WORKING TOGETHER TO IMPROVE INDUSTRY PERFORMANCE
The Challenge for the Mining and Metals Industry

Minerals and metals are essential for modern living. ICMM’s goal is an industry that contributes to sustainable development by integrating economic growth with environmental protection, social progress and effective governance.

In practice this means identifying, managing and mitigating the negative impacts of activities while at the same time adding value, for example, by contributing to biodiversity conservation and bringing employment, infrastructure and community development programs which last beyond the life of an operation or facility.

ICMM is a CEO-led organization whose members are committed to improving their sustainable development performance. The Sustainable Development Framework is a key tool to assist them to achieve this.

We would welcome your feedback on the Sustainable Development Framework as it is progressively implemented.

Paul Mitchell
Secretary General
Member CEOs have committed their companies to implement the ICMM Sustainable Development Framework.
ICMM's vision is a viable mining, minerals and metals industry that is widely recognized as essential for modern living and a key contributor to sustainable development.

**The 4 fundamental elements of the Framework**
By committing to these elements, ICMM corporate members are providing leadership to improve their sustainable development performance.

1. **10 PRINCIPLES**
   - 10 Principles for sustainable development which corporate members are required to implement throughout their businesses

2. **PUBLIC REPORTING**
   - Corporate members have committed to use the GRI 2002 Sustainability Reporting Guidelines and Mining and Metals Sector Supplement to report their performance against the 10 Principles

3. **INDEPENDENT ASSURANCE**
   - This will provide independent assurance that corporate members are meeting their commitments to implement the 10 Principles and report their performance against them

4. **SHARING GOOD PRACTICE**
   - ICMM works with other organizations to develop practical resources to support implementation of the 10 Principles. Resources are disseminated through workshops, publications and a good practice website

[www.icmm.com/framework](http://www.icmm.com/framework)
Building a Mandatory Sustainable Development Framework

How it Began
ICMM came into being following a three-year multi-stakeholder review process known as the Global Mining Initiative (GMI) launched in 1998 by the Chief Executive Officers (CEOs) of nine of the largest mining and metals companies. They recognized that the various challenges facing the sector were beyond the capacity of companies working alone.

Initially the GMI involved the Mining Minerals and Sustainable Development (MMSD) project - a two-year, independently-assured research project to better understand the issues facing the sector and how they might be addressed. This was conducted by the respected International Institute for Environment and Development, and involved consultation with scores of stakeholder groups across the world. Its concluding report, *Breaking New Ground*, issued detailed recommendations to companies, governments, and other actors.

Another key output of the GMI was the recognition by the leading companies that, going forward, industry representation in this area needed to be broadened and given a more ambitious mandate. Hence, in 2001, ICMM was established.

Towards the end of the process the GMI involved a global conference in Toronto in May 2002, which enabled the participants to prepare for the World Summit on Sustainable Development later that year. At the end of the conference CEOs of ICMM member companies adopted the Toronto Declaration which sets out various important commitments.

The highest levels of the mining and metals industry recognized that a substantial cultural shift was needed if it was to prosper in the future
01 PRINCIPLES

10 Principles for sustainable development performance
In May 2003, the ICMM Council of CEOs committed corporate members to implement and measure their performance against 10 sustainable development Principles.

‘Our Principles serve as a guiding light and the support of our partners and collaborators enables us to turn our first steps into strides’.

Wayne Murdy, Chairman & CEO Newmont Mining and ICMM Chairman

The 10 Principles were developed by benchmarking against other leading global standards including: the 1992 Rio Declaration, the Global Reporting Initiative, the OECD Guidelines for Multinational Enterprises, the World Bank Operational Policies, the OECD Convention on Combating Bribery, ILO Conventions 98, 169, 176, and the Voluntary Principles on Human Rights and Security.

Implement and maintain ethical business practices and sound systems of corporate governance

• Develop and implement company statements of ethical business principles and practices that management is committed to enforcing
• Implement policies and practices that seek to prevent bribery and corruption
• Comply with or exceed the requirements of host-country laws and regulations
• Work with governments, industry and other stakeholders to achieve appropriate and effective public policy, laws, regulations and procedures that facilitate the mining, minerals and metals sector’s contribution to sustainable development within national sustainable development strategies

Integrate sustainable development considerations within the corporate decision-making process

• Integrate sustainable development principles into company policies and practices
• Plan, design, operate and close operations in a manner that enhances sustainable development
• Implement good practice and innovate to improve social, environmental and economic performance while enhancing shareholder value
• Encourage customers, business partners and suppliers of goods and services to adopt principles and practices that are comparable to our own
• Provide sustainable development training to ensure adequate competency at all levels among our own employees and those of contractors
• Support public policies and practices that foster open and competitive markets
Uphold fundamental human rights and respect cultures, customs and values in dealings with employees and others who are affected by our activities

- Ensure fair remuneration and work conditions for all employees and do not use forced, compulsory or child labour
- Provide for the constructive engagement of employees on matters of mutual concern
- Implement policies and practices designed to eliminate harassment and unfair discrimination in all aspects of our activities
- Ensure that all relevant staff, including security personnel, are provided with appropriate cultural and human rights training and guidance
- Minimize involuntary resettlement, and compensate fairly for adverse effects on the community where they cannot be avoided
- Respect the culture and heritage of local communities, including Indigenous Peoples

Implement risk management strategies based on valid data and sound science

- Consult with interested and affected parties in the identification, assessment and management of all significant social, health, safety, environmental and economic impacts associated with our activities
- Ensure regular review and updating of risk management systems
- Inform potentially affected parties of significant risks from mining, minerals and metals operations and of the measures that will be taken to manage the potential risks effectively
- Develop, maintain and test effective emergency response procedures in collaboration with potentially affected parties

Seek continual improvement of our health and safety performance

- Implement a management system focused on continual improvement of all aspects of operations that could have a significant impact on the health and safety of our own employees, those of contractors and the communities where we operate
- Take all practical and reasonable measures to eliminate workplace fatalities, injuries and diseases among our own employees and those of contractors
- Provide all employees with health and safety training, and require employees of contractors to have undergone such training
- Implement regular health surveillance and risk-based monitoring of employees
- Rehabilitate and reintegrate employees into operations following illness or injury, where feasible

Seek continual improvement of our environmental performance

- Assess the positive and negative, the direct and indirect, and the cumulative environmental impacts of new projects - from exploration through closure
- Implement an environmental management system focused on continual improvement to review, prevent, mitigate or ameliorate adverse environmental impacts
- Rehabilitate land disturbed or occupied by operations in accordance with appropriate post-mining land uses
- Provide for safe storage and disposal of residual wastes and process residues
- Design and plan all operations so that adequate resources are available to meet the closure requirements of all operations
Contribute to conservation of biodiversity and integrated approaches to land use planning

- Respect legally designated protected areas
- Disseminate scientific data on and promote practices and experiences in biodiversity assessment and management
- Support the development and implementation of scientifically sound, inclusive and transparent procedures for integrated approaches to land use planning, biodiversity, conservation and mining

Facilitate and encourage responsible product design, use, re-use, recycling and disposal of our products

- Advance understanding of the properties of metals and minerals and their life-cycle effects on human health and the environment
- Conduct or support research and innovation that promotes the use of products and technologies that are safe and efficient in their use of energy, natural resources and other materials
- Develop and promote the concept of integrated materials management throughout the metals and minerals value chain
- Provide regulators and other stakeholders with scientifically sound data and analysis regarding our products and operations as a basis for regulatory decisions
- Support the development of scientifically sound policies, regulations, product standards and material choice decisions that encourage the safe use of mineral and metal products

Contribute to the social, economic and institutional development of the communities in which we operate

- Engage at the earliest practical stage with likely affected parties to discuss and respond to issues and conflicts concerning the management of social impacts
- Ensure that appropriate systems are in place for ongoing interaction with affected parties, making sure that minorities and other marginalized groups have equitable and culturally appropriate means of engagement
- Contribute to community development from project development through closure in collaboration with host communities and their representatives
- Encourage partnerships with governments and non-governmental organizations to ensure that programs (such as community health, education, local business development) are well designed and effectively delivered
- Enhance social and economic development by seeking opportunities to address poverty

Implement effective and transparent engagement, communication and independently verified reporting arrangements with our stakeholders

- Report on our economic, social and environmental performance and contribution to sustainable development
- Provide information that is timely, accurate and relevant
- Engage with and respond to stakeholders through open consultation processes

The Principles are also available in Spanish, French, Portuguese, Japanese, and Russian.
PUBLIC REPORTING

A common approach for reporting performance against the 10 Principles
‘ICMM members have backed up their long-term commitment to sustainability by aiming for an unprecedented level of transparency’.

Ernst Ligteringen, GRI, Chief Executive

In January 2005, the ICMM Council approved the Mining and Metals Sector Supplement and committed corporate members to the highest level of reporting: ‘in accordance’ with the GRI Guidelines and Sector Supplement.

The Global Reporting Initiative (GRI) Mining and Metals Sector Supplement is to be used in conjunction with the 2002 Sustainability Reporting Guidelines. Together the Guidelines* and Supplement provide the basis for ICMM members to report their economic, environmental, human rights and social performance against the 10 Principles. They include specific performance indicators as well as principles for good reporting, such as completeness and materiality.

The Sector Supplement was developed over 18 months via a multi-stakeholder working group which involved four meetings and an 11-week public comment period. The working group consisted of 20 people: 10 industry representatives, and 10 from the industry’s stakeholders including investors, labour organizations, the World Bank Group and environmental and social development NGOs (Oxfam International, World Wildlife Fund and IUCN Southern Africa Programme).

ICMM corporate members aim to report in accordance with the GRI 2002 Sustainability Reporting Guidelines and Sector Supplement within two reporting periods**. It is recognized that this is a stretch for some ICMM members and an additional reporting cycle may be required to meet the target.

To review or download the Sector Supplement go to: www.icmm.com/sd_reporting.php. It is currently available in English, Spanish and Japanese.

* The GRI is currently updating the 2002 Guidelines. ICMM is involved in this process and will review the commitment at the appropriate time.
**For those members reporting on a calendar year basis this would be the 2006 report published in 2007.
INDEPENDENT ASSURANCE
Providing independent assurance that members are meeting their commitments
ICMM members are working on a common approach to assurance

Work began on the assurance element of the Framework in January 2005. This will provide independent assurance that corporate members are meeting their two commitments to ICMM:

- to implement the 10 Principles; and
- to report their performance against the Principles, by reporting ‘in accordance’ with the GRI.

The first step in developing this element was to examine existing approaches to assurance. This work concluded that assurance activities across all industry sectors vary widely in terms of definitions and objectives and that there are no universally agreed approaches to assurance. However, the work also found an increasing use of standards such as AA1000 and ISAE3000 and a strong desire to build upon existing initiatives and minimize duplication wherever possible.

Next, a broad approach to assurance for ICMM members was outlined based on two tracks, reflecting the commitments outlined above, and incorporating the underlying principles of the AA1000 Assurance Standard – materiality, completeness and responsiveness.

A procedure giving implementation guidance to members and assurance providers will be finalized in 2006.
04 SHARING GOOD PRACTICE
Providing practical resources to support implementation of the 10 Principles
ICMM works with other organizations to put the 10 Principles into practice

Sustainable development requires participation and engagement by companies, governments and civil society alike. Therefore, ICMM’s projects are often carried out in partnership or with input from relevant stakeholders. All projects directly support implementation of at least one of the 10 Principles and the results are shared through publications, workshops and participation in events and conferences.

Publications and other Resources

- Biodiversity offsets – discussion papers (2005), developed as part of the IUCN-ICMM Dialogue
- Community Development Toolkit (2005), developed with the World Bank and Energy Sector Management Assistance Programme (ESMAP)
- Good Practice in Emergency Preparedness and Response (2005), developed with UNEP
- Integrating Mining and Biodiversity Conservation: Case studies from around the world (2004), developed with IUCN – The World Conservation Union
- Mining and Metals Sector Supplement (Pilot version 1.0, 2005), developed with the GRI

Access to good practice developed by ICMM and others is through a good practice website. The website was developed with the United Nations Environment Programme, the UK Department for International Development and the United Nations Conference on Trade and Development and is available at www.goodpracticemining.org.

The website also has a section containing good practice references on tailings, developed with the International Commission on Large Dams.
‘Our sustainable development learning is continuous and our thinking and commitment is solid, progressive and advanced.’

Paul Mitchell, ICMM, Secretary General

Corporate Members:
Alcoa, Anglo American, AngloGold Ashanti, BHP Billiton, Falconbridge, Freeport-McMoRan Copper & Gold, Lonmin, Mitsubishi Materials, Newmont, Nippon Mining & Metals, Rio Tinto, Sumitomo Metal Mining, Xstrata, Zinifex
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