Emerging Market Multinationals Network for Sustainability (EMM)

Towards Sustainable Business Models in the Mining Industry
- Developing and Implementing Outward Mining Guidelines in China

Country: China, to be replicated in other emerging economies
Duration: Ongoing
The Chinese Guidelines for Responsible Outward Mining Investments – Rationale

Chinese investments in overseas mining projects have soared over the past decade. Since China has adopted its “Going Out” strategy, Chinese mining companies have entered the global scramble for extractive resources with astonishing speed and henceforth changed fundamentally the global allocation of extractive resources. China dominates the international trade of extractive resources and imports the bulk of mineral ores and concentrates that are traded globally. Chinese mining companies play a major role with regard to social, environmental and ethical impacts of the mining industry globally. It is against this background that the China Chamber of Commerce of Metals Minerals and Chemicals Importers and Exporters (CCCMC) as part of an initiative of the EMM Network has developed the ‘Guidelines for Social Responsibility in Chinese Outbound Mining Investments’.


CCCMC represents a membership of more than 6,000 companies, encompassing the majority of Chinese mining companies investing abroad and trading mineral, metal and hydrocarbon products.

The Guidelines represent the first industry specific guidance on social responsibility for the Chinese mining industry. They require Chinese mining companies to integrate social and environmental factors into their investment decision making and operations abroad. The Guidelines are structured along eight social responsibility issues and provide guidance for mining companies on establishing social responsibility management 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.
The Chinese Guidelines for Responsible Outward Mining Investments – Approach

The Guidelines have been developed in an extensive, consultative and open process lasting more than one year. The key principles for developing these Guidelines included:

1. Ensure maximum coherence of the provisions with international conventions and guidelines, as well as with industry standards and norms (such as ISO 26000, the UN Guiding Principles for Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the Sustainable Development Framework of the International Council on Mining and Metals (ICMM), the OECD Guidance for Responsible Mineral Supply Chains, the Code of Practices from the Responsible Jewellery Council, and the Better coal Code)

2. Develop the Guidelines in an open, inclusive and consultative process that is coherent with international good practice such as the ISEAL Standard-Setting Code of Good Practice for establishing Social and Environmental Standards and ISEAL’s Ten Credibility Principles. Various multi-stakeholder consultations were held with representatives from the Chinese government, civil society, academia, as well as from the mining industry. In addition, a 30-day public online consultation was organized.

3. Develop Guidelines that are coherent with Chinese and host country laws and regulations, and which feature Chinese characteristics by appointing an advisory board comprised of Chinese and international CSR experts that consulted CCCMC throughout the drafting. Throughout the process, the Guidelines were advertised and comments were invited by CCCMC and the Ministry of Commerce at various events in China, including at the China Mining Conference and Exhibition in Tianjin. The Guidelines 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 Chinese laws and regulations.

The 3-year Work Plan to Implement the Guidelines

With support of the EMM Network CCCMC developed a 3-year action plan to implement the Guidelines, ensuring a structured and coordinated implementation as well as maximum impact in the mining sector in China and beyond.

The EMM Network will continue to support CCCMC in establishing the relevant structures and formats to implement the Guidelines, including monitoring and evaluation formats, network building, peer-learning and reporting formats, etc.
Impact and Milestones

The launch of the Guidelines received widespread attention and support from both the international community as well as from domestic stakeholders. The EMM Network has partnered with CCCMC in investing substantial effort in raising awareness for the Guidelines domestically and abroad.

Past and upcoming events:

Amongst others, the Guidelines were and will be presented and discussed at:

- OECD-ICGLR Forum on Responsible Mineral Supply Chains
- Annual UN Forum on Business and Human Rights
- IFC Sustainability Exchange 2015
- OECD Global Forum on Responsible Business Conduct
- PDAC Convention 2016, CSR Event series
- Annual UN Forum on Business and Human Rights Geneva 1-3 December 2014
- PDAC Convention 2016, CSR Event series Toronto 6-9 March 2015

Various mining-industry relevant stakeholders in other emerging markets have shown interest in replicating this sustainable mining initiative in order to transform the nature of their business models to a more sustainable one. The EMM Network will continue to partner with CCCMC to engage in national and international peer-learning formats. We will continue to feed the lessons learned from the guidelines development and implementation process into various national and international fora such as the G20 as well as existing and planned mining and sustainable development fora. Please consult our website for further updates and results.

Contact

EMM Network
Philipp Kruschel
Executive Director
Tayuan Diplomatic Office Building, Room 1-15-1
No. 14 Liangmahe Nanlu, Chaoyang District
100600 Beijing, PR China
T +86 10 8532 1857 ext. 212
M +86 186 1095 2224
E Philipp.kruschel@giz.de
I www.emm-network.org

CCCMC
SUN Lihui
Responsible Business Conduct (RBC) Director
17th Floor Prime Tower
No.22 Chaowai Street, Chaoyang District
100020 Beijing, PR China
T +86 10 6588 3591, 8569 2818
M +86 139 1009 9033
E leosth@126.com
I www.cccmc.org.cn