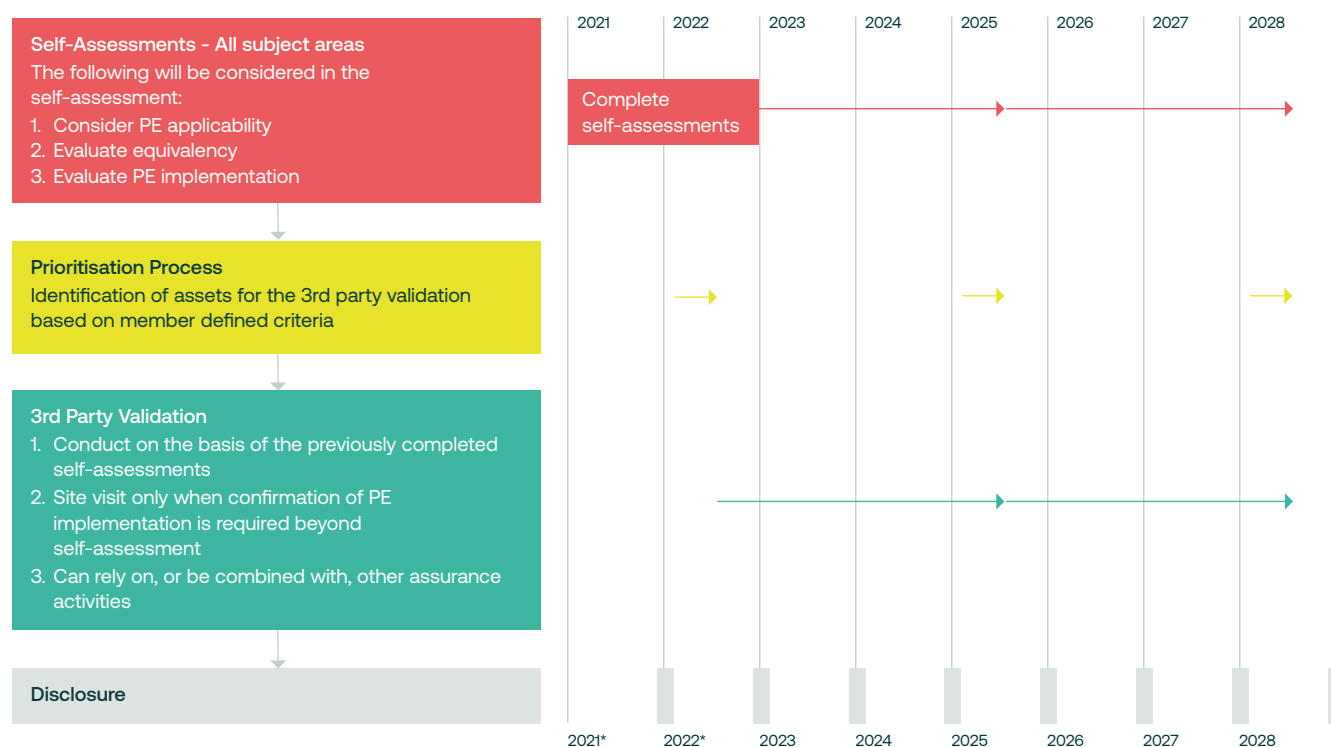
*Members are required to disclose their validation activities on an annual basis on their corporate website or in their sustainability or corporate reports. The deadline for completion of self-assessments is September 2022, after which time third-party validation commences. Disclosure will initially be in summary form (as outlined in section 3.3.5) from the beginning of 2022, with fuller disclosure that enables interested parties to understand the status of implementation of all Performance Expectations for a given asset is expected from September 2023.

3.1.3 Application of PE Validation

Assets subject to PE Validation include those operations involved in the production or refining of minerals and metals for sale or further processing over which the member exercises control with regard to financial and operating policies and practices. This excludes activities in company members' portfolios that are not producing saleable products, such as exploration sites, non-managed assets operations, and projects. This excludes non-managed joint ventures. However, JV companies that are majority owned by ICMM members (either singly or jointly) are encouraged to implement ICMM's membership requirements.

3.2 PE Validation Process

3.2.1 Overview

PE Validation is comprised of the following elements:

— Self-assessments of all assets subject to PE validation (ie subject assets).

— Prioritisation of assets for third-party validation.

— Third-party validation.

— Disclosure.

3.2.2 PE Validation Activities and Outcomes

PE Validation includes two type of activities related to a member's implementation of the PEs at the asset level. These are:

— **Self-assessment** – First-party confirmation of the existence and integrity of systems and/or practices relating to implementation of the PEs, to the extent that they are applicable in a given context.

— **Third-party validation** – Independent confirmation of the reasonableness and authenticity of assertions made in self-assessments. This review may take place as part of a separate system, eg an ISO 14001 environmental management system audit.

For the purposes of this procedure, these two types of activities are referred to as 'PE validation activities'.

The PE validation activities evaluate the implementation of the PEs individually. There is no overall outcome for a given asset. The possible outcomes for the validation of an individual PE are 'Meets', = 'Partially Meets', and 'Does not Meet' as defined below:

— **Meets** – Systems and/or practices related to the PE have been implemented and there is sufficient

evidence to demonstrate that the intent of the PE is being met, however opportunities for improvement may still remain.

— **Partially Meets** – Systems and/or practices related to meeting the intent of the PE have been only partially implemented. Gaps or weaknesses persist that may contribute to an inability to meet the intended outcome of the PE, or insufficient verifiable evidence can be provided to demonstrate that the activity is aligned to the intent of the PE.

— **Does Not Meet** – Systems and/or practices required to support implementation of the substantive intent of the PE are not in place, or are not being implemented, or cannot be evidenced.

3.2.3 Frequency of PE Validation Activities
Members are required to complete a self-assessment of all subject assets once every three years. In addition, at least once every three years, members are required to prioritise assets for third-party validation within the three-year validation cycle. The number and frequency of third-party validation for member assets is determined by the member-driven prioritisation process. Figure 3.1 depicts the required frequency of PE Validation Activities for all applicable assets. The prioritisation process is described in Section 3.3.2. Members may choose to prioritise assets more frequently.

3.3 Implementation of PE Validation
The process for the implementation of PE Validation is summarised in the following sections:

— Self-assessments of all subject assets.

— Prioritisation of assets for third-party validation.

— Third-party validation.

— Assurance of the prioritisation process.

— Disclosure.

3.3.1 Self-Assessment of Subject Assets
Self-assessment is the first step in PE Validation. The purpose of the self-assessment is for members to evaluate their existing systems and/or practices and their conformance with the PEs at an asset level, to the extent that they are applicable in a given context. Members will complete a self-assessment of each subject asset at least once every 3 years.

The self-assessment process includes the following steps for each PE:

— Review applicability.

— Evaluate equivalency.

— Evaluate PE implementation for those PEs not already assessed in previous steps.

The self-assessment is comparable to a checklist that notes the implementation status of each asset-level PE (Meets, Partially Meets, or Does not Meet) and designates space for the company assessor to document the evidence reviewed and comments when necessary. PEs validated by equivalent programmes shall be noted with the outcome (Meets, Partially Meets, Does not Meet). PEs determined to be not applicable to the asset are noted as 'Not Applicable'.

The self-assessment steps are described further in the following sections.

3.3.1.1 Consider PE Applicability
In some cases, PEs may not be applicable to an asset. The applicability of individual PEs at an asset is determined by the pertinence of the PE requirement to the asset and the local context. If a member determines that a PE is not applicable at a given asset, the member will document the determination as 'Not Applicable' and will provide comments explaining this determination in the self-assessment.

3.3.1.2 Evaluate Equivalency of PEs
PE Validation aims to avoid additional audit burden, to the extent possible, and to provide recognition to members for participation in other recognised third-party validation systems. Equivalent programmes are defined as having standards and validation requirements that are similar in scope and intent as the ICMM PE validation programme. ICMM will maintain details on its website on an ongoing basis regarding what elements of other independent third-party validation systems can be recognised as equivalent.

For all applicable PEs, members will document the validation of PEs in equivalent programmes within the past three years. If a PE has not been validated in an equivalent programme, the self-assessment would continue with an evaluation of the PE implementation (see below).

Note: ICMM recognises that equivalent programmes do not necessarily provide mutual recognition or reciprocity to company members for the ICMM PE validation activities. Reciprocity will be determined by individual organisations in conjunction with ICMM, and ICMM will maintain details on its website of reciprocal programmes, in addition to those programmes recognised as equivalent.

3.3.1.3 Evaluate PE Implementation

Following the review of PEs for applicability and equivalency, the self-assessment will be completed by evaluating the level of implementation of the remaining asset-level PEs. The self-assessment may utilise the template provided in the ICMM PE Self-Assessment and Validation Guidance document to document the validation activity.

Upon initiation of the self-assessment, the company assessor should consider the context in which the asset is operating, including any internal and external factors that may impact the asset's identification and management of sustainable development risk.

In evaluating evidence related to the implementation of individual PEs, the following aspects should be considered:

— Frequency.

— Quality.

— Extent.

Frequency refers to how often the requirements of a system or policy are applied out of all the possible times they should be applied, ie are they implemented consistently.

Quality refers to how well the planned and systematic activities are implemented so that the desired performance or outcome will be fulfilled. Are sufficient resources, training, tools, equipment, procedures, instructions, and management attention dedicated to the system to support success on a consistent basis?

Extent is concerned with the identification and management of systems and requirements and their application to all relevant areas of the asset.

Assessors are advised to identify risks relating to the PEs being evaluated, and seek to understand how these risks are managed. This will provide valuable insight into whether the intent of the PEs is being met. Evidence of PE implementation related to the selected risk(s) should be documented.

The PE Self-Assessment and Validation Guidance document provides guidance on the intent of the PEs as well as example evidence that would be indicative of successful PE implementation, in response to the questions: What are you doing to achieve the intent of the PE and what evidence do you have to demonstrate this? The guidance is provided to company members to inform the design of their management systems and processes. ICMM does not require company members to implement all of these elements and this guidance is not intended to be a complete list of all elements of a management system. The guidance is not intended to provide 'compliance criteria' for each of the principles.

During the self-assessment, the company assessor will make a determination of Meets, Partially Meets, or Does not Meet for the remaining PEs. A summary description of the evidence reviewed and the basis for the determination is required for each PE. Evidence and determinations should be documented sufficiently in the self-assessment template for subsequent use in third-party validation, as appropriate.

Self-assessment activities conducted in a given year will be disclosed as part of the required annual disclosure described in Section 3.3.5.

3.3.2 Prioritisation of Assets for Third-Party Validation

Company members must conduct a prioritisation process to determine the assets to be subject to third-party validation in the subsequent 3-year validation cycle. Figure 3.2 shows the timing of the prioritisation of assets for third-party validation. Members may conduct this prioritisation of assets more frequently if desired.

The prioritisation process will follow clearly defined criteria chosen by the company and will include transparent disclosure of the selection process. The selection of assets may be based on a fixed percentage of assets, market-driven by virtue of commodities or geographies of particular concern (eg conflict minerals), based on customer demands, or a mix of these and other factors. Members will review the list of prioritised assets on an annual basis to determine if factors influencing the organisation internally or externally warrant a revision to the list of selected assets. Company members will seek to ensure broad coverage of their portfolio of assets over a reasonable timeframe.

Company members will disclose, publicly, their process for prioritisation of assets for third-party validation. This disclosure will occur before third-party validation takes place and shall include the defined criteria for

prioritisation of assets as well as the outcome of the prioritisation process, including the list of prioritised sites, if relevant, in a specific reporting year. Disclosure of the process can be in member's sustainability or other corporate report or on their website. Additional PE validation disclosure requirements are described in Section 3.3.5.

In addition, members are required to provide for independent assurance of their prioritisation process disclosures as part of the annual sustainability report assurance as discussed in Table 2.2. The independent assurance will lend credibility to the member's process by confirming that the company has followed their disclosed process.

3.3.3 Third-Party Validation
Once the list of prioritised assets for third-party validation has been determined, members will schedule the third-party validation at times that are suitable for their organisation within the three-year cycle.

Third-party validation assessments will be conducted by qualified validation service providers (VSPs). VSPs are professional service providers and must meet ICMM requirements for independence, experience, expertise and lack of conflicts of interest as described in Table 3.1. ICMM will keep a register of the VSPs that members use.

When conducting the validation, the VSP will rely on the assets' previous self-assessment as the basis for the evaluation. PEs that are noted in the self-assessment as validated in an equivalent programme within the past 3 years will be determined to have the same outcome as noted in the self-assessment. No further action is required for these PEs. Third-party validation may be conducted remotely by a VSP as appropriate.

For the remaining PEs, including those noted as Not Applicable, the VSPs will review the outcomes and related evidence presented in the self-assessment. The review of the self-assessment will determine whether the third-party validation requires a site visit to confirm whether the intent of the PEs is being met. Third-party validation only leads to site visits where the review reveals gaps in evidence or concerns regarding whether the intent of the PEs is being met. In some cases, validation of a PE may not be possible without site visits (eg for livelihood restoration where a company asserts that livelihoods have been restored).

In the event that a site visit is required, the scheduling of the site visit can be flexible so that it coincides with other site visits or is conducted by another VSP who meets ICMM VSP requirements. In addition, the third-party validation can consider VSP visits or evidence checked for nearby assets on contextual risk factors, as applicable.

The validation will follow the guidance provided above for evaluating and documenting PE implementation during a Self-assessment.

The VSP will provide a draft summary report of the validation to the company member within a timeframe(s) agreed by the company member and dependent on whether a site visit is required. Company members will have the opportunity to review and provide comments or additional evidence before the validation report is finalised.

3.3.4 Dispute Resolution Process
Company members and VSPs are encouraged to resolve any disputes regarding PE validation outcome to the fullest extent possible. ICMM staff can be called upon to moderate in the event of an unresolved dispute concerning the interpretation of the intent of a PE between a company member and a Validation Service Provider during a validation engagement. ICMM's experience with dispute resolution will be subject to periodic discussion with ICMM's Principal Liaisons Committee.

3.3.5 Disclosure

Members are required to disclose, publicly, their PE validation activities on an annual basis. The disclosure can be made on a member's website or in a sustainability or corporate report. The required disclosure elements are summarized in Table 3.2. Members may choose to disclose further information beyond the required disclosures outlined in Table 3.2.

The asset-by-asset disclosures that apply to self-assessments and third-party validations from 2022 onwards will provide clear line of sight to interested parties of the status of PEs implementation. While there is no overall outcome for a given asset (see 3.2.1), where all applicable PEs are met, this will be evident from the required disclosures.

Table 3.1 Criteria for Selection of a Validation Service Provider

Criteria	Validation Service Provider (VSP)
Objectivity	The VSP must be able to perform the engagement in a way that is demonstrably objective (ISAE3000, Introduction para 3) and should not allow bias, conflict of interest or undue influence of others to override professional or business judgments.
	VSPs should have no direct financial or material indirect financial interest in the validation client.
	A VSP should have no undue dependence on total fees from validation client (no more than 30% of total income from validation client is recommended).
	No member of the validation team should perform services for the validation client that directly relate to the subject matter of the validation engagement or deal in or be a promoter of shares and securities in the validation client
	No member of the validation team should act as an advocate on behalf of a validation client in litigation or in resolving disputes with third parties
	A validation provider should be impartial and reach conclusions based on objective criteria, rather than on the basis of bias or prejudice.
	Other threats to objectivity such as familiarity and intimidation should also be considered.
Individual competencies	Individuals involved in any specific validation process must be demonstrably competent in terms of skills, knowledge of sustainability subject matter, industry experience, validation process experience and areas of expertise to cover the validation topics.
	The VSP has final responsibility for the validation engagement and shall have sufficient competence in the validation topics and their measurement or evaluation to accept responsibility for the validation determination
Organisational competencies	The organisations through which individuals provide validation must be able to demonstrate adequate competencies, including adequate validation oversight, understanding of the legal aspects, and infrastructure, including quality control.

Table 3.2 Required Minimum Disclosure Elements

Disclosure Element	Company Member Disclosure
Overview of the validation process	Provide a link to the ICMM online description of the PE Validation process.
Summary of how the company member is approaching the validation process	Provide a brief overview of how the company is approaching the validation process, eg number of assets subject to the process, description of asset prioritisation process undertaken, including selection criteria, and list of assets selected for third-party validation.
Summary of self-assessment and validation activity in a reporting cycle	Provide details of completed PE validation activities in accordance with the ICMM Procedure. This includes the following:

Disclosure Requirements	Form of Disclosure
First-round self-assessments undertaken prior to September 2022	Summary disclosure of the outcomes for each asset
Second round self-assessments and 3rd party validations	Tabular summary (or equivalent) of status of implementation for each asset with additional details on those PE's not met

Glossary of Terms and List of Abbreviations

Glossary of Terms

First party	An activity related to a given party that is carried out by that party itself.
Third party	An activity carried out by someone independent or at arm's length from the party that is the subject of the activity.
AA1000APS	Accountability Principles Standard (2018): Standard with a set of principles and criteria for the implementation of sustainability within organisations published by AccountAbility.
AA1000AS	Assurance Standard (2008 or 2008 with 2018 Addendum) covering compliance of organisations with AA1000APS and the reliability of reported performance in public reporting. Note that is not possible to limit an AA1000AS engagement to assurance on the ICMM subject matters. Adoption and embedding of the AccountAbility Principles (AA1000APS) in the company is mandatory for AA1000AS assurance. Use of AA1000AS would be practicable if the assurance provider for the sustainability report was also undertaking the PE validation activities.
AccountAbility	The organisation that publishes AA1000APS and AA1000AS
Asset	Operations involved in the production or refining of minerals and metals for sale or further processing. An asset may comprise several sites in different locations (eg port, pipeline desal facility), under the same management control which 'support the production and sale'.

Assets included in scope of assurance framework	Operations involved in the production or refining of minerals and metals over which the member exercises control with regard to financial and operating policies and practices. This excludes activities in a company's portfolio that are not producing saleable products, such as exploration sites, non-managed operations and projects. This excludes non-managed joint ventures. However, JV companies that are majority owned by ICMM members (either singly or jointly) are encouraged to implement ICMM's membership requirements.
Assurance	The act of obtaining and considering evidence in order to enhance the degree of confidence regarding a particular topic.
Assurance engagement	'An engagement in which a practitioner aims to obtain sufficient appropriate evidence in order to express a conclusion designed to enhance the degree of confidence of the intended users other than the responsible party about the subject matter information (that is, the outcome of the measurement or evaluation of an underlying subject matter against criteria)' (ISAE3000).
Assurance provider	An independent service provider (3rd party) that is contracted by a company to conduct the sustainability report assurance engagement (see also 'Validation Service Provider VSP').
Assurance Standard	Internationally accepted standard used by independent assurance providers to assure the information and disclosures of another party.

Assurance Statement/ Report	The Assurance Statement/Report is the written report of the assurance provider which must include a clear expression of the assurance provider's conclusions. It is normally published together with the assured information. The requirements for the content of the Assurance Statement/ Report are set out in the Assurance Standards.	Equivalence	Equivalent programmes are defined as having standards and validation requirements that are similar in scope and intent as the ICMM PE validation programme
AT Section 101	'Attest engagements' standard used in the United States by certified public accountant for an examination (reasonable assurance), a review (limited assurance) on a subject matter or assertion about the subject matter.	GRI	[Global Reporting Initiative]: Not for profit organisation that publishes Standards for Sustainability Reporting.
		GRI Standards	(Global) Standards for Sustainability Reporting issued by the GRI.
Attestation	In an attestation (also known as assertion-based) engagement the responsible party carries out the measurement or evaluation of the subject matter and reports the information, with an inherent assertion that the information is fairly stated. The assurance provider's work results in an assurance conclusion on this assertion.	ISAE3000	International Standard for Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information. Published by the International Audit and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC).
Best Available Technology / Techniques	'The most effective and advanced stage in the development of activities and their methods of operation, indicating the practical suitability of particular techniques for providing the basis for emission limit values and other permit conditions designed to prevent and, where this is not practicable, to reduce emissions and the impact on the environment as a whole'. Techniques are both (i) the technologies used by industrial installations; and (ii) the way in which installations are designed, built, maintained, operated and decommissioned. (EU Industrial Emissions Directive 2010). Similar concepts include Best Techno-Economically Available Techniques, Best Available Control Technology and Best Practical Options.	ISAE3410	International Standard for assurance on Greenhouse Gas Statements. (Volume 2: pp276-369)
		ISO 14063:3	Part 3 of ISO standard 14064: Specification with guidance for the validation and verification of greenhouse gas assertions.
		Materiality determination	Determination of material sustainability risks and opportunities for the company using multiple inputs from internal and external stakeholders.
		Material risk	Material risk in sustainability reports is the risk of a material misstatement, whether caused by omission or error, which would influence the user of the information. It may be qualitative, for example in relation to the Sustainability Report as a whole, or quantitative, in relation to individual disclosures.
Criteria	The benchmarks that are used to measure or evaluate the information (subject matter) or management systems in an assurance or audit process.	Meets	Systems and/or practices related to the PE have been implemented and there is sufficient evidence to demonstrate that the intent of the PE is being met, however opportunities for improvement may still remain.
Does not Meet	Systems and/or practices required to support implementation of the substantive intent of the PE are not in place, or are not being implemented, or cannot be evidenced.	Partially Meets	Systems and/or practices related to meeting the intent of the PE have been only partially implemented. Gaps or weaknesses persist that may contribute to an inability to meet the intended outcome of the PE, or insufficient verifiable evidence can be provided to demonstrate that the activity is aligned to the intent of the PE.

Performance Expectations	ICMM developed a comprehensive set of requirements that outline the expectations for how members manage a broad range of sustainability issues, especially at the operational levels. The objective is to set a benchmark for responsible practices that members and other committed mining and metals companies can publicly commit to.
Qualified validation/ assurance statement	Outcome/conclusion of third-party validation or assurance where available evidence is insufficient to confirm that one or more PEs within the scope of the validation exercise are satisfied.
Stakeholders	GRI (GRI 101) Stakeholders are defined as entities or individuals that can reasonably be expected to be significantly affected by the reporting organisation's activities, products, or services; or whose actions can reasonably be expected to affect the ability of the organisation to implement its strategies or achieve its objectives. This includes, but is not limited to, entities or individuals whose rights under law or international conventions provide them with legitimate claims vis-à-vis the organisation. Stakeholders can include employees and other workers, shareholders, suppliers, vulnerable groups, local communities, and NGOs or other civil society organisations, among others.
Subject matter	Subject matter is the topic or subject which is evaluated or measured by the company against suitable criteria to produce the 'subject matter information'. For example, GHG emissions (subject matter) are measured using the GHG Protocol (suitable criteria) to produce 'Total GHG emissions in CO2e' (Subject matter information).

Subject matter information	Subject matter information means the outcome of the evaluation or measurement of a subject matter. It is the subject matter information about which the assurance provider gathers sufficient appropriate evidence to provide a reasonable basis for expressing a conclusion in an assurance statement.
Suitable Criteria	Reporting criteria that enable reasonably consistent evaluation or measurement of the subject matter. See Annex C for more details.
Sustainability Report	All forms (printed, pdf and web-based) of organisational reporting on sustainability (non-financial) risks, opportunities, strategy, management and performance including Sustainability Reports, ESG Reports, Integrated Reports (IR), Corporate Responsibility (CR) Reports, Corporate Social Responsibility (CSR) Reports.
Unqualified validation' assurance statement	Outcome/conclusion of third-party validation or assurance where available evidence suggests that PEs within the scope of the validation exercise are satisfied.
Validation (ie by a third party)	The act of confirming the reasonableness and authenticity of assertions made in self-assessments.
Validation Service Provider	An independent service provider who is contracted by a company to conduct those parts of the validation process designated as '3rd party' (see also 'Assurance provider').

Abbreviations

ASM	Artisanal and Small-Scale Mining
BAT	Best available technology
CDP	Carbon Disclosure Project
CR	Corporate Responsibility
CSR	Corporate Social Responsibility
EITI	Extractive Industries Transparency Initiative
ESG	Environmental Social Governance
ESIAs	Environmental and social impact assessments
GHG	Greenhouse Gas
ICMM	International Council on Mining and Metals
IR	Integrated Reports
IUCN	International Union for Conservation of Nature
JV	Joint Venture
KPI	Key performance indicator
NGO	Non-governmental organisation
OSHA	Occupational Safety and Health Administration
PEs	Performance Expectations
QA/QC	Quality Assurance/Quality Control
RFPs	Request for proposals
SASB	Sustainability Accounting Standards Board
SD	Sustainable Development
SM	Subject Matter
TSF	Tailings Storage Facility
UNGP	United Nations Guiding Principles on Business and Human Rights
VSPs	Validation Service Providers

ICMM Position Statements

The Requirements of ICMM Positions Statements
The table below presents a summary of the commitments associated with the ICMM Position Statements. The right-hand column 'Comments' identifies which commitments apply to individual company members (mandatory requirements) and which may be delivered collectively and need not necessarily be assured by individual company members under the Assurance Procedure.

Position Statements	Date	Commitments	Comments
1. Mining and Protected areas	August 2003	1. Respect legally designated protected areas and ensure that any new operations or changes to existing operations are not incompatible with the value for which they were designated. .	Applies to individual members
		2. Not explore or mine in World Heritage properties. All possible steps will be taken to ensure that existing operations in World Heritage properties as well as existing and future operations adjacent to World Heritage properties are not incompatible with the outstanding universal value for which these properties are listed and do not put the integrity of these properties at risk.	Applies to individual members
		3. Ensure that potential adverse impacts on biodiversity from new operations or changes to existing operations are adequately addressed throughout the project cycle and that the mitigation hierarchy is applied.	Applies to individual members
		4. Through ICMM, to work with IUCN, governments, intergovernmental organisations, development and conservation NGOs and others to develop transparent, inclusive, informed and equitable decision-making processes and assessment tools that better integrate biodiversity conservation, protected areas and mining into land-use planning and management strategies, including 'No-go' areas	Applies to members collectively
		5. Through ICMM, work with IUCN and others in developing best practice guidance to enhance industry's contribution to biodiversity conservation.	Applies to members collectively

Position Statements	Date	Commitments	Comments
2. Mercury Risk Management	February 2009	1. Not open any mines designed to produce mercury as the primary product.	Applies to individual members
		2. Apply materials stewardship to promote the responsible management of the mercury produced from ICMM members' operations including that which naturally occurs in our products.	Applies to individual members
		3. Identify and quantify point source mercury air emissions from our operations and minimize them through the application of cost effective best available technology, using a risk based approach.	Applies to individual members
		4. Report significant point source mercury emissions from our operations consistent with our commitment to report in accordance with the GRI framework.	Applies to individual members
		5. To participate in government-led partnerships to transfer low- to no-mercury technologies into the ASM sector in locations where ICMM member companies have operations in close proximity to ASM activity such that livelihoods are enhanced through increased productivity and reduced impacts to human health.	Applies to individual members
		6. Through ICMM, to encourage the development of sound science on the fate and transport of mercury as well as natural sources of mercury in the environment.	Applies to members collectively
		7. To work on an integrated multi-stakeholder strategy through ICMM to reduce and eventually cease supplying mercury into the global market once policy and economically viable long-term technological solutions for the retirement of mercury are developed.	Applies to members collectively
3. Mining: Partnerships for Development	January 2010	1. Either individually or collectively through ICMM publicly express their willingness to work in partnership with development agencies, host governments, civil society organisations, and local communities to enhance mining and metals' contribution to social and economic development.	Applies to members either individually or collectively
		2. For major investments in regions where socio-economic outcomes are highly uncertain or where there are significant opportunities to enhance such outcomes: (i) develop an understanding of the social and economic contribution of the project, including an analysis of the barriers that might weaken this contribution; and (ii) actively support or help develop partnerships or collaborations with other stakeholder groups with the aim of ensuring the project's potential socio-economic contribution is realised.	Applies to individual members
		3. Review the relative success of their development partnerships and collaborations at suitable intervals and adapt these over time to ensure they continue to contribute to the overall goal of enhancing the social and economic contribution of mining.	Applies to individual members
		4. Provide an overview of their work on such partnerships, as appropriate, in their annual external reporting and communications.	Applies to individual members

Position Statements	Date	Commitments	Comments
4. Mining and Indigenous Peoples	May 2013 (updated)	1. Engage with potentially impacted indigenous peoples with the objectives of: (i) ensuring that the development of mining and metals projects fosters respect for the rights, interests, aspirations, culture and natural resource-based livelihoods of indigenous peoples; (ii) designing projects to avoid adverse impacts and minimising, managing or compensating for unavoidable residual impacts; and (iii) ensuring sustainable benefits and opportunities for indigenous peoples through the development of mining and metals projects.	Applies to individual members
		2. Understand and respect the rights, interests and perspectives of indigenous peoples regarding a project and its potential impacts. Social and environmental impact assessments or other social baseline analyses will be undertaken to identify those who may be impacted by a project as well as the nature and extent of potential impacts on indigenous peoples and any other potentially impacted communities. The conduct of such studies should be participatory and inclusive to help build broad cross-cultural understanding between companies and communities and in support of the objectives described in commitment 1 above.	Applies to individual members
		3. Agree on appropriate engagement and consultation processes with potentially impacted indigenous peoples and relevant government authorities as early as possible during project planning, to ensure the meaningful participation of indigenous peoples in decision making. Where required, support should be provided to build community capacity for good faith negotiation on an equitable basis. These processes should strive to be consistent with indigenous peoples' decision-making processes and reflect internationally accepted human rights, and be commensurate with the scale of the potential impacts and vulnerability of impacted communities. The processes should embody the attributes of good faith negotiation and be documented in a plan that identifies representatives of potentially impacted indigenous communities and government, agreed consultation processes and protocols, reciprocal responsibilities of parties to the engagement process and agreed avenues of recourse in the event of disagreements or impasses occurring (see commitment 6 below). The plan should also define what would constitute consent from indigenous communities that may be significantly impacted. Agreed engagement and consultation processes should be applied in collaboration with potentially impacted indigenous communities, in a manner that ensures their meaningful participation in decision making.	Applies to individual members
		4. Work to obtain the consent of indigenous communities for new projects (and changes to existing projects) that are located on lands traditionally owned by or under customary use of indigenous peoples and are likely to have significant adverse impacts on indigenous peoples, including where relocation of indigenous peoples and/or significant adverse impacts on critical cultural heritage are likely to occur. Consent processes should focus on reaching agreement on the basis for which a project (or changes to existing projects) should proceed. These processes should neither confer veto rights to individuals or sub-groups nor require unanimous support from potentially impacted indigenous peoples (unless legally mandated). Consent processes should not require companies to agree to aspects not under their control.	Applies to individual members
		5. Collaborate with the responsible authorities to achieve outcomes consistent with the commitments in this Position Statement, in situations where government is responsible for managing indigenous peoples' interests in a way that limits company involvement. Where a host government requires members to follow processes that have been designed to achieve the outcomes sought through this Position Statement, ICMM members will not be expected to establish parallel processes.	Applies to individual members

Position Statements	Date	Commitments	Comments
		6. Address the likelihood that differences of opinion will arise, which in some cases may lead to setbacks or delays in reaching a negotiated agreement in good faith. Companies and potentially impacted indigenous communities should agree on reasonable tests or avenues of recourse at the outset, to be applied where differences of opinion arise. This might include seeking mediation or advice from mutually acceptable parties. Where commitment 4 applies and consent is not forthcoming despite the best efforts of all parties, in balancing the rights and interests of indigenous peoples with the wider population, government might determine that a project should proceed and specify the conditions that should apply. In such circumstances, ICMM members will determine whether they ought to remain involved with a project.	Applies to individual members
5. Tailings Governance	December 2016	1. **Accountability, responsibility and competency:** Accountabilities, responsibilities and associated competencies are defined to support appropriate identification and management of TSF risks. — Accountability for the overall governance of tailings facilities resides with the owners and operators. — Organisational structures and roles are established to support management of TSF risks and governance accountability. — Communication processes are maintained to ensure that personnel understand their responsibilities. Training is conducted to maintain currency of knowledge and skills. — Role competency and experience requirements are defined for critical roles within the established organisational structures.	Applies to individual members
		2. **Planning and resourcing:** The financial and human resources needed to support continued TSF management and governance are maintained throughout a facility's life cycle. — TSF operating and capital costs, and human resource needs, are included in relevant business planning processes. — Resources necessary to implement and maintain activities within this governance framework are provided.	Applies to individual members
		3. **Risk management:** Risk management associated with TSFs includes risk identification, an appropriate control regime and the verification of control performance. — Risk controls and their associated verification activities are identified based on failure modes and their associated consequences, and evaluated on a TSF-specific basis considering all phases of the TSF life cycle. — Suitably qualified and experienced experts are involved in TSF risk identification and analysis, as well as in the development and review of effectiveness of the associated controls. — Performance criteria are established for risk controls and their associated monitoring, internal reporting and verification activities.	Applies to individual members
		4. **Change management:** Risks associated with potential changes are assessed, controlled and communicated to avoid inadvertently compromising TSF integrity. — Processes are applied that involve the identification, assessment, control and communication of risks to TSF integrity arising from both internally-driven and externally-driven change, to avoid introducing uncertain, unacceptable, and/ or unmanaged risks. — Documents and records that support TSF planning, design, construction, operation, surveillance, management and governance are maintained and kept suitably current and accessible	Applies to individual members

Position Statements	Date	Commitments	Comments
		5. Emergency preparedness and response: Processes are in place to recognize and respond to impending failure of TSFs and mitigate the potential impacts arising from a potentially catastrophic failure. — Action thresholds and their corresponding response to early warning signs of potential catastrophic failure are established. — Emergency preparedness and response plans are established commensurate with potential failure consequences. Such plans specify roles, responsibilities and communication procedures. — Emergency preparedness and response plans are periodically tested.	Applies to individual members
		6. Review and assurance: Internal and external review and assurance processes are in place so that controls for TSF risks can be comprehensively assessed and continually improved. — Internal performance monitoring and inspections and internal and external reviews and assurance are conducted commensurate with consequences of TSF failure to evaluate and to continually improve the effectiveness of risk controls. — Outcomes and actions arising from TSF review and assurance processes are recorded, reviewed, closed-out and communicated. — Performance of risk management programs for TSFs is reported to executive management on a regular basis.	Applies to individual members
6. Water Stewardship	January 2017	**1. Apply strong and transparent corporate water governance:** — Publicly disclose the company's approach to water stewardship. — Allocate clear responsibilities and accountabilities for water – from board and corporate to site levels. — Integrate water considerations in business planning – including company strategy, life of asset and investment planning. — Publicly report company water performance, material risks, opportunities and management response using consistent industry metrics and recognised approaches	Applies to individual members
		2. Manage water at operations effectively: — Maintain a water balance and understand how it relates to the cumulative impact of other users. — Set context-relevant water targets or objectives for sites with material water-related risks. — Proactively manage water quantity and quality to reduce potential socio-environmental impacts and realise opportunities. — Ensure all employees have access to clean drinking water, gender-appropriate sanitation facilities and hygiene at their workplace.	Applies to individual members

Position Statements	Date	Commitments	Comments
		3. Collaborate to achieve responsible and sustainable water use: — Identify, evaluate, and respond to catchment-level water-related risks and opportunities. — Identify and engage proactively and inclusively with stakeholders that may influence or be affected by a site's water use and discharge.	Applies to individual members
		— Actively engage on external water governance issues, with governments, local authorities and other stakeholders, to support predictable, consistent and effective regulation that underpins integrated water resource management. — Support water stewardship initiatives that promote better water use, effective catchment management and contribute to improved water security and sanitation.	Applies to members either individually or collectively
7. Climate Change	October 2021 (updated)	1. **Setting Scope 1 and 2 targets:** We will build clear pathways to achieving net zero1 Scope 1 and 2 GHG emissions by 2050 or sooner, through meaningful short and/or medium-term targets.	Applies to individual members
		2. **Accelerating action on Scope 3 GHG emissions:** We recognise that Scope 3 is critical to minimising our overall impact and we will set Scope 3 targets, if not by the end of 2023, as soon as possible. Although all Scope 3 action depends on the combined efforts of producers, suppliers and customers, some commodities face greater technological and collaborative barriers than others. We will play a leading role in overcoming these barriers and advancing partnerships that enable credible target setting and emission reductions across value chains.	Applies to individual members
		3. **Covering all material sources:** Our targets will cover all material sources of emissions, aligning to the GHG Protocol definition of organisational boundaries and materiality.	Applies to individual members
		4. **Focussing on absolute reductions:** For some operations, intensity rather than absolute targets may be more appropriate in the short and medium term. Where intensity targets are used, we will disclose the corresponding absolute increase or decrease in GHG emissions.	Applies to individual members
		5. **Applying robust methodologies:** We will use target-setting methodologies that are aligned with the ambitions of the Paris Agreement and disclose in detail the assumptions we use.	Applies to individual members
		6. **Integrating climate change in decision-making:** Implement governance, engagement and disclosure processes to ensure climate change risks and opportunities are considered in business decision-making.	Applies to individual members
		7. **Adaptation and mitigation:** Advance operational level adaptation and mitigation solutions that can support the net zero goal, taking in consideration local opportunities and challenges.	Applies to individual members
		8. **Supporting community resilience:** Engage with host communities on our shared climate change risks and opportunities and help host communities understand how they can adapt to the physical impact of climate change.	Applies to individual members
		9. **Disclosing openly and transparently:** We will report our progress on Scopes 1, 2 and 3 annually, obtain external verification over our performance, and report in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures.	Applies to individual members

Position Statements	Date	Commitments	Comments
		10. Engage with governments, peers, and others to support the development of effective climate change policies.	Applies to members either individually or collectively
		11. Support efforts to mitigate greenhouse gas emissions, in collaboration with our peers by promoting innovation, developing and deploying low emissions technology, and implementing projects that improve energy efficiency and incorporate renewable energy supply in our energy mix.	Applies to members either individually or collectively
		12. Support carbon pricing and other market mechanisms, that drive the reduction of greenhouse gas emissions, deliver the least cost pathway to emissions reductions and support predictable long-term pricing that incentivise innovation.	Applies to members either individually or collectively
8. Transparency of Mineral Revenues	December 2021 (updated)	1. Include a clear endorsement of efforts at the international level to enhance the transparency of mineral revenues, including EITI, on their website and/or in their sustainable development reports. To submit a completed international-level self-assessment form to the EITI Secretariat for posting on the EITI website.	Individual members
		2. Engage constructively in countries that are committed to implementing EITI, consistent with the multi-stakeholder process adopted in each country.	Individual members
		3. Compile information on all material payments by country and by project at the appropriate levels of government. In the case of EITI implementing countries, this should be provided to the body assigned responsibility for reconciling details of payments by companies and revenue data provided by government according to the agreed national template. Material payments by companies are expected to have been independently audited, applying international standard accounting practices.	Individual members
		4. Support the public disclosure (ie publication) of material payments by country and by project. For EITI, this should be in line with the implementation approach adopted in-country.	Individual members
		5. Engage constructively in appropriate forums to improve the transparency of mineral revenues – including their management, distribution or spending either individually or collectively through ICMM.	Individually or collectively
		6. Disclose all mineral development contracts granted or entered into from 1 January 2021 that they have signed with host governments, where such disclosure is not prohibited by law or regulation.	Individual members

Position Statements	Date	Commitments	Comments
9. Diversity, Equity and Inclusion	June 2023	**Accelerate Action:** In addition to our existing individual and collective actions, we will develop a roadmap for diversity, equity and inclusion that accelerates efforts to eliminate harmful behaviours from our workplaces and communities. The roadmap will outline the proximity and direction of our ambition, setting out key milestones to achieving our goals (see below). It will support the development and execution of actions that will contribute to positive social change. The roadmap will include the development of tools and resources and expand the scope of our already strong physical health and safety practices to address psychological wellbeing.	Applies to members collectively
		Set Goals: We will set company goals, relevant to our operating contexts, to eliminate all forms of harassment and discriminatory behaviours, and improve diversity, equity and inclusion. Further, we will agree on a collective goal or goals aimed at creating workplaces and communities that better reflect the aspirations of society for diversity and inclusion. Recognising the many contextual and operating differences of our membership, these goals will focus on the systematic barriers to diversity, equity and inclusion that exist across the mining and metals industry. They will help drive and demonstrate progress. Further, we commit to revising the goals as they are met in order to not only to sustain, but to drive ongoing progress	Applies to members collectively
		Increase Transparency: We will disclose our aggregated performance against our goals, such that it contributes to an appropriate depiction of mining's impact, in accordance with the ICMM Social and Economic Reporting Framework, disaggregating data by gender and ethnicity where possible. In doing so, we will identify and report on areas in which we are not sufficiently progressing and ensure there is continued focus on them until we fulfil our commitment. This includes embedding objectives for diversity, equity, and inclusion into employee engagement, stakeholder consultation, reporting frameworks, and monitoring and evaluating our progress.	Applies to members collectively
		Collaborate for Greater Effect: We will seek the participation of people from underrepresented groups in the design of the actions set out above, as well as engaging majority groups as advocates. By working together as members and with industry associations, governments, communities, investors and others we will help find solutions to these pervasive challenges and contribute to broader industry and social cultural change.(Collectively)	Applies to members collectively

Position Statements	Date	Commitments	Comments
9. Diversity, Equity and Inclusion	June 2023	**Accelerate Action:** In addition to our existing individual and collective actions, we will develop a roadmap for diversity, equity and inclusion that accelerates efforts to eliminate harmful behaviours from our workplaces and communities. The roadmap will outline the proximity and direction of our ambition, setting out key milestones to achieving our goals (see below). It will support the development and execution of actions that will contribute to positive social change. The roadmap will include the development of tools and resources and expand the scope of our already strong physical health and safety practices to address psychological wellbeing.	

Sustainability Report Assurance – Explanatory Material

This Annex provides additional information, explanations and guidance regarding sustainability report assurance that may be useful for ICMM member companies undertaking report assurance. Sections C4 and C5 may also be useful for the providers of report assurance to ICMM company members.

Contents

C1 Assurance Concepts

Assurance is about providing confidence to interested parties regarding the actions or assertions of an organisation concerning its management systems, internal systems and controls or performance. Assurance may incorporate activities such as internal company systems of audit and control, second-party assurance (eg by a company of its suppliers) and third-party (eg independent) assurance by an accredited organisation that results in an external public statement or certificate. Third-party assurance includes regulatory compliance auditing, certification (eg for management systems, emissions or products) and assurance, either on systems and processes or on public reporting (disclosures).

Assurance engagements involve three parties. In a report assurance engagement these are as follows (also see Figure C1.1):

Assurance provider – this is an individual or group/team of practitioners that collectively possess the independence, skills, knowledge and experience required to competently perform the assurance engagement.

Responsible party – The person/persons responsible for the subject matter and subject matter information, in this case the ICMM member company.

Intended users – The people or organisation to whom the assurance practitioner reports its assurance statement, as a minimum to the Board of the reporting company, but potentially to other stakeholders.

Figure C-1.1 Relationship between parties involved in report assurance

ICMM member company
– Manages and reports the subject matter
– Responsible for content of the report
– Provides access to all evidence required by the assurance provider

Assurance provider
– Meet independence/competency requirements
– Use assurance standards
– Obtain sufficient appropriate assurance evidence
– Provide assurance conclusions to the intended users in a written statement

Intended users of the report
Make decisions based on ICMM member company's report and assurance statement

C2 Suitable Criteria

Each subject matter requires criteria as the basis for reporting and assuring the subject matter information. The criteria may be already established or specifically developed. The criteria must be appropriate for the purpose of the engagement and 'suitable' ie be capable of reasonably consistent evaluation or measurement of the subject matter within the context of professional judgment.

The following characteristics of suitable criteria are based on the relevant sections of the IAASB International Framework for Assurance Engagements and ISAE3000:

— **Relevance:** relevant criteria result in information that assists decision-making by the intended users.

— **Completeness:** criteria are complete when the information prepared in accordance with them does not omit relevant factors that could reasonably be expected to affect the decisions of users made on the basis of that information. Complete criteria include, where relevant, benchmarks for presentation and disclosure.

— **Reliability:** reliable criteria allow reasonably consistent evaluation or measurement of the underlying subject matter including, where relevant, presentation and disclosure, when used in similar circumstances by different practitioners.

— **Neutrality:** neutral criteria result in information that is free from bias.

— **Understandability:** understandable criteria contribute to information that is clear and comprehensive and can be understood by the intended users.

The suitability of criteria for a particular engagement depends on whether they reflect the above characteristics. The relative importance of each characteristic to a particular engagement is a matter of professional judgment.

C3 Scheduling the Sustainability Report Assurance

This section is designed to be informative regarding how to spread the assurance work to reduce year-end pressures around the reporting and assurance process. The most common approaches used for scheduling the sustainability report assurance work:

— Company works with the assurance provider throughout most of the reporting year starting after the publication of the prior year report.

— Undertake the assurance throughout the report production process (for example starting 6 months before the report publication date).

— Undertake the assurance at the end of the reporting year and a month or two prior to the report publication date.

Decisions regarding this depend on the schedule for the internal reporting processes (draft versions and availability of performance data), and the governance structure (internal reviews and sign off) around the report as well as the availability of internal resources to manage the process.

Note that in Options A and B the asset level assurance (on relevant KPI data) will cover Q1-Q3 and be undertaken in Q4. In order to cover a full year of data the assurance provider will undertake a desk-based or corporate level review of Q4 data for those assets, alongside the full year data review for all assets.

Table 2 provides a visual overview of how the assurance might look for each of these options.

Table 2. Approaches for Scheduling the Report Assurance Work for a Calendar Year Report

(a)

	May	June	July	August	September	October	November	December	January	February	March	April
Initial meetings, PBC, planning		▪	▪									
Review of corporate systems, policies, materiality assessment				▪	▪							
Asset visits					▪	▪						
Corporate interviews					▪			▪				
Performance data review			Q1&2			Q3				Q4		
Review drafts/final Report							▪		▪		▪	
Draft/final Assurance Report											▪	
Report publication												▪

(b)

	May	June	July	August	September	October	November	December	January	February	March	April
Initial meetings, PBC, planning					▪							
Review of corporate systems, policies, materiality assessment						▪						
Asset visits							▪	▪	▪			
Corporate interviews								▪	▪			
Performance data review						Q1-3				Q4		
Review drafts/final Report								▪		▪	▪	
Draft/final Assurance Report										▪	▪	
Report publication												▪

(c)	May	June	July	August	September	October	November	December	January	February	March	April
Initial meetings, PBC, planning								▩				
Review of corporate systems, policies, materiality assessment								▩				
Asset visits								▩	▩	▩		
Corporate interviews									▩	▩		
Performance data review									Full	Year		
Review drafts/final Report								▩		▩		▩
Draft/final Assurance Report											▩	▩
Report publication												▩

C4 Interpreting the Subject Matters for Assurance

This section provides some additional guidance on the interpretation of each subject matter in relation to the sustainability report assurance engagement.

Subject Matter 1

The Alignment of the Member Company's Sustainability Policies, Management Standards and Procedures to the ICMM Principles and PEs and Any Mandatory Requirements Set Out in ICMM Position Statements.

What Does the Term 'Alignment' Mean?
'Alignment' refers to the level of consistency between the company's sustainability policies, management standards and procedures and ICMM's Principles, PEs and any mandatory requirements set out in the ICMM Position Statements. Member companies are expected to report any gaps or inconsistencies that exist, to allow stakeholders to form an opinion regarding the extent to which alignment has been achieved.

What Does the Term 'Company Policies' Refer To?
Policies may include corporate level policies, commitments, management standards or procedures. These typically demonstrate a corporate commitment to achieving an objective, course of action or stated outcome consistent with ICMM's principles and PEs.

What Does the Term 'Performance Expectations' (PEs) Refer To?
PEs are the ICMM expectations for each of the ICMM Principles (see the ICMM PE Self-Assessment and Validation Guidance document). The PEs which are covered in the report assurance engagement are those which are applicable at corporate level only, together with the corporate level aspects of the combined PEs.

Is Assurance Provided on Whether the Company's Policies, Commitments, Management Standards and Procedures Are Aligned to ICMM's Principles and PEs OR Whether the Disclosures Regarding the Alignment Are Fairly Presented in the Sustainability Report?
It is the responsibility of the reporting company to establish the extent to which its policies, commitments, management systems and procedures align with the ICMM's Principles and PEs, and to clearly and fairly report on the status of alignment in its sustainability report, including any gaps and a commitment and timeframe to address these.

The assurance provider's responsibility is to conclude whether disclosures regarding the status of alignment are fairly presented within the report.

When Delivering Assurance on Subject Matter 1, Is a Desk-Based Review Envisaged or Is There a Need To Back This Up With Other Evidence Gathering?
For Subject Matter 1 the assurance provider is expected to conduct a desk-based review and interviews at corporate level only including, for example:

— A review of management's self-assessment (gap analysis) of the alignment to each ICMM Principle, including the corporate PEs, corporate aspects of the combined PEs, and any mandatory requirements of the Position Statements.

— A check of management's assessment of (the status of) alignment through a review of a sample of the policies, standards, and procedures.

— Discussion with the responsible corporate-level function(s) to confirm the assurance provider's understanding of the status of alignment.

Is It Necessary To Assure Alignment of Policies, Commitments, Management Standards or Procedures to Each PE or Mandatory Requirement Set Out in a Position Statement?

A practical and pragmatic approach is required in order to assure alignment as it would be impractical to expect members to have a specific policy, management standard, or procedure for each (relevant) PE or mandatory requirement in a Position Statement. The company's mechanisms for demonstrating how its policies, management standards, or procedures are aligned to the requirements would be the basis for the disclosures on the status of incorporation in the report.

Subject Matter 2

The Company's Material Sustainability Risks and Opportunities Based on Its Own Review of the Business and the Views and Expectations of Its Stakeholders.

What Processes Should Companies Use To Identify Their Material Sustainability Risks and Opportunities?

There is no single process that companies should use to identify and prioritise material risks and opportunities. Member companies should provide a description of the processes they apply. In order to comply with the GRI Standards, companies should apply the GRI principle of materiality (GRI 101 Section 1.3) and refer to the reporting requirements in GRI 102 and the guidance in GRI 101 Section 2. Additional guidance is also available in the revised AccountAbility Principles (AA1000APS) and ISO 31000 (Risk Management).

What Disclosures on Materiality Are Expected Within the Company's Sustainability Report?

The company should report in accordance with the relevant parts of the GRI Standards on materiality, including application of the GRI Principle for Materiality (GRI 101), and disclosures for GRI 102-47. The disclosures should include, at a minimum, a description of the processes in place to identify and prioritise the sustainability risks and opportunities faced by the business during the reporting period, and the outcome of these processes (ie its list of material issues). The number and nature of material issues will depend on the size and complexity of the company. Note that the GRI Principle for Stakeholder Engagement (GRI 101) and disclosures regarding stakeholder engagement (GRI102-40, 102-42 and 102-44) are also relevant as input for the determination of material sustainability risks and opportunities.

What Should Assurance Providers Look for To Provide Assurance on Subject Matter 2?

The assurance provider should conclude on whether the information reported appropriately reflects the process in place to identify and prioritise the material sustainability risks and opportunities and outcomes.

Assurance providers should seek to understand and gather documented evidence of the following:

— Key stakeholder identification and engagement processes.

— The issues raised in the reporting year by internal and external stakeholders.

— Risk and opportunity identification/ measurement process/es.

— Risk and opportunity assessment and prioritisation criteria (to determine materiality).

— Internal review and confirmation of the list material issues.

— Documented evidence of the application of the processes above resulting in the identified material risks and opportunities.

Can Assurance on Subject Matter 2 Be Undertaken by Doing Assurance Work at the Corporate Level Only?

Member companies are expected to document the results of stakeholder engagement and materiality assessment at the asset level and corporate level. Limited assurance procedures for Subject Matter 2 can therefore be undertaken at corporate level if sufficient evidence from the assets (eg minutes of stakeholder meetings, local materiality analysis or assessment, PE validation reports) is available at the corporate level.

Subject Matter 3

The Existence of Systems and Approaches That the Company Is Using To Manage Each (or a Selection) of the Identified Material Sustainability Risks and Opportunities.

Should a Company-Wide Management System Be Developed, and Reported On, by Member Companies (To Manage All Sustainability Risks and Opportunities) and Assured by an Assurance Provider?
No, the company does not have to have a single sustainability management system that covers all of the material risks and opportunities. It can have several systems that address the different risks and opportunities (for example, a company can have an environmental management system that has a community component and an occupational health and safety management system).

To enable complete identification and prioritisation of the material sustainability risks and opportunities at a corporate level, there should be a cross-cutting mechanism for the aggregation or 'roll-up' of all of the sustainability risks and opportunities. This would normally be reported by the company and reviewed by the assurance provider as part of Subject Matter 2.

What Is the Difference Between 'Systems' and 'Approaches'? What Level of System or Approach Is Adequate?
These two terms are closely linked and are sometimes used interchangeably. A system usually describes a structured framework of processes and procedures to manage the sustainability risks and opportunities of an organisation. An approach describes how specific sustainability risks or opportunities are actually managed. For example, in the case of biodiversity, the risks and opportunities might be managed through an environmental management system consistent with the requirements of ISO14001, and an approach to managing the risks and opportunities might be based on the concept of achieving no-net-loss of biodiversity.

Similarly, best available technology (BAT) might describe the approach a company adopts to achieve control of smelter emissions, but this approach needs to be applied within the context of an effective management system.

The system and approach should be sufficient to minimise or manage the risk or to take advantage of the opportunity. The formality and extent of the mechanisms used to manage sustainability risks and opportunities must be appropriate to the magnitude of the risk or opportunity and disclosed in the sustainability report in line with GRI 103.

How Should the Material Risks and Opportunities To Be Assured for Subject Matter 3 Be Selected?
Subject Matter 3 requires assurance to be provided on disclosures relating to the systems and approaches used to manage a selection of 'material' risks and opportunities. It is suggested that the company member discloses its approach for selecting the material risks and opportunities and related systems and approaches to be assured.

The assurance provider is encouraged to discuss this selection with the reporting company, so they can reach agreement that the selection fully takes into consideration the business material sustainability risks and opportunities. For example, the selection could be influenced by the following:

— The materiality assessment undertaken (consistent with Subject Matter 2) and stakeholder engagement.

— Risks and opportunities that have been the subject of previous assurance engagements.

— Issues that have attracted stakeholder and media attention in the current reporting period.

— New risks or opportunities introduced through merger, acquisition or divestment in the current reporting period, or changes in the level of risk assessed compared with previous reporting periods.

Subject Matter 4

The Company's Reported Performance During the Given Reporting Period for Each (or a Selection) of the Identified Material Sustainability Risks and Opportunities.

How Should the Material Risks and Opportunities To Be Assured for Subject Matter 4 Be Selected?
Subject Matter 4 allows for assurance to be provided on the reported performance for a selection of 'material' risks and opportunities. It is suggested that the member company has in place and discloses within its sustainability report its approach for selecting the material risks and opportunities and related performance data to be assured (similar to Subject Matter 3).

In practice, most companies will apply the same process for selecting material risks and opportunities for Subject Matters 3 and 4, and it is likely that the selected performance data (Subject Matter 4) will be related to the selected management systems/approaches for material risks and opportunities (Subject Matter 3). However, the selection of management systems/approaches may differ from the selection of performance data.

The assurance provider is encouraged to discuss this selection with the reporting company, so they can reach agreement that the selection adequately considers the material sustainability risks and opportunities.

The same issues identified above when selecting material sustainability risks and opportunities for Subject Matter 3 should be considered for this selection relating to Subject Matter 4.

Can Assurance on Subject Matter 4 Be Undertaken by Solely Focusing on the Corporate Level?
Assurance on Subject Matter 4 requires consideration of the bottom to top data measurement, collection, aggregation, and reporting processes, including internal controls. Therefore, assurance procedures will generally need to be undertaken at selected assets in addition to procedures at the corporate level.

Risks that could materially affect the accuracy and completeness of the reported data exist at many points in the data trail, from the assets to the published report. The assurance provider should make clear in their report the nature of any limitations in their engagement that would affect their capacity to express an opinion on the ability of the control environment to address those risks.

Subject Matter 5

The Company's Description of Its Process for Prioritising Assets for PE Validation.

Where Should Information on the Prioritisation Process Be Disclosed?
The information on the prioritisation process should be disclosed either in the sustainability report itself or linked from the sustainability report to a specific section on the company member's website. The location should either be linked from, or clearly described in, the assurance statement.

What Should Assurance Providers Look for To Provide Assurance on Subject Matter 5?
The assurance provider should conclude on whether the information reported appropriately reflects the process which has been used to prioritise assets for PE validation.

How Often Should These Disclosures Be Assured?
These disclosures should be assured as part of the annual report assurance engagement. However, as for Subject Matter 2, the underlying process may not change from year to year so the focus of the assurance provider will be on any changes to the prioritisation process in the reporting year and whether assets for PE validation in the reporting year were selected in line with the process described.

C5 Guidance on the assurance approach

C5.1 Boundaries

The boundaries of the assurance engagement reflect the boundary and consolidation policies applied by the company to the reported information on the subject matters included in the assurance engagement.

Member companies should follow the reporting requirements and guidance for boundary setting in Section 2 of the GRI Standard 101 (reproduced in Box C5.1) to determine which entities' (eg subsidiaries, joint ventures, suppliers) performance will be included in the reporting for each identified material risk/opportunity (Subject Matters 3 and 4). It is important to note that the GRI Standards require consideration of impacts outside the company's direct control and the reporting boundary may therefore vary for each material risk or opportunity.

**Box C5.1: Boundary Setting
(Extract from GRI Standard 101 Section 2)**

> **2.4 The Reporting Organisation Shall Identify the Boundary for Each Material Topic.**
>
> **Guidance: Reporting the Boundary for Each Material Topic**
> The topic boundary is the description of where the impacts occur for a material topic, and the organisation's involvement with those impacts. Organisations might be involved with impacts either through their own activities or as a result of their business relationships with other entities.
>
> An organisation preparing a report in accordance with the GRI Standards is expected to report not only on impacts it causes, but also on impacts it contributes to and impacts that are directly linked to its activities, products or services through a business relationship. In the context of this GRI Standard, an organisation's business relationships can include relationships with business partners, entities in its value chain and any other non-State or State entity directly linked to its business operations, products or services.
>
> Disclosure 103-1 in GRI 103: Management Approach requires reporting the boundary for each material topic. See GRI 103 for more detailed information on boundaries.

C5.2 Sampling at Asset Level

For sustainability report assurance, the need for assurance procedures at asset level is considered in relation to the collection of evidence and source data that support the reported performance (data) for the agreed selected material sustainability risks and opportunities (Subject Matter 4) for the reporting year and the level of assurance to be obtained. Note that this may differ from the PE validation programme at assets. The expectation is that some work would be required at levels below the corporate level in order to understand the flow of performance information/data from the source through to the corporate level for consolidation in external reporting, as well as the reliability (completeness and accuracy) of the source information. The associated effort would increase with a higher level of assurance.

The company and assurance provider should discuss and agree on assets to be visited at the scoping phase of the assurance engagement. This should take into consideration the past history of asset visits (for data assurance) and whether there are new assets within the portfolio of assets (eg following merger and acquisition activity) and the selected performance indicators for Subject Matter 4.

For this selection, assurance providers assess the risk of a material misstatement in the reported performance at the corporate level for the selected performance indicators through errors or omissions at the asset level, and may use the following risk-based criteria to select a sample of assets to include in their assurance activities:

— The nature of the specific performance indicator.

— The quality of reporting systems and related internal assurance processes (internal controls).

— Size of asset (production/number of employees).

— Type of facility.

— Geographical, country context or regulatory influences.

— Changes in the business (acquisitions/disposals) and activities, eg start up/closure.

— Contribution to reported performance.

— Findings from previous visits.

— Quality of management practices and performance.

— These criteria should be used to identify the assets that significantly contribute to the risk of a material misstatement in the performance data for the selected material sustainability risks and opportunities.

— If the assurance provider is undertaking PE validation work at the selected assets in the reporting year, it may be possible to combine these activities. Level of assurance to be obtained.

Ultimately, it is up to the assurance provider to use their professional judgement to determine the number and nature of assets they need to visit to obtain sufficient evidence to support their assurance conclusions.

C5.3 The Assurance Statement

What Should a Credible Assurance Statement Contain?
The content of the assurance statement will reflect the assurance standard used to undertake the assurance engagement. In general, an assurance statement should clearly present the following items:

— The subject matters (and related disclosures) selected for assurance (this is the **scope of the assurance engagement**).

— For Subject Matter 3 (management systems) and Subject Matter 4 (performance data), the assurance provider should clearly present which material sustainability issues/topics have been selected for assurance; it should also ensure that the assurance conclusions appropriately relate to these.

— The level of assurance that has been undertaken for each assurance subject matter/disclosure.

— Reference to the suitable criteria for each subject matter and the selected material performance indicators eg GRI, GHG Protocol, etc.

— The assurance standard(s) used to undertake the engagement.

— The period the assurance relates to (reporting year, eg for performance data).

— The level and extent of the effort applied; as a minimum this should indicate:

  - Work undertaken at the company and asset level (interviews, review of reporting guidelines, systems and controls, analytical review of data, data collection, completeness and consolidation.

  - Whether reporting controls were tested (mainly for reasonable assurance).

  - Whether reliance has been placed on internal or other assurance processes, including PE validation reports, regulatory audits, ISO audits, internal asset audits, etc.).

  - Number of assets visited and their locations.

— A statement confirming the objectivity and competence of the assurance provider to undertake third-party assurance, including its system of quality control.

— The assurance provider should seek to ensure that its assurance opinion/conclusions:

  - Use language appropriate to the level/type of assurance undertaken (limited/moderate or reasonable/high).

- Relate fully to the scope of the assurance engagement (as presented at the beginning of the assurance statement).

- Use language that does not leave any ambiguity in the reader's mind on the status of the company's disclosures regarding its practices and performance in relation to the assurance subject matters.

- Use language that does not leave any ambiguity in the reader's mind when presenting assurance findings or qualifications.

What Does It Mean for a Member Company To Have a Qualified Assurance Conclusion or Opinion in the Assurance Statement? Is There a Risk That This Can Be Interpreted As Meaning the Company's Report Is Not Credible?

Qualified assurance conclusions or opinions may result when:

— Significant assurance findings arise that the reporting organisation was not able to correct by the time the sustainability report (and assurance statement) is issued; or

— Significant assurance findings arise where the opinion of management and the assurance provider differ.

Under most assurance standards there are **three options** open to an assurance provider for a qualified statement that are reflected in the following wording in the opinion/conclusion.

1. Qualified conclusions: 'In our opinion, except for […], XYZ is fairly stated, in all material respects, based on XYZ criteria.'

2. Adverse conclusion: 'In our opinion, XYZ is not fairly stated, in all material respects, based on XYZ criteria.'

3. Disclaimer of conclusion: 'We were not able to express an assurance opinion on XYZ subject matter.' (Add a sentence explaining why.)

Assurance standards provide another option that can be used when the company and assurance provider agree that there is an issue that needs to be drawn to the attention of the user and the company is willing to disclose this (limitation) in the report. The assurance provider can then reference this disclosed limitation in an 'Emphasis of Matter' paragraph in the assurance statement, for example:

'In our opinion, XYZ is fairly stated, in all material respects, taking into account the limitation regarding TYU as stated on page xx of the report.'

In report assurance, adverse conclusions and disclaimers of conclusion are very rare. More often, a qualified assurance conclusion or an Emphasis of Matter paragraph is used to highlight a specific weakness in systems, processes or reported performance for an issue/topic or KPI.

Is there scope to exclude aspects that might give rise to a qualified assurance conclusion after the assurance providers work has commenced?

Assurance standards and professional practice do not allow a change in the terms of the engagement (subject matter(s) or level of assurance), after work has commenced, as a result of an identified material error or omission during the engagement.

In practice, sustainability report assurance is still a voluntary activity and therefore the assurance approach allows some flexibility in recognition that companies are working to improve their sustainability management, performance and reporting and that the field is still evolving. Disclosures by the company, for example footnotes relating to the boundary, completeness or accuracy of the data for a specific KPI, are often used to explain limitations identified during the assurance process.

What Does a Qualified Assurance Conclusion Mean in Practice?

The impact of a qualified assurance conclusion or opinion on the credibility of the sustainability report will depend on the nature and extent of the qualification and the perceptions of the intended users.

Ideally, the reporting company should self-qualify its report, even if the assurance provider also qualifies the conclusion or opinion, as this will:

— Increase the credibility of the reporting organisation, especially if it also commits to addressing/improving the situation in the future.

— Demonstrate/confirm whether the reporting company agrees with the assurance provider's qualified conclusion(s).

— Demonstrate the value of the assurance process to drive performance improvement over time.

C6 Guidance on Assurance Activities To Be Undertaken for Each of the ICMM Subject Matters for the Sustainability Report for Limited/Moderate and Reasonable/High Assurance

C4 provides some guidance regarding the assurance activities and procedures which could be undertaken for each of the ICMM subject matters for limited and reasonable assurance on the disclosures in the sustainability report.

The proposed activities are based on the experience of companies and assurance providers and build on information already provided within the assurance standards.

It is recognised that each assurance provider will have its own perspectives on this and that practices will evolve over time. Also, the type of assurance activities for each engagement will be influenced by the maturity of the company's reporting systems and related internal controls and the results of assurance undertaken in prior years and will therefore change over time. The activities presented are therefore **illustrative only**.

For each of these subject matters, the assurance provider should review the sustainability report disclosures and ensure that they correspond to the outcome of its assurance work.

Subject Matter	Illustrative Assurance Activities for Limited /Moderate Assurance	Illustrative Assurance Activities for Reasonable/High Assurance
Subject Matter 1		
The alignment of the member company's sustainability policies, management standards and procedures to the ICMM Principles, associated PEs and any mandatory requirements set out in the ICMM Position Statements	— Understand the company's assets, its sustainability risks and opportunities, sustainability policies framework, and the company's stakeholders' feedback. — Review the company's self-assessment of its policies' alignment to the ICMM sustainability principles. — Desktop review and testing on a sample basis of the company's policies' alignment to the ICMM sustainability principles. — Understand and review why certain sustainability principles or mandatory requirements in the ICMM Position Statements are not being adhered to. — Check that the company's disclosures in the sustainability report are consistent with the conclusions reached after completion of the assurance procedures.	In addition to all limited assurance activities: — Assess and test all relevant sustainability principles or Position Statements to form an opinion on their alignment with the ICMM requirements. — Understand and review why any ICMM requirements are not being adhered to.
Subject Matter 2		
The company's material sustainability risks and opportunities based on its own review of the business and the views and expectations of its stakeholders	— Understand the company's assets and related material risks and opportunities. — Understand and evaluate the company's approach to stakeholder identification, engagement, feedback collection, analysis and reporting (company and asset level). — Desktop research of stakeholders' views of the company (media, web, others). — Understand and evaluate the company's process for reviewing its business activities and identifying its material sustainability risks and opportunities (at company and asset level). — Check that the company's disclosures in the sustainability report are consistent with the conclusions reached after completion of the assurance procedures.	In addition to limited assurance activities and the need for a larger sample size for each assurance procedure: — Observe selected stakeholder engagements. — Potentially engage directly with stakeholders on a sample basis to corroborate what has been presented by management.

Subject Matter	Illustrative Assurance Activities for Limited /Moderate Assurance	Illustrative Assurance Activities for Reasonable/High Assurance
Subject Matter 3		
The existence and status of implementation of systems and approaches that the company is using to manage each (or a selection) of the identified material sustainability risks and opportunities	— Understand the management system, its objectives, architecture and expectations for each (selected) material risk or opportunity. — Review how the management system has been rolled out across the organisation including training, monitoring systems and reporting and management review. — Review stakeholders' feedback on the company's practices and performance related to the management systems being assessed. — Check that the company's disclosures in the sustainability report are consistent with the conclusions reached after completion of the assurance procedures.	In addition to limited assurance activities and the need for a larger sample size for each assurance procedure: — Engage directly with stakeholders on a sample basis to corroborate what has been presented by management. — Identify and test the validity of reported performance associated with monitoring of adherence to the (selected) management system and approaches (follow up of major/minor findings from internal/external audit and PE validations).
Subject Matter 4		
The company's reported performance during the given reporting period for each (or a selection) of the identified material sustainability risks and opportunities	— Understand the data measurement, collection, aggregation, and reporting processes (from assets to the report). — Understand the boundary for reporting on the selected performance. — Assess the completeness of assets within the performance reported for each selected material risk or opportunity. — Assess the completeness of sources for relevant indicators (eg for emissions). — Review the management controls in place for ensuring quality of data measurement, collection, aggregation, and reporting. — On a sample basis review source data (at asset level) to assess data measurement, collection, aggregation, and reporting processes designed to ensure completeness, and accuracy of reported data. — Review any internal audit/external assurance work and management reports. — Check that the company's disclosures in the sustainability report are consistent with the conclusions reached after completion of the assurance procedures. — Review the reasonableness of the trend over time and any explanatory notes regarding changes or restatements presented in the sustainability report.	In addition to limited assurance activities and the need for a bigger testing sample size for each activity: — Test the management controls in place for ensuring quality of data measurement, collection, aggregation, and reporting. — Gather, review and test, insofar as is feasible, corroborative evidence for performance information.

Subject Matter	Illustrative Assurance Activities for Limited /Moderate Assurance	Illustrative Assurance Activities for Reasonable/High Assurance
Subject Matter 5		
The company's description of the prioritisation of assets for PE validation	— Review the outcome of the prioritisation process in the reporting year and confirm whether the described process was applied to the selection of assets. — Check that the company's disclosures in the sustainability report are consistent with the conclusions reached after completion of the assurance procedures.	No additional activities required.

ICMM stands for mining with principles.

We bring together a third of the global metals and mining industry, along with key partners to drive leadership, action and innovation for sustainable development, ultimately delivering a positive contribution to society.

Through collaboration, ICMM member companies set the standard for responsibly produced minerals and metals in a safe, just and sustainable world.