

Minerals Security Partnership (MSP) Principles for Responsible Critical Mineral Supply Chains

The Minerals Security Partnership (MSP) strives to promote responsible growth across the critical minerals sector via a shared commitment to high environmental, social, and governance (ESG) standards; sustainability; and shared prosperity. The MSP partner governments regard the further development of responsible and resilient supply chains to be critically important to an equitable and sustainable energy transition. These Principles outline the shared commitment of the MSP partner governments to the full integration of ESG standards, guidance, and support into MSP activities.

The Imperative for Responsible Supply Chains

While critical mineral supply chains must grow rapidly to deploy technologies necessary to meet global climate goals, this growth must not be at the expense of the environment, human health, or human and labor rights. It is imperative that mines, processing, and recycling facilities be developed in a way that protects the environment, promotes good governance, and provides economic benefit to local workers and communities. Adherence to such principles is necessary to advance a clean energy transition while ensuring that minerals-rich countries and affected communities are able to fully participate in and benefit from this generational opportunity.

The MSP supports ongoing efforts by minerals producers and processors, financiers, and end-users to elevate the role of ESG risk management; increase transparency, accountability, and raw material traceability; and align their ESG approaches throughout critical mineral and clean energy technology supply chains. The minerals industry – from mining to processing and recycling – has a duty to operate responsibly and equitably, while governments need to take a leadership role in ensuring that sound enabling environments are in place.

The MSP acknowledges that while the clean energy transition requires the rapid growth and diversification of mineral supplies, developing supply chains responsibly will be central to ensuring their resilience. It will be important for all stakeholders to incorporate ESG and labor standards into the project development and evaluation processes in a precise and holistic manner.

The MSP's Commitment to High Standards

The MSP supports the principles of sustainable development, including the importance of human health, human rights, internationally recognized worker rights, good governance, local community benefit, indigenous consultation, stakeholder engagement, financial transparency, supply chain traceability and accountability, affordability, the circular economy, and environmental protection. MSP activities will uphold the principles outlined in this statement, including being consistent with Organization for Economic Cooperation and Development guidelines and the UN Guiding Principles on Business and Human Rights, which our governments have committed to promoting. The MSP recognizes standards will continue to develop as the minerals industry evolves, and the MSP supports industry's and government regulators' work to promote and adapt to continuously improving standards.

MSP partners support a set of guiding ESG principles:

- The focus on strong ESG credentials should be a priority, and such credentials should be informed by best-in-class industry-recognized ESG standards. MSP governments share a common goal of promoting secure, sustainable, diverse, and equitable supply chains.
- A commitment to strong standards is becoming the industry-accepted practice and is driving transparency, risk mitigation, and public engagement. High standards enhance trust among governments, companies, customers, and communities; such trust is an important factor in successful project development.
- Building a social license and genuine engagement on ESG standards is crucial in creating and sustaining long-term and inclusive benefit for local communities, who have had varying levels of representation in or access to the benefits from the minerals sector.
- Projects without comprehensive ESG standards might risk their social license to operate and be prone to disruptions.
- Good governance and transparency protect the national security interests of countries involved in critical mineral supply chains.

The MSP does not endorse a single ESG accreditation framework or standard at the exclusion of others. MSP projects receiving financing from government

agencies will be benchmarked against internationally applicable ESG standards in accordance with agencies' existing project review and due diligence procedures. MSP partners' decisions are subject to the relevant government laws and regulations for that jurisdiction.

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MSP partner governments will continue to advance responsible supply chains and high ESG standards in other diplomatic and programmatic engagements and through leadership in multilateral fora. In parallel, MSP partner governments will endeavor to work together to develop and promote low-carbon, environmentally sustainable mining, processing, and recycling technologies that will be critical to sustainable supply chains.

Principles for Projects

Working collectively, the MSP seeks to identify opportunities and facilitate strategic interventions to advance promising critical minerals projects along the entire value chain, from mining, to processing, to recycling, both within and beyond MSP partners' borders. The MSP intends to support socially responsible projects that meet internationally recognized ESG standards and accreditation frameworks and include periodic review towards ESG performance improvements over the project lifetime.

MSP projects:

- Demonstrate responsible stewardship of the natural environment by accounting for water resources, land use, air quality, greenhouse gas emissions, pollutants and waste, biodiversity, ecosystem services, site reclamation, and other environmental considerations.
- Access and acquire land through consultative and participatory processes that result in broad-based consent of affected communities.
- Commit to meaningful engagement and transparent communication with communities, including indigenous communities, that host or may be affected by minerals projects.
- Ensure safe, fair, inclusive, and ethical conditions in the workplace and promote the same in communities.
- Provide economic benefit for local communities, including through local employment, local sourcing, and corporate social responsibility measures.

- Ensure transparent, ethical business operations, including in engagement with local and national governments, civil society, and private-sector actors.

Principles for Government Cooperation

The MSP acknowledges and endorses the right of every country to benefit from its own mineral resources, including seeking to move up the value chain, and acknowledges the benefits of good mining governance for the betterment of communities, economies, and the environment. The MSP partners encourage the ongoing efforts by mineral-rich countries to introduce ESG standards into their projects. The MSP welcomes collaboration on mutually strategic critical minerals projects with countries and private-sector entities that share a commitment to diversifying critical mineral supply chains that adhere to high ESG standards.

The MSP seeks to partner with governments that are committed to ensuring or actively improving:

- The institutional and regulatory frameworks that promote good governance and informed, transparent, and timely decision-making processes, including permitting and licensing for minerals projects, in a way that promotes social benefit and minimizes environmental impact over the lifetime of the project.
- Balanced, transparent fiscal frameworks that respect host government participation and community development while promoting the minerals projects' commercial viability.
- Meaningful consultations between local communities, including indigenous communities, and the private sector, including with regard to labor agreements and project permitting.
- Transparent, ethical business environments through membership in and/or adherence to the principles of internationally recognized initiatives that promote a responsible minerals industry.