

Chairman's Review

Sir Robert Wilson, Chairman, Rio Tinto Plc.

I am pleased to report that for all the difficult circumstances we faced last October, 2003 has been a busy and productive year for the ICMM.

We now have a corporate membership of 15 of the world's largest mining and metal producing companies, who have made a long-term commitment to working collectively in the ICMM alongside the 27 national and commodity association members. These companies recognise that only by continually demonstrating its ability to contribute to sustainable development, can the industry build the trust and respect necessary to ensure its continued access to land, capital and markets.

The commitment of our members to the work of the ICMM continues to be CEO-led. This has helped us to build credibility on the success of both the GMI, as a change agent, and the MMSD.

With a focused work programme, this year has witnessed some significant achievements. Two that stand out are the agreement by the membership to report against ten principles on Sustainable Development; and the signing, in conjunction with the World Conservation Union (IUCN), of a 'No-go' pledge on mining and exploration in World Heritage Sites. The latter was a first for any industry sector, and represents the latest milestone in our dialogue with the conservation community. Members have probably seen that Shell announced a similar agreement with IUCN shortly after our announcement.

The reaffirmed priorities of the ICMM for 2003-2004 will be to improve industry performance, provide international representation and act as a catalyst for change.

It remains for me to thank all the ICMM staff for their hard work and application this year, particularly bearing in mind the very sad death of Jay Hair late last year. I would also like to express a special word of thanks to Anita Roper who will be leaving us shortly, but has done so well to maintain ICMM's momentum during the past year.

I should like to welcome our new Secretary General, Paul Mitchell, who joins the ICMM from CARE Australia, where he was Chief Executive. Under Paul's stewardship, it is my belief that ICMM will further deliver on its vision of creating a viable mining, metals and minerals industry that is widely recognised as essential for modern living and as a key contributor to sustainable development.

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dedicated to economic progress,
environmental protection
and social responsibility

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 following companies are members of ICMM:

- Alcoa
- Anglo American
- AngloGold
- BHP Billiton
- Freeport-McMoRan Copper & Gold
- Mitsubishi Materials
- Newmont
- Nippon Mining & Metals
- Noranda
- Pasmaico
- Placer Dome
- Rio Tinto
- Sumitomo Metal Mining
- Umicore
- WMC Resources

Operational Review

Priorities for 2003

This year has seen considerable progress for the ICMM, with a well focused work programme approved by the ICMM Council and built around three themes:

- Improved industry performance
- International representation
- Catalysing change

In 2003, the ICMM membership, working with others in the sector, accomplished the following.

Improved Industry Performance

- On 29th May, the ICMM Council approved the adoption of Ten Principles on Sustainable Development, and resolved that ICMM corporate members adopt the principles in their operations and measure their corporate performance against them.
- ICMM signed an agreement with the Global Reporting Initiative (GRI) to develop an industry reporting system, to help track the industry's performance. This was in recognition that principles alone cannot guarantee results on the ground. We are working with the GRI to develop a Mining and Metals sector supplement, to accompany the 2002 GRI Sustainable Reporting Guidelines, with a multi-stakeholder group providing guidance.
- The launch of the Good Practice Website in partnership with UNCTAD, UNEP and the UK Government Department for International Development (DFID).

International Representation

- The ICMM developed a position paper on the Extractive Industries Transparency Initiative placing ICMM member companies in a leadership role in supporting transparency of payments to governments and delivering on one of the MMSD recommendations.
- On 20th August, the ICMM issued a landmark 'No-go' pledge on Mining and Protected Areas in conjunction with the World Conservation Union (IUCN), announced prior to the World Parks Congress in Durban, the first commitment of its kind by any industry sector.
- World Bank Extractive Industries' Review: We have been active in three areas:
 - Preparing an industry submission and background paper to the review.
 - Participation with indigenous peoples and three regional workshops (Africa, Asia, Middle East).
 - Supporting Anglo-American Chairman Sir Mark Moody Stuart in his role on the World Bank Extractive Industries Review advisory group.
- The ICMM submitted a strategy paper outlining our sector's position on the European Commission's proposals for management of chemicals.

Catalysing Change

- Mining and Biodiversity – we ran the first multi-stakeholder workshop of the IUCN/ICMM Dialogue on Mining and Biodiversity in Gland, Switzerland, to develop good practice guidance principles and performance criteria. In September a joint panel session was held at the World Parks Congress to highlight IUCN/ICMM's work on land-use management strategies, including the issue of the landmark pledge on 'No-go' areas.

- Establishment of a basis for effective collaboration among regional and commodity associations through the creation of the Minerals and Metals Technical Working Group, the partnership with the Environmental Toxicology Advisory Panel (ETAP) and the development of a matrix to assist in metals issues management.
- Significant progress on the ICMM and World Bank Partnership Project - Pioneering New Approaches to Sustainability, including the convening of the regional multi-stakeholder Regional Advisory Committee in Southern Africa and a multi-stakeholder workshop to discuss outputs. Another workshop is planned to follow in December.
- Working on emergency preparedness in partnership with UNEP, we have developed a members' questionnaire to provide input for a case studies publication.
- The launch of two new projects under the revised partnership with the UNEP/SETAC Life Cycle Initiative. The first examined Life Cycle Analysis (LCA) issues for metals and, the second, presented methodological issues with regard to metals and a strategy to ensure appropriate treatment of metal recycling in LCAs.
- In June we signed an agreement with International Commission on Large Dams to collaborate in the development of a web-based Tailings Management Framework Reference Guide.

Communicating the Work of the ICMM

In addition to the above, in 2003 there was a strong focus on communicating the ICMM work programme and activities within the membership and to external audiences:

- Twenty FYIs were circulated within the membership advising of key initiatives, policy developments or events within the sector.
- Four newsletters were issued to the membership.
- A progress report on ICMM activities was sent to the Toronto Conference participants.
- More than 50 presentations were given on various aspects of ICMM and its work programme.
- The Content Management System of the ICMM website was redesigned to provide greater in-house flexibility to update and improve the website.

In short, 2003 has been a productive year for the ICMM, as we seek to move forward continually the agenda of the mining, metals and minerals industry on the journey that is sustainable development. 2004 promises to be another important year for the ICMM, as we look to capitalise on the significant achievements of this past year.

Anita Roper, Deputy Secretary General

ICMM, October 2003

