CCCMC 中国五矿化工进出口商会
China Chamber of Commerce of Metals,
Minerals & Chemicals Importers & Exporters

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Guidelines for Social Responsibility in Outbound Mining Investments

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Foreword

Economic globalization has been accompanied and promoted by a more widespread allocation and distribution of capital assets, information technology, labour resources, and other production factors. Fuelled by economic growth and by increasing demands of a growing world population, the global competition for mineral resources is intensifying. Driven by the ‘Going Out’ strategy, Chinese companies are encouraged to actively engage in the optimization of allocation and distribution of global mineral resources in order to meet the needs of the rapid growth of the Chinese economy.

As a capital-intensive long-term business, the sustainable development of mineral resources requires continuous public trust and a stable legal, political, social, and economic environment. As for Chinese mining companies engaged in outbound investment, specific corporate social responsibility (CSR) issues with regard to mineral development – such as improving production efficiency, ethical and fair operations, labour conditions, providing safe working conditions, minimizing environmental pollution, avoiding contributing to armed groups or sourcing “conflict minerals”, and being responsible for improvements in the lives of the local community – should be the major focus.

Against this background, the China Chamber of Commerce of Metals, Minerals and Chemicals Importers and Exporters (CCCMC), an industry association aimed at promoting the sustainable development of the outbound investment and trade operations of the Chinese mining industry, has developed the ‘Guidelines for Social Responsibility in Chinese Outbound Mining Investment’ (hereafter referred to as the ‘Guidelines’), with the support of the bilateral Sino-German Corporate Social Responsibility Project and the Emerging Market Multinationals Network for Sustainability Project that are jointly initiated by the Chinese and German governments. The purpose of the Guidelines is to regulate Chinese mining investments and operations, and to guide Chinese companies in improving CSR and sustainability strategies, as well as management systems.

These Guidelines are essentially structured along the principles and core subjects of the ISO 26000 Guidance on Social Responsibility with some exceptions to better reflect the specifics of the mining industry. They take into account the Ten Principles of the United Nations Global Compact and other international standards and initiatives. They also take into account the Guiding Opinions on Performance of Social Responsibilities by State-owned Enterprises under the Central Government released by the State-owned Assets Supervision and Administration Commission (SASAC) of the State Council and relevant laws and regulations. Moreover, to develop the principles and requirements of these Guidelines, industry-specific sustainability standards, such as the Sustainable Development Framework of the International Council of Minerals and Metals (ICMM), the Code of Practices from the Responsible Jewellery Council, and the Bettercoal Code, etc., have been reviewed and relevant sections to the Chinese mining industry have been included in these Guidelines (see Annex 1). The process of developing these Guidelines is geared to the ISEAL Standard-Setting Code of Good Practice for establishing Social and Environmental Standards. (see Annex 2) Relevant Chinese government departments, Chinese mining companies, industrial associations, and selected experts have provided comments and suggestions to these Guidelines. (see Annex 3)

The Guidelines are divided into three Chapters. Chapter One outlines the scope of the Guidelines and defines the guiding principles of social responsibility. The seven guiding principles represent the overarching commitment to social responsibility in outbound mining investments and thereby embody the “spirit” of these Guidelines.

Chapter Two, which is the main chapter of these Guidelines, specifically outlines the requirements of social responsibility for outbound mining investments. The requirements are organized in three tiers, and are further enriched by explanatory footnotes. The first tier determines the eight social responsibility subjects of these

Guidelines. Each social responsibility subject is further specified by so-called main clauses, which form the second tier of these Guidelines. These main clauses represent the minimum requirements of social responsibility for Chinese mining companies investing abroad. "Minimum requirements", in this regard, means, that the clauses explicitly set out the areas in which companies are expected to be in compliance with, and which – at a later stage – could serve as the baseline for performance measurement. The third tier contains the sub clauses of each main clause. The sub clauses suggest approaches, measures, and pathways for implementing the main clauses. The footnotes provide additional explanatory information on specific issues and reference international standards.

Chapter Three contains an explanation how these Guidelines will be implemented and how CCCMC will support and monitor the implementation of these Guidelines.

1. Scope and Guiding Principles of the Guidelines

Scope of Application

The social responsibility of Chinese outbound mining investment is that companies should proactively consider legal, ethical, social, and environmental factors in their decision-making processes and operations. They must thoroughly respect the rights and interests of stakeholders by practicing ethical and transparent behavior and effectively managing the social and environmental impact from mineral exploration, extraction, processing, investment, and related activities and to strive for harmonious mineral development operations. These guiding principles represent the overarching commitments of Chinese companies.

These Guidelines apply to all mineral exploration, extraction, processing and investment cooperation projects, including related activities such as mining-related infrastructure development in foreign countries, in which Chinese companies have invested.

Mineral exploration, extraction, processing and investment cooperation projects mean any activities for which a license, lease, concession or similar legal agreement to operate in the extractive industries sector has been obtained by a legal entity whose beneficial ownership fully or partially rests with a Chinese company.

These Guidelines further provide guidance on identifying prioritized social responsibility issues, establishing social responsibility systems, disclosing social responsibility information, and continuously improving the economic, social and environmental performance with regard to the principles and requirements specified in these Guidelines.

These Guidelines do not provide an exhaustive list of all possible requirements relating to social responsibility, nor do they exclude concurrent or supplementary application of other social responsibility standards, systems, or initiatives.

Guiding Principles

Implementing companies commit to:

1.1. Ensure compliance with all applicable laws and regulations.

Companies must ensure that their investments and operations are in line with applicable Chinese and host country laws and regulations and with industry minimum standards. Compliance with all applicable laws and regulations is a basic requirement of corporate social responsibility. It is, however, encouraged to exceed requirements of laws and regulations.

1.2. Adhere to ethical business practices.

Companies should implement and maintain ethical business practices and sound systems of corporate governance, eliminate all forms of corruption, adhere to fair operating practices, assess all operations with regard to their sustainable development impact, and ensure that all operations contribute to economic, environmental, and social progress.

1.3. Respect human rights and protect the rights and interests of employees.

Companies should respect human rights and comply with the eight fundamental Conventions of the International Labor Organization and the host country's labor laws, regulations, and standards.

1.4. Respect nature and protect the environment.

Companies should reduce to a minimum the environmental impact and ecological footprint throughout the mining life-cycle by conducting thorough environmental impact assessments, minimizing waste and emissions, ensuring mine closure and site rehabilitation, conserving resources and recycling, implementing environmental risk management, contributing to the conservation of biodiversity, and seeking continual improvement of their environmental performance.

1.5. Respect stakeholders.

Companies should contribute to the social, economic, and institutional development of the host countries while respecting the rights and interests and responding to the concerns of materially affected stakeholders, such as employees, suppliers, and local communities[1] throughout the life cycle of the mining operation.

1.6. Strengthening responsibility throughout the extractive industries value chain.

All companies should aim to promote a sustainable development of the overseas mining industry by continuously improving their performance in sustainability and by generating positive impacts from the industry, so as to jointly establish and optimize the responsible value chains for the development of the mining industry.

1.7. Strive for transparency.

Companies should report on their material impacts and disclose their ethical, social, and environmental performance to their stakeholders in ways that are appropriate and meaningful to their needs. They should give a comprehensive view of their policies, risks and results with regard to ethical, environmental, and social matters.

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[1] "Community" refers to any stable group of people which may be affiliated by geographic, administrative or ethnic characteristics or common interests or beliefs which is affected directly or indirectly by the mining operation.

2. Social Responsibility Issues in Outbound Mining Investment

2.1. Organizational Governance

“Organizational governance” in the Guidelines refers to the organizational management systems developed and implemented by companies to realize their social responsibilities. Within effective organizational governance, the guiding principles and requirements of these Guidelines shall be integrated into the decision-making process and implemented, in order to secure that the companies can improve their performance while being responsible to the society.

2.1.1. Develop social responsibility goals, policies, and plans for economic, social, and environmental impact areas and disseminate these both, internally and externally, to create a common understanding.

2.1.2. Integrate the principles and requirements of these Guidelines and the corresponding goals, policies, and plans into the high-level decision-making system, and into the organizational structure of the company; identify or establish a department or mechanism in the company for social responsibility decision-making and for coordination, and assign responsibilities for implementation throughout the company.

- Appoint or set up decision-making and coordinating bodies for social responsibility management according to the governance structure and operational status of the enterprise. The decision-making body shall formulate social responsibility goals, policies, and plans and supervise their implementation, whereas the coordinating body shall conduct internal and external social responsibility communications, and promote the integration of social responsibility into daily operations, in order to guarantee consistency in planning and implementation

2.1.3. Develop indicators for economic, social, and environmental impact, run a comprehensive monitoring and evaluation system, and set targets for continuous improvement.

- Establish and improve monitoring and evaluation mechanisms, and incorporate key indicators of social responsibility performance into staff performance evaluations. Regularly assess the economic, social, and environmental impacts of the enterprise's operations, and implement corresponding improvement plans

2.1.4. Establish a social responsibility capacity building scheme to increase the awareness for social responsibility and disseminate the social responsibility goals, policies and plans of the company.

- Develop a capacity building scheme for implementing these Guidelines, managing social responsibility issues, monitoring and evaluating social responsibility performance, and disclosing material information
- Assess the capacity building needs for all social responsibility issues and impact areas that are outlined by these Guidelines and integrate into the capacity building scheme
- Instill confidence in stakeholders to capably deal with environmental and social issues through capacity building

2.1.5. Map all relevant and affected stakeholders, and proactively solicit, respect, and respond to stakeholder feedback and expectations including those from non-governmental organizations (NGOs) and local communities.

- Stakeholders refer to any interested individual or group that may influence or be potentially influenced by the decisions and activities of a mining operation. Companies shall establish stakeholder engagement mechanisms to guarantee the participation of stakeholders and their access to information and supervision

2.1.6. Strengthen the transparency of, and disclose in a regular and timely manner to stakeholders, all material information based on relevant reporting standards, including the decisions which have a social and environmental impact, e.g. through issuing CSR reports.[2]

- Establish and improve social responsibility information disclosure mechanisms and provide information on social responsibility performance to stakeholders in a timely manner
- Information disclosure should follow a structured process in which not only selected information is disclosed, but in which all material information is identified which is relevant to stakeholders within and outside the company
- It is encouraged to seek some kind of standardized assurance to verify the accuracy of the information disclosed

2.2. Fair Operating Practices

Fair operating practices refer to the requirement for companies to adhere to ethical behavior towards other parties, to participate in public affairs responsibly, and to be responsible to society.

2.2.1. Develop and implement a statement or policy on ethical business conduct.

- Follow relevant international standards and conventions for anti-corruption
- Do not, directly or indirectly, offer, give, or demand a bribe or any other undue advantage in order to obtain or retain business or other improper advantage

2.2.2. Develop a compliance and integrity management system and ensure its implementation, including an independent audit system, an effective

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[2] Good practice is to develop sustainability reports based on reporting templates and guidebooks such as the Global Reporting Initiative’s G4 Sustainability Reporting Guidelines including the Mining and Metals Sector Disclosures and/or the most relevant Chinese guide, such as the CSR Report Preparation Guide 3.0 issued by the Chinese Academy of Social Sciences (CASS).

internal control system, due diligence, risk assessment, staff-at-risk training, whistleblower mechanisms, and punitive measures.

- Have systems in place to reduce bribery risks in the company, including identification and monitoring of high-risk units, training of the management and relevant staff, recording of relevant gifts to and from third-parties in a gift register, investigating any incidents of suspected bribery, and avoiding facilitation payments

2.2.3. Prevent and control bribery and other forms of corruption in the supply chain.

- Prohibit bribery in all business practices and transactions, including those of agents and other third-parties, and set criteria and approval procedures with respect to the offer or acceptance of gifts
- Use the greatest efforts to promote responsible business practices with all business partners
- Take effective measures to prevent the involvement in money laundering and financing of terrorism, e.g. by establishing the identity and beneficial ownership of suppliers and customers; monitoring transactions for unusual or suspicious activity; and maintaining records of cash transactions that occur above the relevant defined financial threshold under applicable law[3]

2.2.4. Respect intellectual property rights.

- Make sure that intellectual property rights of all parties are protected. Business partners should not infringe the intellectual property rights of any third parties when conducting business.
- When granting or obtaining licenses for the use of intellectual property rights or when otherwise transferring technology, do so on reasonable terms and conditions and in a manner that contributes to the long term development prospects of the host country

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[3] If no applicable law exists, a threshold shall be determined by the company, which is comparable to internationally used thresholds. The EU obliges companies to record cash transactions equal to or above € 15.000.

2.2.5. Disclose payments made to governments.

- Disclose all payments which are made to foreign government entities in countries of operation, including in-kind payments and infrastructure projects, in line with global transparency standards, in countries where those apply[4]

2.3. Value Chain Management

Companies shall integrate ethical, social, and environmental standards in the extractive industry value chain, both downstream and upstream. Companies shall use their leverage to improve the supply chain to meet the demands for responsible products and services, and to optimize the value chain of mineral products.

2.3.1. Require and support first-tier suppliers to adhere to the principles and requirements set out in these Guidelines and leverage first-tier suppliers to enforce these Guidelines in their supply chains respectively.

- Issue a code of conduct which requires suppliers to fulfill the relevant requirements of the Guidelines and encourage suppliers to sign this document

2.3.2. Set targets for responsible procurement and formulate relevant company policies.

- Determine and make publicly available a procurement policy which spells out the requirements beyond price and quality that determine a procurement decision in certain areas – e.g. noise level of machinery and trucks, percentage of renewable energy mix, etc.

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[4] It is becoming a global standard to disclose payments made to foreign government entities in relation to mining projects. To date, 44 resource-rich countries implement the standard of the Extractive Industries Transparency Initiative (EITI), which requires governments to disclose their receipts from mining companies and companies to disclose their payments made to government entities. The figures are reconciled and published in an annual national EITI report, in order to prevent corruption and inform the public about revenues from resource wealth. It is encouraged to use the formula as set out in the EITI Standard under 4.1b) to determine which types of payments should be reported under these Guidelines. Apart from the EITI, mining companies listed on US or EU stock exchanges are now required to disclose payments made to any foreign government entity related to mining projects in all countries of operation as established by the US Dodd-Frank Act and the EU Accounting and Transparency Directives, respectively. Similar provisions are required by the Hong Kong stock exchange as a precondition for listing and after listing. The IFC and other lenders also require mining companies to disclose their payments to governments. Revenue transparency is becoming globally imperative for the mining industry.

2.3.3. Set a clear target for localized procurement, indicating which and how many supplies will be purchased from the host country, from the local mining communities, and from abroad.

- Support the development of the local economy, e.g. if the quality and price of local products and services are reasonable, localized procurement shall be prioritized

2.3.4. Companies that are engaged in upstream activities of mineral development – e.g. processing, trading or sourcing from artisanal miners or cooperatives – should adopt a due diligence and internal control system to assess risks in their supply chain.

- Work together and seek a productive relationship with artisanal and small-scale miners in the mining area
- Companies that source from artisanal and small-scale miners shall regularly assess risks of forced labor, child labor, unsafe working conditions, uncontrolled use of hazardous substances and other significant environmental impacts[5]

2.4. Human Rights

Admitting and respecting human rights is very important for the rule of law, social justice, stability, and a harmonious society. The companies shoulder the responsibility to respect human rights within their sphere of influence. The companies shall take active measures to avoid the passive acceptance or active involvement in human rights violations.

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[5] The uncontrolled use of hazardous substances often refers to mercury and cyanide, as these are often used in ASM gold mining. The US Environmental Protection Agency (EPA) estimates that 20% of the global gold production is mined by artisanal and small-scale mining, being responsible for the largest elemental mercury emissions to the environment (approximately 400 metric tons/ year). Several tools have been developed to address this issue. The EPA itself has developed a process entitled "Gold Shop Mercury Capture System (MCS)". The Artisanal Gold Council has developed a scheme entitled "Mercury-free gold processing system and training center". Companies should consider supporting ASM with similar tools and techniques.

2.4.1. Observe the UN Guiding Principles on Business and Human Rights during the entire life-cycle of the mining project.

- Develop a policy commitment to meet the responsibility to respect human rights
- Develop a human rights due diligence process to identify, prevent, mitigate, and address adverse impacts on human rights
- Develop a provision or cooperate with the local community to effectively remedy those affected by adverse human rights impacts through legitimate processes

2.4.2. Ensure non-complicity in human rights violations.

- Do not profit or seem to be profiting from human rights violations by others; do not condone or seem to condone human rights violations by others and effectively communicate the company's human rights policy to business partners
- Ensure that private security personnel or public security forces designated to protect the mining operation operates in accordance with the Voluntary Principles on Security and Human Rights

2.4.3. Minimize involuntary resettlements of people residing in the mining area and compensate fairly where inevitable.

- Develop a livelihood restoration plan when the nature or magnitude of the land acquisition with the potential to cause physical or economic displacement is unknown due to the stage of project development
- Strive to avoid conditions that could lead to the development of uncontrolled settlements in the vicinity of the operation

2.4.4. Respect the culture and protect the heritage of local communities and indigenous peoples, minimize the cultural impact, and do not harm traditional cultures of local peoples by the mining operation.[6]

- Engage with potentially impacted communities, e.g. with indigenous peoples, with the objectives of ensuring that the development of mining projects fosters respect for their rights, interests, aspirations, culture, and natural resource-based livelihoods
- Design projects to avoid impacts and minimize, manage or compensate for unavoidable residual impacts; ensure sustainable benefits and opportunities for indigenous peoples through the development of mining projects

2.4.5. Protect the rights for free, prior and informed consent of local communities including indigenous peoples.[7]

- 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
- Follow the principles for free, prior and informed consent when an operation involves significant direct impacts to ancestral territories of indigenous peoples, irrespective of recognition by the state, or the involuntary relocation of indigenous communities and/or the destruction of places of indigenous culture and spiritual significance

2.4.6. Conduct risk-based supply chain due diligence in order to prevent engagement with materials that may have funded or fuelled conflict.[8]

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[6] The development of a mine or minerals processing operation requires land for the placement of operational infrastructure, housing, roads, airports, pipelines, storage facilities and a multitude of other project facilities. It is good international practice to respect the rights, interests, special connections to lands and waters, and perspectives of indigenous peoples, where mining projects are to be located on lands traditionally owned by or under customary use of indigenous peoples. A good reference is the comprehensive Good Practice Guide on Indigenous Peoples and Mining published by the International Council on Mining and Metals (ICMM).

[7] It is international good practice to consult with local communities and indigenous peoples prior to operation and seek their consent. For example, the International Labor Organization’ s Convention 169, concerning Indigenous and Tribal Peoples in Independent Countries requires that indigenous peoples are consulted prior to exploration or mining activities on their land and that they are able to participate in the benefits of such activities and are compensated fairly for damages they sustain. Another prominent concept is Free, Prior and Informed Consent (FPIC), which is contained in the United Nations Declaration on the Rights of Indigenous Peoples.

- Conduct an assessment to define whether the mining project from which traded minerals originate or the mineral trading routes used are located in a conflict-affected and/or high-risk area
- Adapt existing due diligence measures to the specific needs of conflict-affected and high-risk areas[9]. Measures should be third-party audited and publically reported on
- When operating in a conflict-affected and/or high-risk area, take steps to monitor the business relations, transactions, and flows of funds and resources and avoid the trade of conflict minerals

2.5. Labor Issues

Providing job opportunities and paying wages and other remunerations to employees is an important economic and social responsibility of companies. Responsible labor practices are essential for social justice, societal stability, and a harmonious society. The labor practices of companies include respecting employees' rights to freely select their jobs and have fair and appropriate working conditions.

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[8] The term "conflict materials" is often applied to natural resources that have funded or fuelled conflicts. The so-called "3TG" minerals (tin, tantalum, tungsten and gold) originating from the African Great Lakes Region have been the focus of particular attention and are often referred to as "conflict minerals". This term was advocated by the UN Group of Experts on the Democratic Republic of Congo (DRC) which has investigated the illegal exploitation of natural resources in the DRC. Increasingly, "conflict minerals" are understood as any of the 3TG minerals sourced from conflict-affected and high-risk areas, which are identified by the presence of armed conflict, widespread violence or other risks of harm to people – although natural resources that may have funded conflict may be located in any high-risk area globally. Armed conflict may take a variety of forms. High-risk areas may include areas of political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure and widespread violence and are often characterized by widespread human rights abuses and violations.

[9] Further guidance for good practice of due diligence in conflict-affected or high-risk sreas can be obtained from the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. The Guidance has become internationally recognized supply chain due diligence standard and was developed through a multi-stakeholder process with in-depth engagement from OECD and African countries (ICGLR members and South Africa), industry, civil society, as well as the United Nations. It is suggested to implement the OECD's five step due diligence framework when operating in conflict-affected and/or high-risk areas, which encompasses 1) establishing strong company management systems, 2) Identifying and assessing risks in the supply chain, 3) designing and implementing a strategy to respond to identified risks, 4) carrying out or supporting independent third-party audit of smelters'/refiners' due diligence practices, and 5) reporting annually on supply chain due diligence.

2.5.1. Do not use child labor, forced or compulsory labor, and protect the rights of young employees.

- Do not employ children under the minimum working age which is legally prescribed by the host country laws and regulations. If there is no relevant host country law or regulation, the minimum working age shall be 16 years. In the event that children are found to be working in situations which fit the definition of child labor, measures for remediation of the practice shall be established
- Restrain from any kind of forced labor[10], such as lodging deposits or the retention of identity documents from personnel upon commencing employment. Do not withhold any part of any personnel' s salary, benefits, property, or documents in order to force such personnel to continue working for the company. Personnel shall have the right to leave the workplace premises after completing the standard workday – if the security situation permits -, and be free to terminate their employment provided that they give reasonable notice to their employer
- Identify the needs of young workers[11] and protect their rights and interests

2.5.2. Ensure equal and fair employment based on labor contracts and legal requirements.

- Ensure that employees understand their current terms of employment with regard to wages, working hours, and other employment conditions
- Maintain appropriate employee records, favor the use of regular employment relationships, and restrain from avoiding labor and social security obligations by using certain labor types, such as false apprenticeship schemes, excessive consecutive short-term contracts, or precarious sub-contracting arrangements

2.5.3. Do not discriminate against workers with respect to access to employment or occupation, including vocational training and terms and conditions of employment on such grounds as race, color, gender, religion, political opinion, nationality or social status, or other status.

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[10] "Forced Labor" as defined by the ILO encompasses "all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily".

[11] "Young workers" are any workers over the legally prescribed minimum working age and under the age of 18.

- Ensure that employees are not subject to corporal punishment, harsh or degrading treatment, sexual or physical harassment, mental, physical or verbal abuse, coercion or intimidation, or threats to themselves or their families
- Foster mutual respect, understanding, and harmony between employees with different cultural backgrounds
- Pay equal remuneration, including benefits for work of equal value and strive to pay a living wage to all women and men

2.5.4. Uphold legal or industry minimum wage standards, and pay social security benefits.

- Pay regular working hours and reimburse overtime work according to applicable law, and in line with an existing collective bargaining agreement that is not less than the legal minimum standard
- Illegal or unauthorized deductions from wages shall not be made

2.5.5. Adhere to international standards on working hours, overtime and annual leave.

- Comply with applicable Chinese and host country laws, regulations and industry standards on working hours and public holidays. At minimum, provide at least one day rest in a week, or provide 24 consecutive hours rest in seven consecutive working days

2.5.6. Provide working conditions which are clean, safe, and meet the basic needs.

- Provide and maintain workplaces and, if applicable, on-site housing and dormitories, that have safe and accessible potable drinking water, sanitary facilities for food consumption and storage, and clean and hygienic washing and toilet facilities
- Maintain adequate workplace hygiene at all times

2.5.7. Provide vocational training and career development.

- Pay attention to the cultivation of local employees and promote staff localization
- Support employees to participate in training and education programs that raise work capacity, quality, and opportunity for advancement and provide necessary funds for employees’ occupational skills training and education
- Guide employees in career development, and establish and improve staff promotion schemes

2.5.8. Establish a collective bargaining mechanism between employers and employees according to local laws and customs, if applicable, and encourage employees to engage in company management.

- Respect the right to Freedom of Association and do not prevent or discourage workers from electing worker employee representatives, forming or joining workers’ organizations of their choosing, or from bargaining collectively
- Adhere to collective bargaining agreements where such agreements exist

2.5.9. Establish a mutual communication channel and grievance mechanism between management and employees, and facilitate the dialogue between management and employees, so as to better understand and respond to employees’ expectations.

- Employees shall be free to submit a grievance without suffering any penalty or retaliation

2.6. Occupational Health and Safety (OHS)

“Occupational Health and Safety (OHS)” refers to promoting and maintaining the employees’ physical and mental health, preventing health issues caused by unacceptable working conditions, including protecting the employees from health and occupational risks, improving the working environment, and satisfying the basic needs of the employees.

2.6.1. Implement an OHS management system including a routine health and safety risk detection system and an emergency response plan.

- Publish the corporate commitment to OHS and distribute it to every employee
- Assign the responsibility for health and safety of the workplace at the senior management level and develop a mechanism, such as establishing a joint health and safety committee, by which employees can raise and discuss health and safety issues with the management
- Conduct comprehensive hazard or risk assessment for workplace safety following a systematic approach for prevention and control of physical, chemical, biological, and radiological health and safety hazards and develop emergency response plans
- Risk assessments shall be related to the different activities of employees, which can include the use of machinery and mobile equipment, storage and handling of chemicals, exposure to excessive fumes and airborne particles, excessive noise and temperature levels, and inadequate lighting and ventilation

2.6.2. Take all practical measures to avoid workplace fatalities, injuries, and occupational diseases.

- Ensure workplace safety[12] by adequate measures
- Minimize the danger of accidents caused by landslides, rockfalls, and other geological hazards, and prevent, detect, and combat the outbreak and spread of fires
- Address and prevent hazards which are not directly related to the workplace, but which could affect workplace safety (e.g. fatigue, alcohol and drug abuse, highly communicable diseases)

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[12] The Environmental, Health and Safety General Guidelines of the International Finance Corporation (IFC) provide useful guidance for ensuring workplace safety including the provision of personal protective equipment (PPE), sufficient first aid trained employees, adequate illumination systems, protection against the inhalation of hazardous substances, including adequate ventilation fume extraction systems, etc.

- Ensure that all occupational health and safety incidents, as well as the company's response to it, are formally documented and investigated and feed into regular health and safety reviews and improvement plans

2.6.3. Provide regular health and safety training to all employees and integrate health and safety considerations in the corporate culture.

- Provide training in an understandable form and language
- Customize trainings to role-related health and safety risks of employees; train designated first aid staff and regularly train on actions in the event of an emergency
- Raise employee awareness that they have the right to stop or refuse working in situations of uncontrolled hazards
- Raise employee awareness on risk prevention and emergency management

2.7. Environment

Environmental protection is a necessary precaution for the long-term well-being of humans and it is an integral part of corporate social responsibility. Mining has a significant impact on the environment. Companies shall develop comprehensive, systematic, and sound measures to reduce the direct or indirect impact on the environment, and incorporate the measures into investment decision-making processes and operations.

2.7.1. Establish an environmental management system and adapt it to the laws and regulations of host countries.[13]

- Integrate environmental protection into strategies, plans, and goals and establish relevant full-fledged environmental protection rules and regulations, to strengthen pollution control and provide environmental risk prevention

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[13] Best international practice is to strive towards ISO 14001 certification.

- Establish and perfect environmental protection training systems, and offer environmental protection education and training to staff, in order to make all staff learn and know well the relevant environmental protection laws and regulations in the host countries as well as the companies' environmental policies
- Raise the law-abiding consciousness and environmental awareness of the staff, especially the grass roots staff, to make them understand the basic knowledge about environmental protection

2.7.2. Conduct environmental impact assessments prior to any mining operation and monitor environmental impact on a regular basis.

- Strictly abide by the laws and regulations of the host country regarding environmental impact assessments. On the basis of the impact assessment, take reasonable and effective measures to reduce and eliminate the possible negative impacts to the largest extent possible
- Assess environmental baselines in the mining areas prior to the project and develop a thorough understanding of the environment and the eco-system in the mining area and its surroundings
- Carry out environmental due diligence on targeted enterprises before acquiring overseas assets, paying attention to existing pollution, the environmental footprint of the deposit and environmental liabilities of the acquisition targets

2.7.3. Develop routine environmental risk management scenarios and provide an emergency plan and response mechanism.[14]

- Develop plans and systems to prevent, prepare for, and respond appropriately to accidents and emergencies
- Provide information to the concerned members of a community on the hazards associated with the mining project in its neighborhood, and on the measures taken to reduce risks

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[14] An international reference for developing emergency plans and response mechanisms is the United Nations Environment Programs' Guidance for the Mining Industry on Awareness and Preparedness for Emergencies at the Local Level (UNEP APELL).

- Involve members of the local community in the development, testing, and implementation of the overall emergency response plan

2.7.4. Develop mine closure and site rehabilitation plans prior to operation and secure appropriate funding if required by law.

- Secure appropriate funding for mine closure and rehabilitation and deposit a financial guarantee if required by law
- Engage in a multi-stakeholder process, including involving indigenous peoples, communities, artisanal and small-scale miners, and local authorities, to plan and update site rehabilitation and closure plans incorporating issues of mine site rehabilitation and socio-economic conditions
- Pay specific attention to decommissioning tailings, controlling post-closure methane emissions and leaching of metals and chemicals into the environment, if caused by the mining operation

2.7.5. Regularly assess and mitigate the adverse impacts on soil, air, and water by the mining operation.

- Consider ambient soil, air, and water conditions, and apply technically and financially feasible pollution prevention principles and techniques that are best suited to avoid, minimize, and control pollution[15]
- Monitor emissions and discharges of all possible pollutants according to the relevant laws and regulations of host countries, follow up and remedy pollution issues in a timely manner, and clearly record and make public the results
- Employ emissions control and reduction strategies (including dust suppression techniques and clean power generation)
- Take measures to minimize noise and vibrations from blasting and drilling

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[15] This may include measures such as observing or surpassing local ambient air quality thresholds for particulate emissions and controlling metallic emissions as well as preventing and controlling the discharge of contaminated effluents, wastes and hazardous materials, including treatment of all effluent streams, considering the reuse, recycling, and treatment of processed water, as well as ensuring the separation of clean and dirty water storages as well as the release of heavy metals and hazardous substances during production, transportation, storage and disposal.

2.7.6. Proactively inform local authorities, Chinese headquarters, and the public about potential environmental impacts of the mining operation.

- Disclose environmental information regularly, publicize environmental protection systems and plans, and publicize what measures have been taken and what results have been achieved

2.7.7. Set clear annual objectives for resource and energy savings, as well as recycling. Monitor and report on its implementation.

- Formulate feasible annual plans and targets for energy savings, emission reductions, and recycling, and assign staff to promote the implementation of the plans and the accomplishment of the targets
- Promote clean resource production methods and recycling to reduce pollution. Enhance the efficiency of resource utilization as far as possible, and reduce the emission of pollutants in the production process

2.7.8. Develop and implement a system to reduce waste and emissions.

- Recover and reuse waste in a manner that is safe for human health and the environment. Where waste cannot be recovered or reused, treat, destroy, or dispose of it in an environmentally sound manner that includes the appropriate control of emissions, effluents, and residues

2.7.9. Ensure and surpass applicable legal requirements with regard to chemicals and toxic substances.

- Avoid manufacturing, trading, and using chemicals and hazardous substances subject to international bans due to their high toxicity to living organisms, environmental persistence, or potential for irreversible ecological impacts, including rigorously suppressing arsenic and mercury emissions and managing cyanide according to the highest international standard[16]
- Avoid ground- or surface-water contamination caused by Acid Rock

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[16] If cyanide is used, it is encouraged to ensure that applicable sites are certified to the International Cyanide Management Code.

Drainage (ARD) and Metals Leaching (ML) as a result of mining operations

- Ensure that hazardous wastes are handled, stored, transported, treated, and disposed according to laws and regulations and in a way that eliminates leaks, spills, or other releases to the environment

2.7.10. Ensure safe storage and disposal of residues.

- Adequately manage waste rocks and tailings ensuring structural stability, controlled discharge and protection against potential impacts of acid mine drainage, metal leaching, or loss of containment
- Avoid building riverine or shallow marine tailings
- Consider the construction of zero discharge tailings, including permanent storage after decommissioning

2.7.11. Develop and implement greenhouse gas (GHG) emission reduction plans including a mitigation model that provides a policy on how to avoid, prevent, reduce, minimize, or offset GHG emissions.

- Develop GHG emission reduction strategies and implement economic emission reduction opportunities
- Support research and development of low GHG emission technologies that are appropriate to the industry, including carbon capture and storage

2.7.12. Promote the conservation and protection of biodiversity and the environment throughout the life-cycle and value chain of the mining operation, including the related infrastructure development through integrated land-use planning.[17]

- Take appropriate measures for identification and monitoring of components of biological diversity pursuant to the mining operation and integrating considerations of the conservation and sustainable use of biological resources

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[17] Companies should uphold the spirit of the UN Convention on Biological Diversity.

- Identify key biodiversity areas affected by the mining operation and engage in mitigation by minimizing, avoiding, rehabilitating, or offsetting negative impacts on biodiversity and ecosystems
- Develop transparent, inclusive, informed, and equitable decision-making processes and assessment tools that better integrate biodiversity conservation, protected areas, and mining facilities into land-use planning and management strategies, including 'No-go' areas
- Take appropriate measures to minimize the disturbance to vegetation and soil, including soil conversation measures, and post-operation restoration
- Ensure that threats to endangered species are eliminated throughout the mining life-cycle, including after the closure of the mining operation

2.7.13. Be cautious of mining in areas which pose high environmental risks and do not explore or mine in World Heritage areas or legally protected areas.

- Do not explore or mine in World Heritage properties or legally protected areas. Ensure that existing operations in World Heritage properties, as well as existing and future operations adjacent to World Heritage properties, are not a threat to the outstanding universal value for which these properties are protected

- Fully consider the impacts of mining activities from exploration, construction, production, and recovery operations on the social environment, such as historical and cultural heritage, scenic spots, and folk traditions and customs, and take measures to reduce possible negative impacts

2.7.14. Encourage companies to cooperate with professional environmental protection organizations to enhance the understanding of environmentally sensitive areas.

- Establish effective contact and collaboration with environmental protection regulators of the host countries, proactively ask these regulators for their suggestions on environmental protection management, and notify them of relevant environmental information

2.8. Community Involvement and Engagement

Community involvement and engagement is an important part of the sustainability of a company. Active involvement and engagement with the local community is crucial for companies for establishing partnerships with local organizations and stakeholders, as well as for contributing to the corporate citizenship.

2.8.1. Carry out social impact assessments and engage at the earliest practical stage with likely affected parties and establish regular communication mechanisms.

- Complete a comprehensive and appropriate social impact assessment during the planning and approval phase of a mining operation, including evaluating baseline conditions and developing a comprehensive plan on how to mitigate negative impacts, including impacts related to human rights, labor and employment, gender, health, and conflict
- Impact assessments shall involve engagement with materially affected parties and stakeholders and be regularly updated

2.8.2. Ensure ongoing equitable interaction with materially affected parties, including indigenous peoples and vulnerable groups, in a culturally appropriate manner.

- Identify materially affected parties of the mining project and establish regular and permanent communication channels and ensure equal access to those channels
- Ensure the engagement with materially affected parties during the mining project's life cycle and build up a platform for interaction and provide the necessary resources for it

2.8.3. Establish a management position and assign sufficient staff in the company to be responsible for community engagement.

2.8.4. Establish a formal grievance mechanism for community issues which includes third party involvement.

- Ensure a grievance mechanism for all stakeholders and affected parties, with special emphasis on the most vulnerable persons, groups, and organizations
- The grievance mechanism shall be legitimate, accessible, predictable, equitable, transparent and rights-compatible, but not undermine legal mechanisms if criminal, commercial or labor laws and regulations are affected
- The grievance system shall allow for anonymous complaints to be raised in a safe environment

2.8.5. Respect the cultural traditions and religious beliefs, and protect the heritage of the community.

2.8.6. Contribute to community development by developing and implementing community development plans with local stakeholders.

- Ensure that community development efforts reflect the rights and interests of a broad range of stakeholders and are developed, reviewed, and updated in an ongoing multi-stakeholder process

2.8.7. Ensure job creation in local communities where mining will occur and support local economic development.

- Ensure job creation by employing and training local staff
- Support local economic development by supporting local businesses apart from the mining project

2.8.8. Provide skills development in mining communities for the local people.

- Support local skills development, both directly for skills related to the mining project, including further qualification of staff, and indirectly by supporting vocational training schemes and encouraging participation
- Engage directly with artisanal and small-scale miners as part of community engagement; offer alternative opportunities for artisanal and

small-scale miners who have been operating in the mining area; enable the professionalization and/or formalization of artisanal and small-scale miners, where appropriate

2.8.9. Support SME development in local mining communities.

- Contribute to local economic development and SME development by local procurement and by encouraging and investing in diversification of local businesses apart from the mining project, e.g. through lending schemes and business education

2.8.10. Support philanthropy initiatives with regard to health care, education, infrastructure, and other vital public services.

- Enhance social and economic development by assisting in addressing poverty
- Encourage partnerships with governments and non-governmental organizations to ensure that programs are well designed and effectively delivered
- Develop programs to support community health and safety issues related to the mining operation and labor migration, including programs against gender violence and for disease control [18]

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[18] Diseases indirectly caused by the establishment of a mining project could include sexually transmitted diseases, or diseases caused by mining induced vector breeding habitats, such as malaria transmitting mosquitos breeding in tailing dams.

3. Implementation of the Guidelines

3.1. CCCMC will widely disseminate the Guidelines to the public and promote the Guidelines in its international exchange activities.

3.2. CCCMC will actively assist companies by providing trainings, workshops, exchanges, and other measures to strengthen the capacities of companies in implementing these Guidelines.

3.3. CCCMC will encourage companies to assess their social responsibility according to the principles and social responsibility issues of these Guidelines.

3.4. CCCMC will conduct an evaluation of CSR performance of Chinese companies engaged in outbound mining investments according to these Guidelines and disseminate best practice.

3.5. CCCMC will regularly report on its outreach activities and the findings from their monitoring.

3.6. The Guidelines should be reviewed every three years and updated by CCCMC in cooperation with a wide range of stakeholders and include public consultation.

Annex 1: List of Standards which have been considered for the development of the Guidelines

Issuing Organization	Standard	Date	Link
Bettercoal	Bettercoal Code	2013	http://bettercoal.org/docs/Bettercoal-Code-Version-1-Final.pdf
Extractive Industries Transparency Initiative (EITI)	The EITI Standard	2013	http://eiti.org/files/English_EITI%20STANDARD_11July_0.pdf
Global Compact	Ten Principles	2004	http://www.unglobalcompact.org/abouttheGC/TheTenPrinciples/index.html
Global Compact/ PRI	Guidance on Responsible Business in Conflict-Affected and/or High-Risk Areas	2010	http://www.unglobalcompact.org/docs/issues_doc/Peace_and_Business/ Guidance_RB.pdf
International Labor Organisation (ILO)	Abolition of Forced Labour Convention (No. 105)	1957	http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ ILO_CODE:C105
ILO	Discrimation Convention (No. 111)	1958	http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ ILO_CODE:C111
ILO	Equal Remuneration Convention (No. 100)	1951	http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ ILO_CODE:C100

ILO	Forced Labour Convention (No. 29)	1930	http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C029
ILO	Freedom of Association and Protection of Rights to Organise Convention (No 87)	1948	http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C087
ILO	Minimum Age Convention (No. 138)	1973	http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C138
ILO	Right to Organize and Collective Bargaining Convention (No. 98)	1949	http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C098
ILO	Worst Forms of Child Labour Convention (No. 182)	1999	http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C182
International Council on Mining and Metals (ICMM)	Position Statement on Climate Change Policy Design	2011	http://www.icmm.com/document/1843
International Council on Mining and Metals (ICMM)	Position Statement on Indigenous Peoples and Mining	2013	http://www.icmm.com/document/5433
International Council on Mining and Metals (ICMM)	Position Statement on Mercury Risk Management	2009	http://www.icmm.com/document/556
International Council on Mining and Metals (ICMM)	Position Statement on Mining and Partnerships for Development	2010	http://www.icmm.com/document/782

International Council on Mining and Metals (ICMM)	Position Statement on Mining and Protected Areas	2003	http://www.icmm.com/document/43
International Council on Mining and Metals (ICMM)	Position Statement on Transparency of Mineral Revenues	2009	http://www.icmm.com/document/628
International Council on Mining and Metals (ICMM)	Sustainable Development Framework	2003	http://www.icmm.com/our-work/sustainable-development-framework/10-principles
International Finance Corporation (IFC)	Environmental, Health and Safety (EHS) Guidelines	2007	http://www.ifc.org/wps/wcm/connect/554e8d80488658e4b76af76a6515bb18/Final%2B-%2BGeneral%2BEHS%2BGuidelines.pdf?MOD=AJPERES
Multi-Stakeholder	Voluntary Principles on Business and Human Rights	2000	http://www.voluntaryprinciples.org/wp-content/uploads/2013/03/voluntary_principles_english.pdf
OECD	Due Diligence Guidance on Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas - 2nd Edition	2013	http://www.oecd.org/daf/inv/mne/GuidanceEdition2.pdf
OECD	Guidelines for Multinational Enterprises	2011	http://www.oecd.org/daf/inv/mne/48004323.pdf
Responsible Jewellery Council	Code of Practices	2013	http://www.responsiblejewellery.com/files/RJC_Code_of_Practices_2013_eng.pdf

UN	Guiding Principles on Business and Human Rights: Implementing the UN "Protect, Respect and Remedy" Framework	2011	http://www.business-humanrights.org/media/documents/ruggie/ruggie-guiding-principles-21-mar-2011.pdf
UN	UN Convention on Biological Diversity	1992	http://www.cbd.int/doc/legal/cbd-en.pdf
UN	UN Convention against Corruption	2005	http://www.unodc.org/documents/treaties/UNCAC/Publications/Convention/08-50026_E.pdf
UNEP	Guidance for the Mining Industry in Raising Awareness and Preparedness for Emergencies at Local Level	2001	http://www.unep.fr/shared/publications/pdf/WEBx0055xPA-APELLminingEN.pdf

Standards Map

Cross-reference of clauses of the Guideline of Social Responsibility in Chinese Outbound Mining Investment with provisions of major international and industry-specific reference standards for social responsibility.

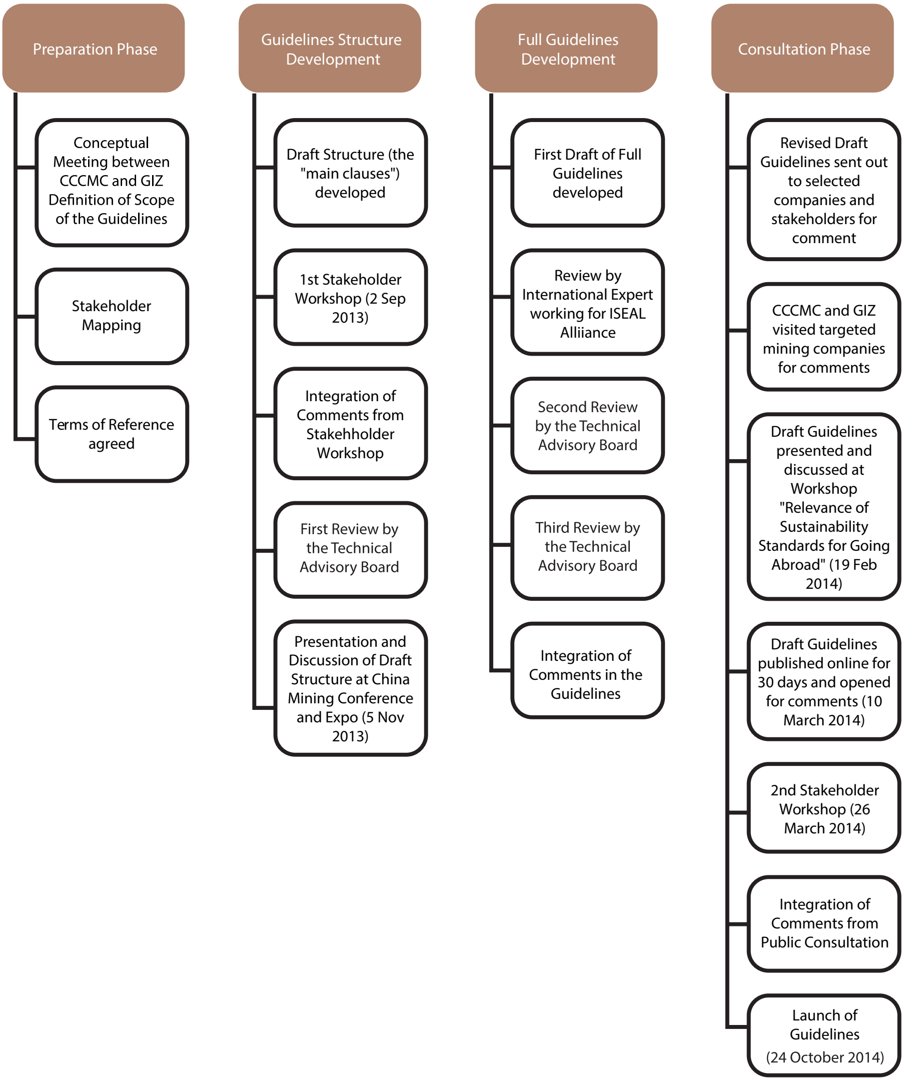
- 🟢 **= stronger/more detailed provision than in reference guideline**
- 🟡 **= same/very similar provision**
- 🔴 **= weaker/less detailed provision than in reference guideline**

This overview reflects the subjective judgment of the authors.

	2.1. Organizational Governance						2.2. Fair operating practices					2.3. Value Chain Management				2.4. Human Rights						
	2.1.1. Develop social responsibility goals, policies and plans	2.1.2. Integrate principles and requirements in decision-making system	2.1.3. Develop Indicators and run social responsibility M&E system	2.1.4. Establish social responsibility capacity building scheme	2.1.5. Map, respect and respond to stakeholders	2.1.6. Disclose material information	2.2.1. Develop ethical business statement or policy	2.2.2. Develop compliance and integrity management system	2.2.3. Prevent and control bribery	2.2.4. Respect intellectual property rights	2.2.5. Disclose payments made to governments	2.3.1. Require suppliers to adhere to the Guidelines	2.3.2. Set targets for responsible procurement	2.3.3. Set targets for localized procurement	2.3.4. Adopt due diligence and control system in supply chain	2.4.1. Observe UN Guiding Principles for Business and Human Rights	2.4.2. Ensure non-complicity in human rights violations	2.4.3. Minimize involuntary resettlements	2.4.4. Respect the culture and protect heritage of local communities	2.4.5. Protect the right for free, prior, and informed consent	2.4.6. Conduct supply-chain due diligence to avoid conflict materials	2.5.1. Do not use child, forced or compulsory labor
Voluntary Principles on Security and Human Rights																🟡	🔴					
Global Compact Guidance on Responsible Business in Conflict-Affected and/or High-Risk Areas		🟢			🟡	🟢		🟡	🔴		🟢	🔴			🟢	🟡	🟢			🟡	🔴	
UN Convention on Biological Diversity																						
UN Guiding Principles on Business and Human Rights: Implementing the UN "Protect, Respect and Remedy" Framework																🟡	🔴					
Responsible Jewellery Council Code of Practices	🟢	🟡				🔴		🟡	🔴		🔴	🟢			🟢	🟡	🟢		🟡	🟡	🟢	🟢
OECD Guidelines for Multinational Corporations						🔴	🔴	🟡	🔴	🟡						🟡	🟢					🟡
OECD Due Diligance Guidance on Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas - 2nd Edition									🟡		🔴	🟢					🔴				🔴	🟡
ISO 26000	🟡	🟡		🟢	🟡		🟡	🟢	🔴	🔴		🟢			🟡	🟡	🔴					🟡
IFC Environmental, Health and Saefty (EHS) Guidelines																	🔴					
ICMM Sustainable Development Framework						🟢												🟡	🟢			🟢
ICMM Position Statement on Revenue Transparency											🔴											
ICMM Position Statement on Mining and Protected Areas																						
ICMM Position Statement on Mining and Partnerships for Development																						
ICMM Position Statement on Mercury Risk Management																						
ICMM Position Statement on Indigenous Peoples and Mining																			🟡	🔴		
ICMM Position Statement on Climate Change Policy																						
ILO Right to Organize and Collective Bargaining Convention (No. 98)																						
ILO Minimum Age Convention (No. 138)																						🔴
ILO Freedom of Association and Protection of Rights to Organise Convtion (No 87)																						
ILO Forced Labour Convention (No. 29)																						🔴
ILO Equal Remuneration Convention (No. 100)																						
ILO Discrimation Convention (No. 111)																						
ILO Abolition of Forced Labour Convention (No. 105)																						🔴
Global Compact Ten Principles	🟡					🟢	🟢									🟡	🟡					🔴
Bettercoal Code	🟡	🟢	🟡	🟡	🟡	🟡	🔴	🟢			🔴	🟢				🟡	🟡	🟡	🟡	🟡	🟡	🟢

2.5. Labor Issues	2.5.2. Ensure equal pay and fair employment	🟠	🟠			🔴											🟠		🟠		🟠	🟠				
	2.5.3. Do not discriminate against workers	🟠	🟠		🔴	🔴													🟠		🟠	🔴				
	2.5.4. Uphold minimum wage standards and pay social security	🟠																	🟠		🟠	🔴				
	2.5.5. Adhere to standards for working hours, overtime and leave	🔴																	🔴			🔴				
	2.5.6. Provide clean and safe working conditions	🟠	🟠																			🟠				
	2.5.7. Provide vocational training and career development																		🟠		🟠					
	2.5.8. Establish a collective bargaining mechanism	🟠						🔴		🔴									🟠		🟠	🟠				
	2.5.9. Establish a communication channel and grievance mechanism																					🔴				
2.6. Occ. Health and Safety	2.6.1. Implement OHS management, a safety risk detection system, and emergency response plan	🔴																🟢	🔴			🟢				
	2.6.2. Avoid workplace fatalities, injuries and diseases	🔴																🟠	🔴			🔴				
	2.6.3. Provide regular health and safety trainings	🟢															🟢	🔴	🟠			🟠				
2.7. Environment	2.7.1. Establish environmental management system		🟢														🟢	🟢	🟢			🟢				
	2.7.2. Conduct environmental impact assessments and monitor impact	🟠	🟢															🔴	🟠		🟠	🟢				
	2.7.3. Develop environmental risk management scenarios																	🔴	🟠		🟠	🟠				
	2.7.4. Develop mine closure and site rehabilitation plans	🟠																				🟠				
	2.7.5. Assess and mitigate adverse impacts on soil, air, and water	🟠																🔴	🟠			🟢				
	2.7.6. Inform stakeholders about potential environmental impacts																		🟠		🟢					
	2.7.7. Set objectives, monitor and report resource and energy savings	🟢									🟢							🔴	🔴		🟢	🟢				
	2.7.8. Develop and implement system to reduce waste and emissions	🟠																🔴								
	2.7.9. Ensure legal requirements for chemicals and toxic substances	🟠											🔴						🟠			🔴				
	2.7.10. Ensure safe storage and disposal of residues	🟠																🔴				🔴				
	2.7.11. Avoid, prevent, reduce, minimize or offset GHG emissions	🟢									🟠							🔴	🔴							
	2.7.12. Promote the conservation and protection of biodiversity	🔴													🟢		🟠		🔴			🟢		🔴		
	2.7.13. Do not explore or mine in World Heritage and Protected Areas	🔴													🟢							🟠				
	2.7.14. Cooperate with environmental protection organizations														🟢						🟢					
2.8. Community Involvement and Engagement	2.8.1. Carry out social impact assessments	🟠												🟢								🟠	🔴			
	2.8.2. Ensure ongoing interaction with materially affected parties	🟠										🟢		🔴					🟠				🔴		🟠	
	2.8.3. Establish management position for community engagement																									
	2.8.4. Establish formal grievance system for community issues																		🟠			🟢	🟠		🔴	
	2.8.5. Respect and protect traditions, beliefs and heritage																		🟠				🟢			
	2.8.6. Develop and implement community development plans																🟠		🟠			🟢				
	2.8.7. Ensure community job creation	🟠																	🟠						🔴	
	2.8.8. Provide community skill development	🟠																	🟠			🟢				
	2.8.9. Support community SME development																		🔴							
	2.8.10. Support philanthropy initiatives																🟠									

Annex 2: Process of Guidelines Development



Preparation Phase

- Conceptual Meeting between CCCMC and GIZ Definition of Scope of the Guidelines
- Stakeholder Mapping
- Terms of Reference agreed

Guidelines Structure Development

- Draft Structure (the "main clauses") developed
- 1st Stakeholder Workshop (2 Sep 2013)
- Integration of Comments from Stakeholder Workshop
- First Review by the Technical Advisory Board
- Presentation and Discussion of Draft Structure at China Mining Conference and Expo (5 Nov 2013)

Full Guidelines Development

- First Draft of Full Guidelines developed
- Review by International Expert working for ISEAL Alliiance
- Second Review by the Technical Advisory Board
- Third Review by the Technical Advisory Board
- Integration of Comments in the Guidelines

Consultation Phase

- Revised Draft Guidelines sent out to selected companies and stakeholders for comment
- CCCMC and GIZ visited targeted mining companies for comments
- Draft Guidelines presented and discussed at Workshop "Relevance of Sustainability Standards for Going Abroad" (19 Feb 2014)
- Draft Guidelines published online for 30 days and opened for comments (10 March 2014)
- 2nd Stakeholder Workshop (26 March 2014)
- Integration of Comments from Public Consultation
- Launch of Guidelines (24 October 2014)

Annex 3: List of Supported Organizations

Government Agencies

Ministry of Commerce of the People's Republic of China

Ministry of Land and Resources of the People's Republic of China

Ministry of Industry and Information Technology of the People's Republic of China

Research Bureau, Stated-owned Assets Supervision and Administration Commission of the State Council

Center for Economic Cooperation, Ministry of Environmental Protection

Institute of International Labour and Social Security, Ministry of Human Resources and Social Security of the People's Republic of China

Academy of Macroeconomic Research, National Development and Reform Commission

State Administration of Work Safety

Embassies

Embassy of Australia

Embassy of Canada

Embassy of America

Embassy of the Netherlands

Embassy of Germany

Industrial Associations

China Mining Confederation

China Iron and Steel Association

China National Textile and Apparel Confederation

China International Contractors Association

China Federation of Industrial Economics

International Organizations and Non-governmental Organizations

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
ISEAL Alliance
World Wild Fund for Nature
International Labour Organization
The Nature Conservancy
Solidaridad
International Trade Center
China Business Council for Sustainable Development
Global Witness
Global Compact China Network
United Nations Development Programme
International Business Leaders Forum

Research Institutes

China Enfi Engineering Corporation
WTO Tribune
CSR Research Center, China Academy of Social Sciences
PWC

Enterprises

Aluminum Corporation of China
China Minmetals Corporation
China Nonferrous Metal Mining (Group) Co., Ltd.
Sinosteel Corporation
Shougang Group
Jiangxi Copper Corporation
China-Africa Development Fund
Bright Oceans Corporation