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Since the inception of the International Council on Mining and Metals (ICMM) in 2001, the expectations of member companies have evolved from an informal set of expectations to a more prescriptive set of commitments. Over the same period, an increasingly broad set of stakeholders now recognise membership in ICMM as a practical demonstration of leadership commitment, linked to expectations of progressive improvements in sustainable development performance.

The due diligence process relating to the acceptance of new members underscores the leadership commitment and integrity of the organisation and its members.

ICMM's company member admission process is designed to:

- Protect the interests of ICMM members, any prospective member company, and ICMM as an organisation, against reputational or any other risk, or liability for ad hoc decisions taken
- Be based on criteria that are consistent with the obligations of existing members
- Place the onus for demonstration of ability and willingness to meet ICMM's membership requirements on the prospective member company
- Establish a consistent, rigorous and independently verified assessment of the prospective member company's self-assessed performance against the obligations of existing members
- Be independent, fair and unbiased, and ensure that any prospective member company can fully respond to any questions that might arise during the conduct of due diligence.

Member Performance Commitments

ICMM has long recognised that economic growth should never be at the expense of people or planet. In 2003, ICMM published its 10 Principles for sustainable development to set a standard of ethical performance for our members. Over time, we have worked to expand on these with eight position statements on key issues, such as water stewardship and transparency of mineral revenues.

In early April 2018, ICMM launched a global public consultation on the introduction of a comprehensive set of performance expectations on how members should be expected to manage a broad range of sustainability issues at the corporate and operational levels, to enhance these original 10 principles.

These enhanced Mining Principles strengthen social and environmental requirements, on issues such as labour rights, resettlement, gender, access to grievance mechanisms, mine closure, pollution and waste. Implementation is supported by robust site-level validation, credible assurance and transparent disclosure. Aligned with the objectives of other responsible sourcing initiatives, our Assurance and Validation Procedure reinforces commitments to transparency, and ensures the credibility of reported progress.

1. Member Associations are not required to comply with ICMM’s Mining Principles, and are subject to a different admission procedure, available separately.
OVERVIEW OF THE PROCESS

The admissions process for ICMM comprises the following five stages.

**STAGE 1:** Submission of information in support of an application by a prospective new member company

**STAGE 2:** Independent third party review of the efficacy of the information provided (initiated and paid for by the prospective member)

**STAGE 3:** An independent determination by an expert review panel of whether the prospective member ought to be invited to submit a formal application at that stage (initiated by ICMM, with costs shared equally between the prospective member and ICMM)

**STAGE 4:** A decision by ICMM and notification of the prospective member, followed by a decision by the prospective member on whether to submit an application

**STAGE 5:** Ongoing monitoring of full implementation of ICMM’s membership requirements through the adoption of ICMM’s Assurance and Validation Procedure by prospective members.
STAGE 1: Application Information Report

A prospective member company’s Application Information Report must be built around the membership requirements of ICMM’s Mining Principles through first-party confirmation (ie self-assessment) of the existence and integrity of systems and/or practices relating to implementation of all member requirements. This report acts as a gap analysis of the company policy provisions, internal standards and management systems against the ICMM Mining Principles. On that basis, the following report structure and content is required:

Description of the prospective member’s business and operations

This should describe the corporate structure of the prospective member company, with details given of directors, key officers and principal beneficial owners and funders, and provide details of: exploration activities and projects; existing operations; closure sites under management; closure provisions (current and future); and joint venture or other jointly owned or managed operations, irrespective of whether the prospective member is the operator. This information ought to include specific details on commodities involved, processing methods, geographic location, and other relevant information.

In addition, the prospective member should confirm that it - and its significant connected parties - are not in breach of any laws or subject to any international/trade sanctions.

Degree of sustainable development policy alignment

Assess and report on the degree of alignment between internal policy provisions, standards and management systems and the provisions of the ICMM Mining Principles. This should be presented as a tabular summary, showing extent of alignment, proposed actions for addressing identified gaps and a timeframe for carrying them out. As part of a phased implementation of the Performance Expectations, ICMM member companies have two years, until end 2021, to complete a self-assessment of all subject assets in accordance with ICMM’s Assurance and Validation Procedure. Prospective member companies will need to demonstrate that they will be able to align with this timing. Thereafter, prospective member companies will need to demonstrate alignment with the full requirements of the Assurance and Validation Procedure.

The purpose of the self-assessment is for prospective company members to evaluate their existing systems and/or practices and their conformance with member requirements at an asset level, to the extent that they are applicable in a given context. The self-assessment process includes the following steps for each of the performance expectations:

» Review applicability.
» Evaluate equivalency (ie is the performance expectation covered by an equivalent programme, with standards and validation requirements that are
similar in scope and intent as ICMM’s and has it been subject to validation within the past three years).

» Evaluate PE implementation for those PEs not already covered by previous steps.

The self-assessment is comparable to a checklist that notes the implementation status of each asset-level PE (Meets, Partially Meets, Does not Meet, or Not Applicable). Assets subject to self-assessment 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 member companies’ portfolios that are not producing saleable products, such as exploration sites, non-managed assets operations, and projects. This also excludes non-managed joint ventures. Full details are provided in section 3 of ICMM’s Assurance and Validation Procedure.

Process for identifying material sustainable development risks

Set out the processes in place to identify and prioritise the sustainable development risks facing the company, and determine which are most material to the business. This should include details of internal processes in place at the corporate and operational levels, how these work together, and mechanisms to capture and integrate the perspectives of external stakeholders into the final analysis of risks. This ought to be presented as a tabular summary of current and anticipated material risks faced by the prospective company member, with indicators for the relative importance of such risks for each of their sites (including projects, operations and closure sites).

Targets and objectives in relation to material risk

Summarise the targets and objectives established for material sustainable development risks and opportunities.

Existence and status of systems and approaches to manage material risks

Describe the systems and approaches in place to manage material risks and opportunities in pursuit of enhanced performance and effective internal controls – and identify proposed changes to reinforce the internal control provisions required to address gaps, providing specific examples.

Status of approach to reporting material sustainable development risks and opportunities

Review and comment on the extent to which company public reporting is in line with the reporting requirements of ICMM – ie public reporting of sustainability performance against the GRI Sustainability Reporting Standards [core requirements].

Status of independent assurance

Review and comment on the extent of alignment between the independent external assurance currently undertaken by the prospective member against the Assurance and Validation Procedure requirements of the ICMM Mining Principles.

The prospective member company will bear any associated costs of preparing the report, using either internal staff or external resources.
STAGE 2: Independent assurance

The Application Information Report is shared with an independent, external third party who provides an opinion on the efficacy of the report, i.e., whether it meets the requirements set out in Stage 1 in a complete, accurate and credible manner.

The external third party should be commissioned by the prospective member company, who also bears the cost of their engagement. They must meet the requirements for competence and independence of assurance providers set out in Annex C of ICMM’s Assurance and Validation Procedure and be mutually agreed between the chair of the independent expert review panel and the prospective company member. This approach is consistent with the assurance process currently in place for current ICMM member companies.

On completion, the Application Information Report and independent assurance opinion will be forwarded to an independent expert review panel convened by ICMM. These documents will be treated in strictest confidence (and are not shared with ICMM or its members).

STAGE 3: Independent and confidential expert review

The ICMM CEO will convene an independent three-person expert review panel (the panel) with the requisite skills to consider the application information and assurance reports from a prospective member and make a recommendation to the ICMM CEO concerning membership.

The terms of reference for the panel will be limited to considering whether: (i) the prospective member currently meets ICMM’s membership requirements and the extent and significance of any gaps; (ii) the prospective member has the requisite commitment and capacity in place to fully implement the membership requirements within a reasonable timeframe; and (iii) there are any reputational risks for ICMM or its members from, for example, the prospective member not fulfilling the requirements of membership within an agreed timeframe and on an ongoing basis.

Any information provided by the prospective member to the panel that is not in the public domain will be subject to a confidentiality agreement signed by panel members.

The panel will primarily base its opinion on the documents submitted by the prospective member and a visit to the applicant’s headquarters office, but it may request additional information, conduct additional interviews or undertake related work to develop a robust and defensible opinion. This may include selective site visits to projects or operations of the prospective member.

In addition, upon convening the panel the ICMM CEO will also solicit the views of existing Council members, in confidence and on an individual basis, for any particular areas of reputational concern about a prospective member. Any concerns that are raised will be conveyed to the panel for its consideration by the ICMM CEO and addressed via a response within the Panel’s report while maintaining anonymity of the source.

The costs for all work undertaken by the panel (and associated expenses) are shared equally between ICMM and the prospective member.

A prospective member will be given the opportunity to respond in writing to any questions that the panel may raise under their terms of reference, to enable them to
reach an informed opinion. Once they have concluded their work, the panel advises the ICMM CEO of their recommendation.

The options available to the panel are that the prospective member either be:

» Recommended for full membership without restrictions based on full conformance with ICMM’s requirements of membership; or
» Recommended for admission as a member, but with a requirement to reach full conformance with ICMM’s membership requirements, in accordance with an agreed action plan, within a specified period; or
» Denied membership, based on either inadequate conformance or capacity to comply within a reasonable timeframe (or related reputational concerns).

The decision of the panel is final on the basis that they enjoy delegated responsibility from the ICMM Council. Only favourable recommendations of the panel will be communicated by the ICMM CEO to ICMM’s Council.

STAGE 4: Decision

Where the panel has made a favourable recommendation, the prospective member decides whether to proceed with an application to ICMM for membership.

If such an application is submitted, it will then be circulated by the ICMM CEO to the ICMM Council for formal acceptance, subject to the panel’s conditions. Prospective company members will be required to provide written undertakings and assurances that they will implement the panel’s conditions of membership within an agreed time period. That time period will be set by the panel to reflect the circumstances of each applicant and could be anything from ‘immediate’ to a maximum of two years.

STAGE 5: Ongoing monitoring

As of the date of their admission, all members will be required to undertake annual independent assurance and validation activities in line with ICMM’s Assurance and Validation Procedure. For full new members, this ought to demonstrate ongoing adherence to the ICMM requirements of membership on an annual basis.

Where a member has been admitted subject to conditions specified by the panel, the panel will reconvene at the end of the conformance period specified in the action plan, in order to assess the member’s implementation of the requirements specified in the action plan. To begin this process, the company will prepare a self-evaluation report addressing its conformance with the action plan, and have that report assured by an independent third-party assurer. The panel chair will be consulted about the selection of the assurer and will engage with the company and the assurer to agree on the assurer’s brief. Once the assurance process is complete, the company’s report and the assurance report will be forwarded to the panel, who will have the opportunity to speak with management and the assurers via conference call. If this review identifies particular areas of concern, the panel can elect to conduct an in-person visit to the company’s headquarters to address those concerns as appropriate. The panel will then prepare a report to the ICMM CEO on the status of the member’s implementation of the action plan.

The costs of any such follow up by the panel are borne entirely by the new member. Once conformance with the panel’s conditions has been confirmed, the annual independent assurance process that all members must undertake will serve as an ongoing check that the membership requirements continue to be met.
The panel will follow a standard procedure and terms of reference which ICMM establishes in advance. This will be based upon the need for the expert panel to carefully consider the information provided in the application information and assurance reports from a prospective member. Each member of the expert panel will be expected to sign a confidentiality agreement with a prospective member company in order to bind himself/herself to keep confidential all information received that is not in the public domain.

The terms of reference for the panel will be limited to considering whether:

- The prospective member currently meets ICMM’s membership requirements and the extent and significance of any gaps.
- The prospective member has the requisite commitment and capacity in place to fully implement the membership requirements within a reasonable timeframe.
- There are any reputational risks for ICMM or its members from the prospective member not fulfilling the requirements of membership within an agreed timeframe and on an ongoing basis.

**Further reading**

ICMM [2020], Assurance and Validation Procedure.

ICMM [2020], Validation Guidance.
ICMM is an international organisation dedicated to a safe, fair, and sustainable mining and metals industry. Bringing together 27 companies – and 38 regional, national, and commodities associations – we support mining with principles to sustainably manage the natural resources of our planet, and enhance the wellbeing of local communities.