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ICMM
International Council
on Mining & Metals

Leading by example: making a difference through partnership

ANNUAL REVIEW 2005

EXAMPLES OF LEADERSHIP: 2005 HIGHLIGHTS

2005 proved to be a key year in our journey. Here are some of the milestones:

"In my two-year tenure as Chairman I'm proud to have seen ICMM make great strides towards achieving the ambitious goal our members have set. With such a dynamic structure, ICMM will continue to raise awareness of the positive contribution the industry makes to modern living while encouraging sustainable development, including socio-economic growth in the developing world."

Wayne Murdy, Chairman



SUSTAINABLE DEVELOPMENT

Sustainable Development Framework

- ICMM Council committed to reporting on the 10 Principles of the Sustainable Development Framework in accordance with GRI Guidelines
- Research for approach to independent assurance began
- Section on tailings management added to the Good Practice website.



ENVIRONMENT

Environmental Stewardship

- Publication of *Financial Assurance for Mine Closure and Reclamation*
- Draft *Good Practice Guidance on Mining and Biodiversity* in dialogue with IUCN, submitted to two-month public consultation process
- Publication of two papers providing an industry perspective on and background to biodiversity offsets
- Held two successful workshops on biodiversity good practice guidance and offsets in Johannesburg.



ECONOMIC DEVELOPMENT

Resource Endowment initiative

- Timely completion of Phase 2 of the initiative
- Testing of the Resource Endowment Toolkit to produce country case studies in Peru, Chile, Ghana and Tanzania
- Synthesis report of the findings of the four country case studies released
- A multi-stakeholder workshop held in London for governments, companies, NGOs, investors, donor agencies and academic institutions to review the draft synthesis report.



HEALTH AND SAFETY

Health and safety of workers

- ICMM created standardized, international database covering safety statistics in the mining and metals sector
- Continued joint mine safety in China project in collaboration with ICEM and ILO
- Launch of ICMM's 2006 Safety and Health Conference
- Expansion of the Minerals Industry Risk Management Gateway to include international best practice documents.



MATERIALS

Materials Stewardship

- ICMM's chemicals management policies recognized by the UN
- MERAG workshop attended by 50 international policy and regulatory scientists
- Nine MERAG fact sheets produced for peer review
- Fifteen HERAG fact sheets produced for peer review.



COMMUNITIES

Socio-economic development

- Publication of *Good Practice in Emergency Preparedness and Response* report (in association with UNEP)
- Publication of *Mining and Indigenous Peoples Issues Review,* and Roundtable co-convened with IUCN
- Publication of *Community Development Toolkit* with World Bank.



ENGAGEMENT

Outreach

- ICMM staff participated in over 40 conferences, workshops, and meetings in 21 countries, across six continents
- Paul Mitchell delivered a series of keynote speeches including: Extracting More Benefit for Africa Conference; Fourth International Congress on Environmental Protection in Mining and Metallurgy (Peru); Asia Mining Congress; Securing the Future Conference (2005) in Sweden
- ICMM website relaunched.



RELATIONSHIPS

External relationships

- Paul Mitchell appointed to the World Bank's Executive Industries Advisory Committee
- ICMM's Dr John Atherton appointed to a high-level review committee for the UN's Strategic Approach to International Chemicals Management (SAICM)
- Represented on various multi-stakeholder groups of the Global Reporting Initiative (GRI).

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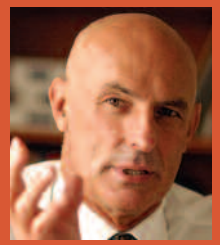
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BUILDING ENGAGEMENT

ICMM spent 2005 interacting with people around the world. The benefits were many – and major.



Wayne Murdy
Chairman



Paul Mitchell
Secretary General

In 2005, ICMM, the International Council on Mining and Metals, worked together with a diverse set of related parties, including governments, labour organizations, financial institutions and non-governmental organizations (NGOs). This engagement led to real progress in our mission to contribute to sustainable development on a global scale.

Following a multi-stakeholder process to develop indicators for the mining and metals sector, the year began with ICMM's corporate members committing to report in accordance with the Global Reporting Initiative (GRI) framework.

In addition, the results of many years' groundwork came to fruition as significant projects were completed. The *Community Development Toolkit* – a major success – involved the World Bank, ESMAP and numerous individual specialists.

Also published in November 2005 was *Good Practice in Emergency Preparedness and Response*, a report produced in collaboration with UNEP as a companion to its *APELL for Mining* (2001).

The *Mining and Indigenous Peoples Issues Review*, published in May 2005, had to be reprinted to satisfy high demand, and the November Roundtable on Mining and Indigenous Peoples Issues marked a noteworthy development in our relationship with IUCN – the World Conservation Union.

Another major achievement was confirmation that our industry can make a significant contribution to economic growth in developing countries. The *Challenge of Mineral Wealth* study, commissioned by ICMM, the World Bank and UNCTAD as part of the Resource Endowment initiative, demonstrated that with the right government support, mining investments stimulate growth and lead to real social and economic benefit for national and local communities.

On the organizational front, the fully restructured Council met for the first time in October. The smaller, streamlined Council now comprises the chief executives of ICMM's 15 corporate members, together with two association representatives and the chair of our Executive Working Group (EWG). ICMM is a model industry organization with the close personal involvement of the leaders of its member organizations.

Another measure of our success was that Business in the Community (an independent business-led charity) named BHP Billiton as Company of the Year and praised Anglo American for its HIV/AIDS programs.

Around the world, ICMM was in dialogue with those who are helping to shape our industry for the coming years. We kept in close touch with the people and organizations making a difference in the field of mining and metals. And that dialogue, in itself, made a big difference.

The many activities in 2005 which this report highlights support our contention that ICMM is about making progress on improved industry performance. We are working hard to address the challenges facing the industry and provide practical tools to deliver results both for our members and the communities in which they operate.



Wayne Murdy



Paul Mitchell

Vision A viable industry that is widely recognized as essential for modern living and a key contributor to sustainable development.

Mission ICMM members believe that the mining, minerals and metals industry acting collectively can best ensure its continued access to land, capital and markets as well as build trust and respect by demonstrating its ability to contribute successfully to sustainable development.

ICMM members offer strategic industry leadership towards achieving continuous improvements in sustainable development performance in the mining, minerals and metals industry. ICMM provides a common platform for the industry to share challenges and responsibilities as well as to engage with key constituencies on issues of common concern at the international level, based on science and principles of sustainable development.



THE JOURNEY SO FAR...

In four short years, ICMM has achieved new levels of public accountability and transparency. Who reaps the rewards? Everyone.



ICMM was formed in October 2001 as an international body representing the interests of the mining and metals industry. ICMM's aim is to enable mining and metals companies to understand and effectively deal with social, economic and environmental challenges faced by the industry. Our industry leaders are practicing their commitment to environmental, economic and social responsibility and, as such, are making a case for continued access to land, capital and markets.

All of ICMM's activities are founded on the 10 Principles of sustainable development that members have committed to implement and report publicly against, by using a set of indicators developed in partnership with the Global Reporting Initiative. To date, ICMM is the only industry body to have committed to such a high level of public accountability and transparency.

In under five years, we have made significant progress in steering the industry's contribution towards achieving sustainable development by creating tools for members to improve performance, including sharing examples of good practices. Our member companies are already implementing the majority of the recommendations made in the MMSD report *Breaking New Ground*.

Our members recognize that continued progress requires commitment and actions from all actors in society, and a shared responsibility between government, civil society and business. ICMM welcomes partnerships with organizations that share our objective: the pursuit of sustainable development.

ICMM's Path to Progress

"ICMM leads from the front in advancing sustainable development throughout the mining industry."

Charles Bowen, Executive Director, International Association of Oil and Gas Producers

1999

Nine of the largest mining companies launched the Global Mining Initiative (GMI) in order to prepare the sector for the World Summit on Sustainable Development (WSSD) to be held in 2002 on the tenth anniversary of the Rio Earth Summit.

2000

Start of an independent process of consultation and research known as the Mining, Minerals and Sustainable Development (MMSD) project.

2001

The board of the metals industry's representative organization, the International Council on Metals and the Environment (ICME) agreed to broaden the group's mandate and transform itself into the International Council on Mining and Metals (ICMM).

Creation of ICMM, with a secretariat based in London.

2002

The GMI concluded with a major global conference, Resourcing the Future, held in Toronto, Canada, and publication of the MMSD's *Breaking New Ground* report where member companies signed the Toronto Declaration.

An ICMM delegation attended the World Summit on Sustainable Development in Johannesburg where it was declared that "Mining, minerals and metals are important to the economic and social development of many countries. Minerals are essential for modern living."

2003

ICMM members pledged not to mine or explore in World Heritage Sites.

Council adopted 10 guiding Principles, the first element of ICMM's Sustainable Development Framework.

ICMM members welcomed the Extractive Industries Transparency Initiative (EITI) and supported its objective of greater transparency in payments made by companies and revenues received by governments for natural resource extraction.

2004

GRI-ICMM Working Group completes Mining and Metals Sector Supplement to GRI 2002 Guidelines.

ICMM endorsed the Extractive Industries Review's (EIR) focus on sustainable development and poverty alleviation.

2005

ICMM Council committed corporate members to report "in accordance" with the GRI framework.

ICMM welcomed the establishment of the Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development with some 33 member countries.

USING A SUSTAINABLE DEVELOPMENT FRAMEWORK

ICMM members are committed to 10 Principles and report each year on how well the Principles are implemented.

THE 10 PRINCIPLES

1. Implement and maintain ethical business practices and sound systems of corporate governance.
2. Integrate sustainable development considerations within the corporate decision-making process.
3. Uphold fundamental human rights and respect cultures, customs and values in dealings with employees and others who are affected by our activities.
4. Implement risk management strategies based on valid data and sound science.
5. Seek continual improvement of our health and safety performance.
6. Seek continual improvement of our environmental performance.
7. Contribute to conservation of biodiversity and integrated approaches to land use planning.
8. Facilitate and encourage responsible product design, use, re-use, recycling and disposal of our products.
9. Contribute to the social, economic and institutional development of the communities in which we operate.
10. Implement effective and transparent engagement, communication and independently verified reporting arrangements with our stakeholders.



ICMM's activities are underpinned by these 10 Principles of sustainable development that form the basis of a mandatory Sustainable Development Framework. The Principles are the first element of the Framework that also includes three additional elements: public reporting, independent assurance and sharing good practice. All of ICMM's 15 corporate members have committed to implement the Framework.

In 2005, a review of the Principles against the proposed revision of the International Finance Corporation's safeguard policy and performance standards showed that six Principles are more advanced, three are the same, and one is weaker with respect to one element (collective bargaining) that remains contentious in many countries.

In January 2005, ICMM's corporate members agreed to use the Global Reporting Initiative (GRI) framework to publicly report on their performance against the 10 Principles. The GRI framework includes a Mining and Metals Sector Supplement that was jointly developed with ICMM to provide practical indicators of performance specific to mining and metals operations.

Members aim to report "in accordance" with the GRI framework by 2007 although, as this is a stretch target, some may require an additional year.

Upon completion of the reporting element, work started immediately to establish the third element of the Framework, the procedure that will enable members to provide independent assurance that they are meeting their two commitments to ICMM, that is, to implement and report their performance against the Principles. The draft procedure incorporates the underlying principles of the AA1000 Assurance Standard – materiality, completeness and responsiveness – and will be finalized during 2006.

"Falconbridge recognizes the value of applying internationally recognized sustainability reporting guidelines and in 2005 we began to work to meet the ICMM target by aligning our current reporting with the GRI framework."

Robert Telewiak, Senior Vice President Environment, Health and Safety, Falconbridge



IMPROVING HEALTH AND SAFETY

ICMM is not only committed to health and safety; we are a leading authority on the subject.

"The mining and metals sector is currently taking the lead in benchmarking health and safety performance – inter-company contact can make a real impact on performance across the industry."

Daniel Limpitlaw, University of the Witwatersrand



In 2005, ICMM established a standardized international database to enable member companies to compare their safety performance to that of similar operations in order to learn good practice by example. Maintaining such a database is in line with the Principles of the Sustainable Development Framework. The database will be expanded in 2006 to include health data. ICMM also provided funding to enable the University of Queensland to expand its database of risk management strategies and performance in Australian mines to include documentation from sites around the world.

In 2004, ICMM was invited by ICEM (International Federation of Chemical, Energy, Mine and General Workers' Unions) and the International Labour Organization (ILO) to participate in a joint dialogue with the Chinese government on health and safety issues.

As a result, in 2005, ICMM met with government officials in Beijing to discuss a joint mine safety project. The initiative aims to assist the Chinese government to implement a safety culture in the Chinese mining industry by sharing technical expertise and examples of good practice. Chinese officials have been invited to visit ICMM members' mines and attend the ICMM Safety and Health Conference in South Africa in November 2006.

In May 2005, to mark the UN's World Day Against Child Labour, ICMM signed a joint memorandum of understanding with ICEM supporting ILO's campaign to eliminate child labour from informal and artisanal mining.

Finally, in November 2005, ICMM hosted a multi-stakeholder workshop in London as a first step toward the goal of establishing a harmonized approach to setting OELs (Occupational Exposure Limits) in mines and metals facilities. A background document designed to provide a framework for discussion on how to advance the debate was drafted by the UK-based Institute for Environment and Health (to be published in 2006). The workshop has opened a key channel for engagement with international regulators and several important factors impacting the effective harmonization of OEL setting were identified.



TAKING CARE OF OUR ENVIRONMENT

Governments and companies have important economic and environmental objectives. ICMM helps them meet their targets.

"Overall, we believe that mining companies, particularly those that are members of the trade body International Council on Mining and Metals (ICMM), are leading the way in managing biodiversity risks in the extractives sectors."

F&C Asset Management



In February 2005, we published *Financial Assurance for Mine Closure and Reclamation* as part of our commitment to continual improvement of environmental performance. Environmental Financial Assurance (EFA) measures provide a guarantee to governments and communities that adequate resources will be available to meet the cost of mine closure.

Our aim is to promote effective and efficient policies in this area. A study on financial assurance requirements for metals operations was also carried out. A summary report is available at www.icmm.com.

ICMM's commitment to enhancing the industry's biodiversity performance was confirmed in the preparation of draft *Good Practice Guidance on Mining and Biodiversity* (GPG), a guidance document for mine personnel on biodiversity conservation as part of an overall strategy for managing mining sites. Development of the document included a two-month period of public consultation and significant input from an advisory group consisting of members of ICMM and IUCN – The World Conservation Union. This activity is aligned with Principle 7 of the Sustainable Development Framework – contribute to conservation of biodiversity and integrated approaches to land use planning.

The Dialogue with IUCN also fed into the publication of two ICMM papers on biodiversity offsets in August 2005. The *Briefing Paper for the Mining Industry* explained the principles and business case for using offsets to reduce or compensate for the negative environmental impact of mining activities on biodiversity. The second paper, ICMM's proposition statement, provided an industry perspective on offsets with the intention of promoting discussion of unresolved issues about them, such as measurement, management and scalability.

In collaboration with local ICMM members, IUCN South Africa and the Botanical Society of South Africa, ICMM organized two workshops in Johannesburg alongside the Chamber of Mines of South Africa's biennial sustainable development conference.

Participants gave feedback on ICMM's biodiversity work, and recommendations made were communicated to other organizations active in the field, including the UN Convention on Biological Diversity.

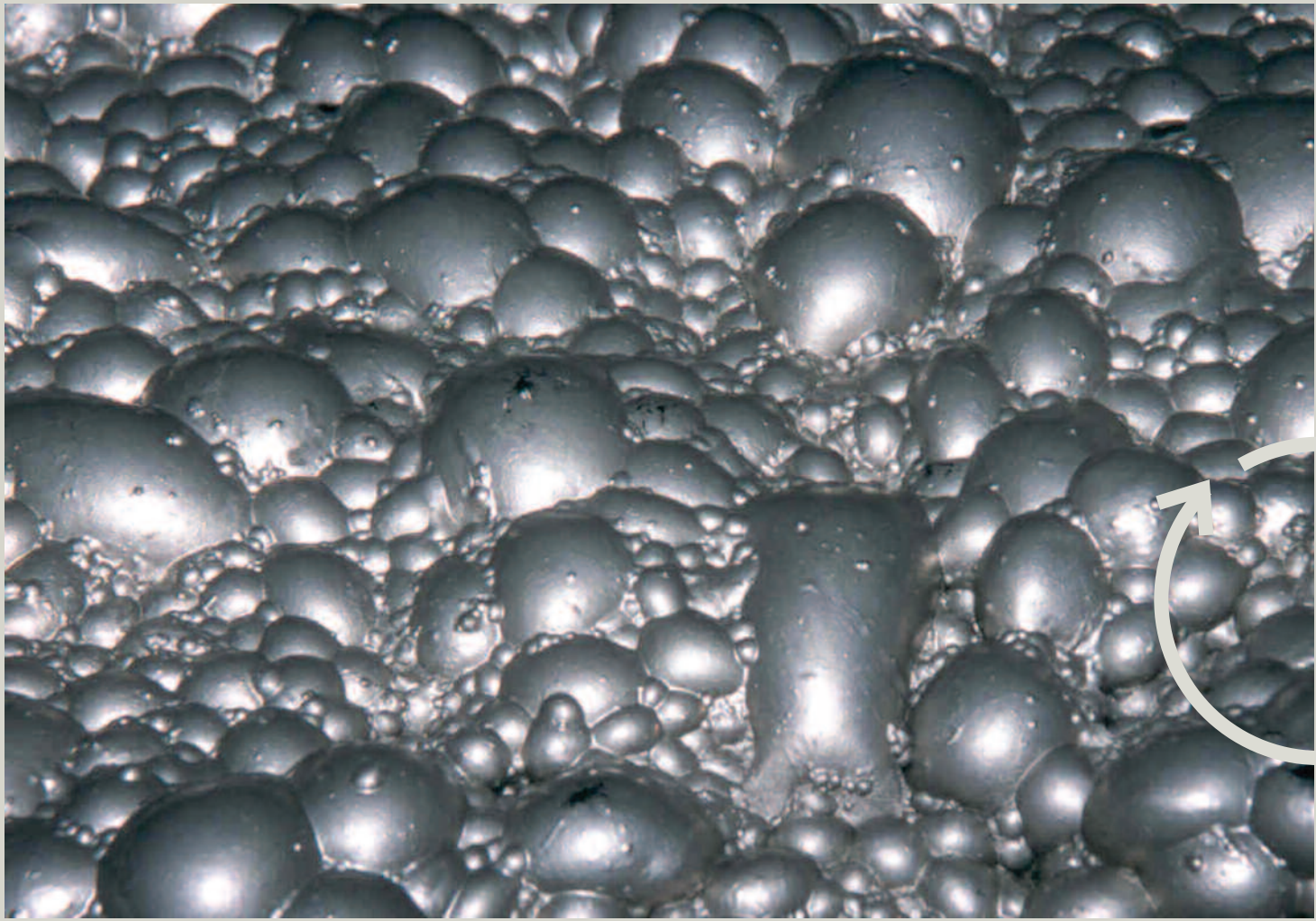


MANAGING OUR MATERIALS RESPONSIBLY

ICMM is concerned with materials at each stage of the metals life cycle.

"I believe the transition to a material stewardship strategy is timely and inevitable given some of the significant market and regulatory drivers."

Kevin Brady, Director, Five Winds International



We are committed to encouraging responsible design, use, re-use, recycling and disposal of our products. But this can only be achieved by sharing responsibility at all stages of the material life cycle, from initial excavation, manufacturing and use, through to disposal and recycling.

The core elements of ICMM's chemicals management policies were recognized and supported by the UN Preparatory Committee for the development of a Strategic Approach to International Chemicals Management (SAICM).

In March, an international workshop of ICMM and Eurometaux members discussed the industry's position on advocacy with regard to REACH (Registration, Evaluation and Authorisation of Chemicals), the EU's new chemicals management legislation. While recognizing that effective chemicals management is vital for sustainable development, the group concluded that industry's efforts should focus on excluding ores and concentrates from the scope of REACH, the rationale being that these naturally occurring materials are adequately controlled by other legislation. The conclusions of this and subsequent workshops form the basis of ICMM's ongoing engagement in the REACH process.

In May, nine scientific fact sheets were finalized and peer reviewed at an international workshop as part of the MERAG (Metals Environmental Risk Assessment Guidance) project. These fact sheets will form the basis for technical guidance on substance specific risk assessment under REACH. In addition, the OECD and several national governments have expressed interest in using the concepts being developed in their own guidelines.

Fifteen fact sheets are also being written for HERAG – the human health equivalent of MERAG. These fact sheets will be finalized and peer reviewed in 2006 and will also be developed into the basis for technical guidance on risk assessment.

In November, ICMM held a workshop to discuss the awareness, assessment and communication of eco-efficiency practices among ICMM members and other actors in the life cycle of metals and minerals. The workshop also identified key areas where the eco-efficiency concept can assist ICMM members in fulfilling their commitment to materials stewardship.

"I appreciate the constructive participation of ICMM in the development of the SAICM and I am convinced the minerals industry has a vital role to play in achieving the sound management of chemicals throughout their life cycle."

Viveka Bohn, Ambassador, Ministry of Sustainable Development, Sweden



CONTRIBUTING TO SOCIO-ECONOMIC DEVELOPMENT

ICMM is searching for the answer to a critical question: How can mining enhance socio-economic development?



Some countries with an abundance of natural resources have achieved less economic growth than countries without these natural resources – the so-called resource curse.

Yet mining and minerals have been instrumental in the development of successful economies and societies, where mineral wealth has been a source of prosperity through the development of social and physical capital.

The Resource Endowment initiative aims to improve the social and economic benefits of mining investments in developing countries by:

- identifying the underlying success factors that explain why some countries have prospered from their mineral resource endowments while others have not; and

- undertaking analytical work – in consultation with governments, labour, NGOs, financial institutions and others – to seek ways to ensure better social and economic development outcomes from large-scale mining investments.

The initiative has three distinct phases:

Phase 1: Analytical Framework and Tools (May 2004 – December 2004)
This produced an analytical framework focussing on governance processes, and a practical toolkit to assess local, regional and national socio-economic impacts of mining. Both were tested in a multi-stakeholder workshop in November 2004.

Phase 2: Testing, Synthesis and Emerging Lessons (January 2005 – December 2005)
This applied the toolkit to Chile, Ghana, Peru and Tanzania. The results were tested in a second multi-stakeholder workshop in October 2005.

The findings showed conclusively that mining can kick-start economic growth in low-income countries. They also demonstrated that the quality of government policies matter: in Chile and Ghana, development policies were generally sound, and substantial poverty reduction has occurred. It was concluded that the benefits from mining can be significantly enhanced if donors assist national, regional and local governments to build competency, and these authorities work with industry to address agreed development priorities.

Phase 3: Action Learning through Partnerships (January 2006 onwards)
This will include "pilot projects" in partnership with others, publishing and disseminating the methods, tools and findings from Phases 1 and 2.



"ICMM's Resource Endowment initiative represents the most important step in the past 30 years towards identifying how mining investments can be structured to benefit host country development. But this is only a first step, and vigorous follow-up is needed."

Theodore H. Moran, Marcus Wallenberg Professor of International Business and Finance, Georgetown University

ADVANCING OUR SOCIO-ECONOMIC PROGRAM

ICMM believes that community development depends on strong relationships between mining companies, local communities and local government.



ICMM's socio-economic program was especially active in 2005. The year coincided with two significant milestones in the fight against world poverty: the summit of the G8 leaders in Gleneagles, Scotland and the UN World Summit on poverty in New York. ICMM is committed to working on practical contributions to the success of the UN's Millennium Development Goals. The year also saw the launch of two significant projects to implement two of ICMM's Principles. Not only will they lead to significant outcomes, they will also see deepening working relationships with the World Bank, UNEP and IUCN – the World Conservation Union – all recognized players in the fight against extreme poverty and in protecting the world's environment.

Community Development Toolkit
The *Community Development Toolkit* was launched in October 2005 in partnership with the World Bank and the Energy Sector Management Assistance Program (ESMAP).

The Toolkit is designed to support socio-economic development at a local level by demonstrating how mining and mineral processing activities can contribute to sustainable community development. With examples showing how the impact of sustainable community development programs lasts beyond the life of a

project, the Toolkit encourages all stakeholders to work together and to take a long-term view.

Presented in a user-friendly "how-to" style, the Toolkit contains practical guidance for mine site managers, local governments and communities on the full life cycle of mining investment.

Mining and Indigenous Peoples Issues
As part of the Dialogue on Mining and Biodiversity, IUCN and ICMM convened a Roundtable on Mining and Indigenous Peoples Issues at the IUCN headquarters in Switzerland in November 2005.

The event aimed to build understanding between participants from Indigenous Peoples' groups, governments, international organizations, ICMM and IUCN members. The Roundtable addressed key issues identified by participants, including free, prior and informed consent, land rights, capacity building, development, institutions and roles, and legal frameworks. It also highlighted the need for progress in addressing these issues at global, regional, and national levels and suggested areas and opportunities for attention.

The Roundtable followed the publication of ICMM's *Mining and Indigenous Peoples Issues Review* in May 2005 that considered the issues surrounding relationships between local communities and mining and metals operations.The review has been published in English and Spanish.

Good Practice in Emergency Preparedness and Response
ICMM worked closely with the United Nations Environment Programme to produce *Good Practice in Emergency Preparedness and Response*, a publication that covers everything from identifying who does what in an emergency to training and proper community liaison.

Published in November 2005, the report includes a model emergency plan and stresses the importance of working with local communities when planning strategies to deal with emergencies.

The model emergency plan was developed in line with UNEP's APELL (Awareness and Preparedness for Emergencies at Local Level) process and is a companion volume to UNEP's *APELL for Mining* (2001). The report also provides guidance to members on meeting their commitment to Principle 5 of the Sustainable Development Framework – seek continual improvement of our health and safety performance.



"The Community Development Toolkit is very useful and practical and will help many mineral development practitioners in their quest to foster sustainable development in the extractive sector."

Antonio Pedro, UN Economic Commission for Africa

REACHING OUT

ICMM is spreading the word through leading communications techniques.



Along with the numerous project-related good practice documents, the Good Practice website supports the fourth element of the Framework.

Sharing examples of good practice and promoting the global importance of the mining and metals sector is a core element of ICMM's mission. During the course of 2005, we continued to work closely with communications specialists from member companies and associations with the aim of increasing the awareness of ICMM's purpose, vision, and activities among members and external audiences.

The ICMM website, www.icmm.com, was relaunched in September 2005 with improvements to the home page, work programs area, and general site navigation. The revised site received an average of 35,000 page visits per month by the end of the year.

Spreading the Word

ICMM participated in an extensive program of events to present ICMM's position on issues affecting the industry, including speaking at key industry conferences and attending high-level meetings with governments, regulators, NGOs, and community groups. ICMM staff organized workshops and presentations to promote our work program and mandate, and collaborated with national mining and international commodity association members to promote activities within the wider industry.

Good Practice Website: www.goodpracticemining.org

The sharing of examples of good practice in the mining and metals sector is a core element of ICMM's Sustainable Development Framework. During 2005, new references were added to the Good Practice website on a variety of topics, including stakeholder engagement, biodiversity and HIV/AIDS. In October 2005, a new Tailings section was launched in association with the International Commission on Large Dams (ICOLD) to provide a library of good practice references on tailings.



Key workshops

- Public reporting in Tokyo and Melbourne – January/February
- Safety benchmarking in Johannesburg – January
- International Chemicals Management in Brussels – March
- Resource Endowment initiative in London – October
- Community Development Toolkit and biodiversity programs in Johannesburg – November

KEY EVENTS AT WHICH ICMM PRESENTED

- January – Mining and Metals Governors' meeting at the World Economic Forum in Switzerland
- March – EITI Conference in the UK
- March – Asia Mining Congress in Singapore (keynote address)
- March – African Regional Consultation on the development of a Strategic Approach to International Chemicals Management (SAICM) in Senegal
- April – Responsible Mining in Romania Conference
- April – International Conference on Life Cycle Assessment in Costa Rica
- June – Securing the Future Conference in Sweden
- June – Women in Mining Conference in Papua New Guinea
- July – 4th International Congress on Environmental Protection in Mining and Metallurgy in Peru (keynote address)
- July – Mine Closure Workshop in Australia
- August – Engaging Communities Conference in Australia
- September – 27th Mining Convention in Peru
- September – Americas Nickel Conference in the Dominican Republic
- October – International Lead and Zinc Study Group Annual Session in the UK
- November – SD05: Sustainable Development Conference in Australia
- November – Mining for Sustainable Development: Extracting More Benefit for Africa Conference in South Africa
- November – Intergovernmental Forum in Switzerland
- November – Advisory Committee (SBSTTA 11) on the Convention of Biological Diversity in Canada
- December – UN Global Compact in China

Opening Lines of Dialogue

In four years, ICMM has made great progress in establishing meaningful dialogue between mining and metals organizations and external stakeholders, including governments, communities, NGOs and international agencies. During 2005 in particular, our partnerships with development and environmental stewardship agencies and the labour movement were strengthened as we formed common networks for discussion and interaction. Individual NGOs (some of which had previously boycotted the MMSD process) have continued to engage with the industry on selected topics, including public reporting.

DIVERSITY OF ORGANIZATIONS

In 2005, we continued engaging with a wide diversity of organizations, including:

- CAFOD – Resource Endowment initiative
- CARE International – Resource Endowment initiative
- Conservation International – biodiversity
- DEFRA – MERAG
- DfID – Good Practice website
- Equator banks – IFC safeguards review and Resource Endowment initiative
- EURAS – MERAG
- GPPi – MMSD evaluation
- GRI – Sustainable Development Framework
- ICEM – Mining safety and human rights
- ICOLD – Tailings section of the Good Practice website
- IIED – Resource Endowment initiative
- ILO – Mining safety and human rights
- IUCN – Indigenous Peoples, biodiversity
- Save the Children – Resource Endowment initiative
- SETAC – Life cycle assessment
- Transparency International – Resource Endowment initiative
- UNCTAD – Resource Endowment initiative and Good Practice website
- UNEP – Life cycle assessment, Good Practice website and APELL
- UNESCO – Land use planning and World Heritage
- United Nations – Business and human rights
- World Bank – Community Development Toolkit and Resource Endowment initiative
- WWF – biodiversity

THE JOURNEY CONTINUES: 2006 GOALS

"To take our work forward to the next level we need to cultivate more partnerships and collaboration with external stakeholders, some of whom may have real concerns about the industry's historic performance. ICMM will continue to seek constructive engagement by demonstrating openness and a willingness to listen and learn."

Paul Mitchell, Secretary General



SUSTAINABLE DEVELOPMENT

Sustainable Development Framework

- Council endorsement of assurance procedure.



ENVIRONMENT

Environmental Stewardship

- Finalize *Good Practice Guidance on Mining and Biodiversity* and communicate among membership and stakeholders
- Finalize a guidance paper on *Financial Assurance for Mine Closure and Reclamation*
- Develop improved practices for integrated closure planning
- Publish a paper on stakeholder expectations surrounding landscape level planning (as part of the UNESCO-led Landscape Level Planning Initiative).



ECONOMIC DEVELOPMENT

Resource Endowment initiative

- Delivery of Phase 3 of the initiative – Action Learning through Partnerships
- Dissemination of the four country case studies, while mobilizing partner support for the findings and recommendations of the synthesis report and piloting and application of the Resource Endowment Toolkit
- In-country pilot projects in partnership with others in the sector to encourage take-up of recommendations and enhance the contribution of mining to socio-economic development.



HEALTH AND SAFETY

Health and safety of workers

- Safety and Health Conference (November 2006) to share practical best practice examples
- Workshop with Chinese government and industry, ILO and ICEM to improve mine safety
- Add occupational health data to our benchmarking database to enable sites to benchmark health performance.



MATERIALS

Materials Stewardship

- Launch ICMM's Materials Stewardship initiative, including publication of guidance document and adoption of a strategic policy framework
- Produce a set of peer-reviewed HERAG fact sheets
- Eco-efficiency: White Paper on the importance of materials eco-efficiency in the minerals sector; development of core set of eco-efficiency metrics consistent with the GRI reporting framework.



ENGAGEMENT

Outreach

- Continue to develop partnerships with external stakeholders and raise awareness of ICMM's mission
- Continue to share expertise and examples of good practice throughout the mining and metals sector.



COMMUNITIES

Socio-economic development

- Communications program to promote *Community Development Toolkit*, including practical workshops
- Driving up awareness of emergency preparedness and response through a targeted outreach program
- Consultation on draft Mining and Indigenous Peoples position statement.



RELATIONSHIPS

External relationships

- Contribute to the UN-led public debate about human rights-based approaches to development with regards to the distinctive roles of industry, government and civil society
- Encourage more governments to adopt EITI principles and participate in the design of further EITI activities.

MEMBERSHIP AND GOVERNANCE

ICMM comprises 15 of the world's largest mining and metals companies as well as 24 regional, national and commodity associations. All ICMM activities and initiatives are governed by its members.

Corporate members*
Alcoa
Anglo American
AngloGold Ashanti
BHP Billiton
Falconbridge
Freeport-McMoRan Copper & Gold
Lonmin
Mitsubishi Materials Corporation
Newmont Mining Corporation
Nippon Mining & Metals
Placer Dome
Rio Tinto
Sumitomo Metal Mining
Umicore
Zinifex

*as at December 2005

Association members
Cámara Minera de México
Chamber of Mines of South Africa
Cobalt Development Institute
Consejo Minero de Chile AG
Eurometaux
Euromines
Federation of Indian Mineral Industries
Indonesian Mining Association
Instituto Brasileiro de Mineraçao
International Aluminium Institute
International Copper Association
International Wrought Copper Council
International Zinc Association
Japan Mining Industry Association
Lead Development Association International
Minerals Council of Australia
Mining Association of Canada
Mining Industry Associations of Southern Africa
Nickel Institute
Prospectors and Developers Association of Canada
Sociedad Nacional de Minería (Chile)
Sociedad Nacional de Minería, Petróleo y Energía (Perú)
World Coal Institute
World Gold Council

Governance
ICMM's governing body is its Council, comprising the chief executive officers of all 15 corporate members plus two representatives from association members and the chairman of the Executive Working Group (EWG).

The Council is responsible for the organization's strategic direction and policies; the current chairman is Wayne Murdy, President and CEO of Newmont Mining. The vice-chair is Leigh Clifford, CEO of Rio Tinto and the treasurer is Greg Gailey, CEO of Zinifex. The Council is supported by the EWG, an Associations' Coordination Group (ACG), and a permanent Secretariat based in London.

In addition, members' task forces dealing with environment, community and social development, health and safety, and integrated materials management conduct ICMM's program of work.

The Council meets twice a year, normally in May and October. The EWG meets four times a year, while task forces meet as necessary to advance the work program.


ICMM












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ICMM Council Members 2005

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Tony Trahar
Anglo American, Chief Executive Officer,

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BHP Billiton, Chief Executive Officer

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Lonmin, Chief Executive

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Placer Dome, Chief Executive Officer

Leigh Clifford
Rio Tinto, Chief Executive

Koichi Fukushima
Sumitomo Metal Mining, President

Thomas Leysen
Umicore, Chief Executive Officer

Greig Gailey
Zinifex, Chief Executive Officer

Other Members

Gordon Peeling
Mining Association of Canada (ACG representative)

Britt Banks
Newmont Mining Corporation (Chairman of EWG)

Ivor Kirman
Nickel Institute (ACG representative)

List of abbreviations and acronyms used in this report

APELL Awareness and Preparedness for Emergencies at Local Level (UNEP)
CAFOD Catholic Agency for Overseas Development
DEFRA Department for Environment, Food and Rural Affairs (United Kingdom)
DFiD Department for International Development (United Kingdom)
EFA Environmental Financial Assurance
EITI Extractive Industries Transparency Initiative
EIR Extractive Industries Review
ESMAP Energy Sector Management Assistance Program (World Bank)
EU European Union
GMI Global Mining Initiative
GPG Good Practice Guidance
GPPi Global Public Policy institute
GRI Global Reporting Initiative
HERAG Human Health Risk Assessment Guidance
ICEM International Federation of Chemical, Energy, Mine and General Workers' Unions
ICME International Council on Metals and the Environment
ICOLD International Commission on Large Dams
IFC International Finance Corporation
ILO International Labour Organization
IUCN The World Conservation Union
MERAG Metals Environmental Risk Assessment Guidance
MMSD Mining, Minerals and Sustainable Development project (a project of IIED – International Institute for Environment and Development – and WBCSD)
NGO Non-governmental organization
OECD Organization for Economic Co-operation and Development
OEL Occupational Exposure Limit
REACH Registration, Evaluation and Authorisation of Chemicals
SAICM Strategic Approach to International Chemicals Management (United Nations)
SETAC Society of Environmental Toxicology and Chemistry
UNCTAD United Nations Conference on Trade and Development
UNEP United Nations Environment Programme
UNESCO United Nations Educational, Scientific and Cultural Organization
WBCSD World Business Council for Sustainable Development
WSSD World Summit on Sustainable Development
WWF Global environmental conservation organization

Photo captions and credits

Page 2/3 and 22/23: Pictures courtesy of Mondi, Minera Los Pelambres, Newmont, Rio Tinto, Umicore, ICMM and WMC.

Page 6: Meeting with Sanso sous prefect, major and delegates, Mali. Picture courtesy of AngloGold Ashanti Limited.

Page 9: Base metals – rehabilitation areas. Picture courtesy of Namakwa Sands.

Page 10: Moranbah – underground longwall shearer and operator. Picture courtesy of Anglo Coal Australia.

Page 11: Ultra high purity copper emerging from a furnace in first stage copper rod production. Picture courtesy of Rio Tinto.

Page 13: Dr Angus Christie is an environmentalist employed at Kleinkopje. He is inspecting a crop of maize grown under pivot irrigation which draws its water from the Kleinkopje plant. This method of irrigation not only disperses high sulphide content wastewater, but puts it to good use in the fertilization and irrigation of agricultural produce. Picture courtesy of Kleinkopje.

Page 14: Bubbles containing the recovery product, copper (26%), molybdenum, gold, silver and other metals, being skimmed off Wemco flotation cells at Kennecott Utah Copper Corporation's Bingham Canyon. Picture courtesy of Rio Tinto.

Page 15: Workman working on the roof of Eden Project's new Education Centre. Picture courtesy of Eden Project.

Page 17: Leplats operation in Limpopo Province provides financial and other support to the Seroko vegetable project. One of the beneficiaries of the project, which teaches a range of vegetable-growing skills to members of the surrounding communities, is Ezekiel Makuwa. Picture courtesy of Anglo Platinum.

Page 19: Gyedu village community bore holes – a Newmont project providing clean water to improve community health. Picture courtesy of Newmont Mining Corporation.

Page 25: Council meeting and ICMM drinks reception in London, November 2005.

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