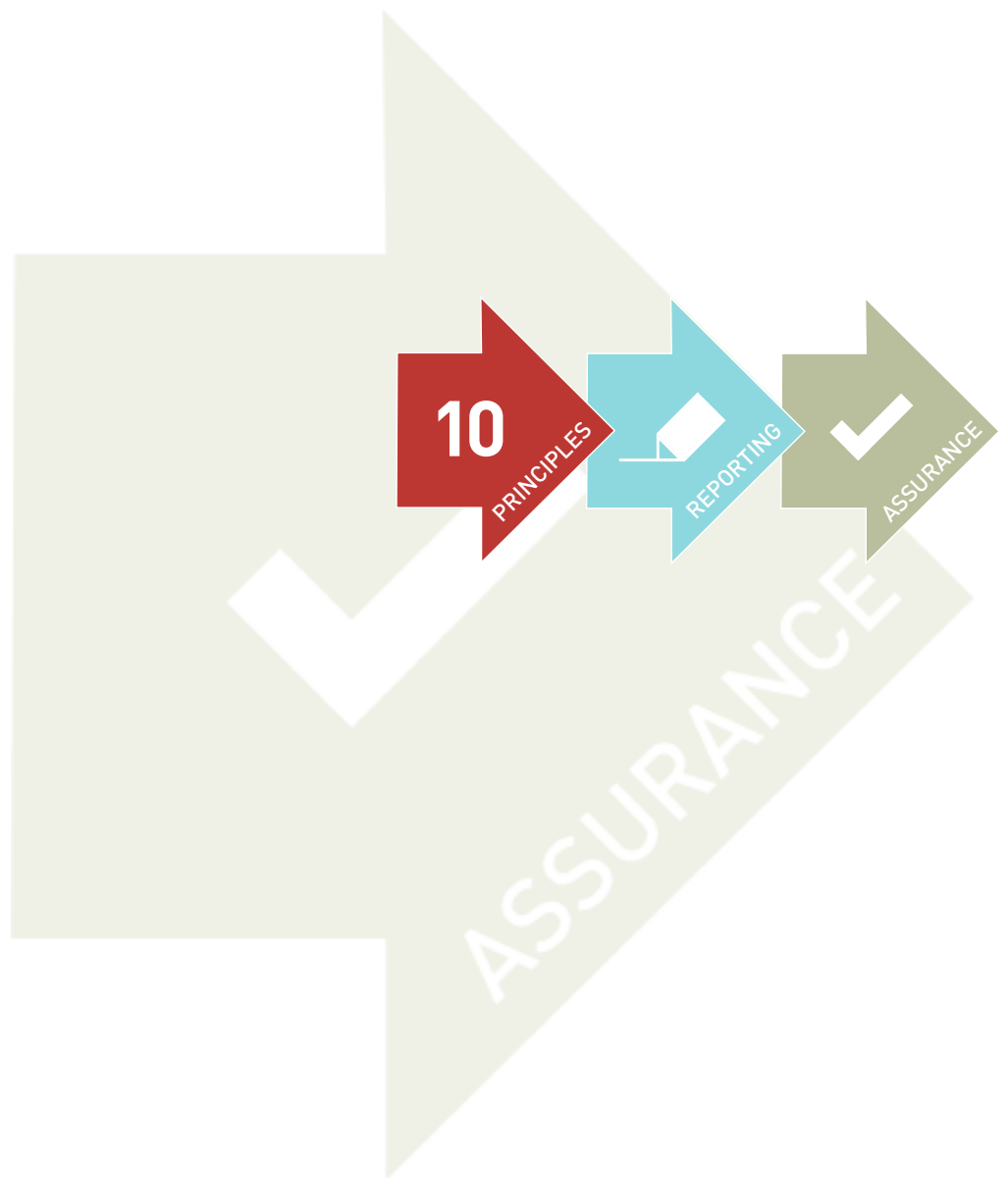


# Sustainable Development Framework: **Assurance Procedure**





# Sustainable Development Framework: **Assurance Procedure**



# CONTENTS

<b>1. INTRODUCTION</b>	<b>2</b>
1.1 Overall objective	2
1.2 Context and background	2
1.3 Use of the assurance procedure	3
<b>2. ICMM ASSURANCE REQUIREMENTS</b>	<b>4</b>
2.1 What is assurance?	4
2.2 ICMM requirements	4
2.3 Timing of implementation of the ICMM assurance commitment	11
<b>3. GUIDANCE ON THE ASSURANCE APPROACH</b>	<b>12</b>
3.1 Boundaries	12
3.2 Site sampling methodology	13
3.3 External assurance	14
3.4 Selecting an assurance provider	14
3.5 Implementation of management systems and processes	15
<b>ANNEX 1:</b> Detailed guidance on management systems in relation to the 10 ICMM Principles	16
<b>ACKNOWLEDGEMENTS</b>	<b>26</b>

# FOREWORD

External assurance of sustainable development reports supports the integrity of what is printed on the page and, without it, there can be no certainty that the contents will stand up to external scrutiny.

In my capacity as chairman of ICMM, I have been party to a number of conversations about assurance with my fellow chief executives of ICMM member companies. I am greatly encouraged by the shared sense of importance that ICMM's members attach to implementing a robust assurance procedure that underscores the credibility of the public promise of ICMM membership. In that context, I welcome the publication of this Assurance Procedure, which clearly outlines the expectations of members.

A shared commitment to independent external assurance of members' publicly reported sustainable development performance is integral to ICMM's Sustainable Development Framework. Assurance applies to members' commitments to the ICMM Principles and to reporting against the Global Reporting Initiative's 2006 G3 Sustainability Reporting Guidelines, and related Mining and Metals Sector Supplement.

Since 2005, members have been piloting an approach to assurance, which is superseded by this document. This revised procedure reflects the experience of members, emerging trends in the professional field of external assurance service provision, and ICMM's strengthened commitments around public reporting.

Now that our assurance commitment has been clearly defined, we need to move forward collectively with implementation, and ensure that we share experiences to guarantee consistency of approach and purpose. I believe that this is critical to build on ICMM's success over the last six years in developing its credibility as a responsible voice for the industry on a global basis. Our shared commitment to a robust and transparent assurance procedure should underscore members' leadership position within the mining and metals sector, and provide an example to other industry sectors.



A handwritten signature in black ink that reads "Brad Mills". The signature is written in a cursive, flowing style.

**Brad Mills**  
Chairman, ICMM

# 1 INTRODUCTION

## 1.1 Overall objective

Membership of ICMM requires a commitment to implement the ICMM Sustainable Development (SD) Framework. There are three elements to the Framework, which are mandatory for corporate members to meet:

- **Principles** - Implement the 10 ICMM SD Principles throughout the business;
- **Reporting** - Report in line with the Global Reporting Initiative (GRI) G3 framework; and
- **Assurance** - Provide independent assurance that the ICMM commitments are met.

Member companies will meet the Assurance element of this Framework by:

1. Including in a public report, statements on how the company complies with the ICMM SD Principles and Reporting commitments;
2. Seeking confirmation that its SD report meets Level A+ of the G3 Guidelines; and
3. Having its SD report assured by a third party consistent with this procedure.

This approach will give stakeholders, the ICMM, and ICMM members assurance over public statements describing how the ICMM SD Framework is being implemented in all member companies.

ICMM recognizes that members' sustainability-related policies and standards will differ, as will their systems and approaches to managing SD issues. While this assurance procedure highlights the need for alignment between a member company's sustainability policies and/or standards and the ICMM 10 SD Principles, there is no expectation that member companies' management systems should be structured specifically around the ICMM 10 SD Principles.

ICMM also recognizes that member companies may have already in place internal or external assurance processes in relation to the management and reporting of their sustainability performance, for example ISO14001 certification or GRI report assurance. This assurance procedure is not intended to duplicate existing assurance arrangements nor require for these to be re-done. The member company and its assurance provider should consider all existing assurance processes, confirm the ability to rely on these, and complement them as needed with new assurance work to fully comply to this procedure's requirements. Further guidelines are provided within this document on this matter.

This assurance procedure is intended to be aligned with the Minerals Council of Australia's Enduring Value guidance and the Mining Association of Canada's Towards Sustainable Mining framework.

## 1.2 Context and background

In May 2006, the ICMM Council approved a Pilot Assurance Procedure to establish the requirements for member companies to meet the ICMM assurance commitment. Since then, the sustainable development assurance agenda has evolved considerably. ICMM has revised the Pilot Assurance Procedure to respond to:

- Feedback from member companies on their experience with the Pilot Assurance Procedure;
- Revisions to global reporting and assurance standards; and
- Increased sophistication of stakeholder expectations.

### 1.3 Use of the assurance procedure

This procedure sets out:

- ICMC’s requirements for member companies to meet the independent assurance commitment (Section 2); and
- Guidance to ensure that ICMC member companies adopt a consistent approach to seeking assurance (Section 3).

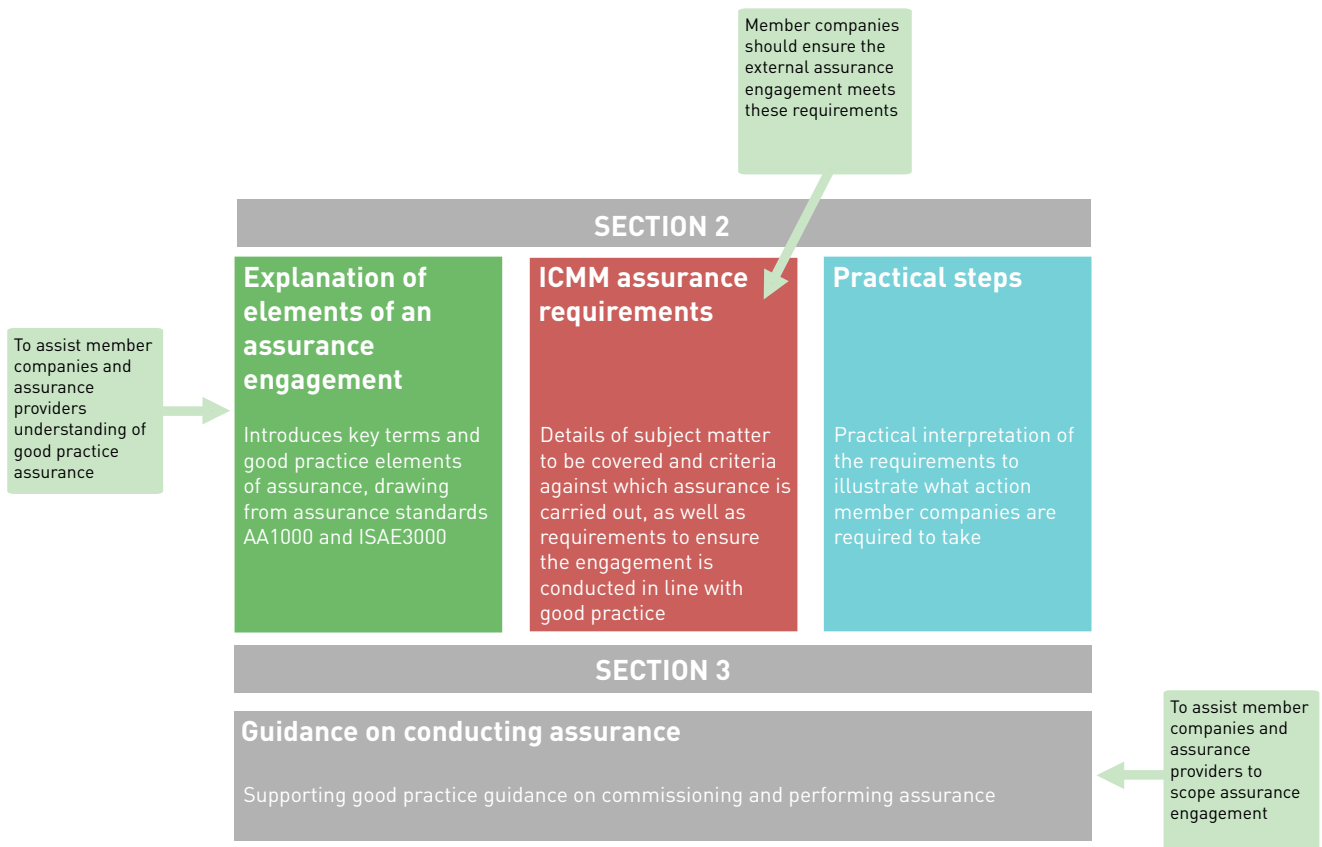
The procedure is for use by ICMC member companies and their assurance providers. It aims to provide member companies with the necessary guidelines to commission an assurance engagement that fulfils ICMC’s requirements and draws on best practice. For assurance providers, it clearly sets out the scope of ICMC’s assurance requirements.

The ICMC Assurance Procedure is neither intended as an assurance standard nor to substitute for existing standards that have been referred to in the development of the ICMC Assurance Procedure. Assurance providers should also refer to the good practice guidelines set out in existing global assurance and auditing standards, including:

- International Standard on Assurance Engagements (ISAE 3000);
- AccountAbility 1000 Assurance Standard (AA1000 AS); and
- ISO 19011 Guidelines for Quality and Environmental Management Systems Auditing.

Figure 1.1 explains how the contents of the ICMC Assurance Procedure should be used by member companies and assurance providers.

Figure 1.1 Presentation of how Section 2 and 3 of the ICMC assurance procedure is organized



# 2 ICMM ASSURANCE REQUIREMENTS

## 2.1 What is assurance?

The AccountAbility 1000 Assurance Standard (AA1000 AS) provides a useful overall definition of **assurance**:

‘Assurance’ is an evaluation method that uses a specific set of principles and standards to assess the quality of a reporting organization’s subject matter, such as reports, and the organization’s underlying systems, processes and competencies that underpin its performance. Assurance includes the communication of the results of this evaluation to provide credibility to the subject matter for its users. (AA1000 AS)

The carrying out of assurance is referred to as the **assurance engagement**. This is defined by the International Standard on Assurance Engagements (ISAE 3000) as follows: “an engagement in which an assurance provider expresses a conclusion designed to enhance the degree of confidence of the intended users...about the outcome of the evaluation or measurement of a subject matter against criteria”.

Assurance engagements involve three parties:

**Practitioner (assurance provider)** – The ‘practitioner’ could be an individual or group of practitioners, making up a team of experts that collectively possess the skills, knowledge and experience required to competently perform the assurance engagement.

**Responsible party** – The person/persons responsible for the reported subject matter information, in this case the ICMM member company.

**Intended users** – The people or organization to whom the assurance practitioner reports its assurance statement, as a minimum to the Board of the reporting company, but potentially to other stakeholders.

Figure 2.1 demonstrates the relationship between the three parties.

## 2.2 ICMM requirements

Table 2.1 sets out the ICMM assurance requirements. It is structured in three columns:

- Explanation of key terms and good practice approach;
- ICMM requirement; and
- Details of what the requirement means in practice for member companies.

Figure 2.1 **The three parties involved in assurance – assurance provider, company and intended users**



Table 2.1 **ICMM assurance requirements**

Explanation of key terms	ICMM requirement	Practical steps
<b>2.1.1 ASSURANCE SUBJECT MATTER</b>		
<p>The subject matter of an assurance engagement can take many forms such as management statements on:</p> <ul style="list-style-type: none"> <li>• Policies;</li> <li>• Performance;</li> <li>• Systems and processes;</li> <li>• Status of compliance;</li> <li>• Etc...</li> </ul> <p>ISAE 3000 states that appropriate subject matter should be identifiable and capable of consistent evaluation or measurement, and information about it can be tested to enable sufficient appropriate evidence to be gathered to support the assurance conclusions.</p>	<p>ICMM member companies are required to implement the SD Principles throughout their business. They should report the following selected information (disclosures) in their assured public corporate report:</p> <p>Subject Matter 1: The alignment of the member company’s sustainability policies to ICMM’s 10 Sustainable Development (SD) Principles and any mandatory requirements set out in ICMM Position Statements.</p> <p>Subject Matter 2: The company’s material SD risks and opportunities based on its own review of the business and the views and expectations of its stakeholders.</p> <p>Subject Matter 3: The existence and status of implementation of systems and approaches that the company is using to manage each (or a selection) of the identified material SD risks and opportunities.</p> <p>Subject Matter 4: The company’s reported performance during the given reporting period for each (or a selection) of the identified material SD risks and opportunities.</p> <p>NB: For Subject Matters 3 and 4, member companies have the option of choosing a selection of material SD risks and opportunities for assurance in discussion with the assurance provider.</p> <p>Subject Matter 5: The company’s self-declared application level of the GRI G3 Sustainability Reporting Guidelines (G3 Guidelines).</p>	<p>Further detail on the five Subject Matters is provided below. ICMM member companies should report as a minimum on the following:</p> <p>Subject Matter 1: How its sustainability policies are aligned to ICMM’s 10 SD Principles and any mandatory requirements set out in ICMM position statements. Any gaps in alignment should be clearly identified/explained and ideally, management should provide a time-bound commitment as to when these gaps will be addressed.</p> <p>Subject Matter 2: A brief description of the processes in place to identify and prioritize the SD risks and opportunities faced by the business during the reporting period and the outcome of these processes (i.e. its list of material issues, the number will depend on the size and complexity of the company)</p> <p>Subject Matter 3: A brief description of the systems and approaches the company is using to manage each (or a selection) of the identified material SD risks and opportunities and a brief description of the status of implementation of these.</p> <p>Subject Matter 4: Performance information (e.g. key performance indicators for the reporting period, progress against targets etc) for the identified material SD risks and opportunities. The definitions of any quantitative or qualitative performance measures need to be made publicly available (e.g. in the SD report, cross-referenced to the company web site or guidance such as the World Business Council for Sustainable Development Greenhouse Gas Reporting Protocol).</p> <p>Subject Matter 5: The required disclosures for application level A+ of the G3 Guidelines (see the G3 Guidelines for details). The self-declared application level should be A+ in line with the ICMM reporting commitment.</p> <p>The steps taken by the assurance provider to gather evidence to support its conclusions on whether the reporting of the selected subject matter is appropriate/ materially accurate are described in the sections that follow.</p>

Explanation of key terms	ICMM requirement	Practical steps
<b>2.1.2 ASSURANCE SUITABLE CRITERIA</b>		
<p>Suitable criteria are required to enable reasonably consistent evaluation or measurement of the subject matter.</p> <p>ISAE 3000 provides guidance that suitable criteria should be:</p> <ul style="list-style-type: none"> <li>• Relevant: Contribute to assurance conclusions that assist decision-making by the intended users;</li> <li>• Complete: To the extent that relevant factors that could affect the conclusions are not omitted;</li> <li>• Reliable: To enable consistent evaluation or measurement of the subject matter, including when used by other similarly qualified practitioners in the context of providing assurance;</li> <li>• Neutral: In other words, free from bias; and</li> <li>• Understandable: Contribute to assurance conclusions that are clear, comprehensive and not open to significantly different interpretations.</li> </ul> <p>The practitioner's own expectations, judgment and experience are not considered to be suitable criteria.</p> <p>The criteria need to be available to the intended users to allow them to understand how the subject matter has been evaluated or measured. This can be within the assurance statement or the description of subject matter within the SD Report.</p>	<p>The evaluation by the assurance provider, of the five subject matters set out above, should be based on the following suitable criteria:</p> <p>Subject Matter 1: ICMM 10 Principles for SD performance, and Position Statements (as defined by ICMM);</p> <p>Subject Matter 2: The company's description of its process for identifying material issues (as reported); and the principles of completeness and materiality (as defined in the G3 Guidelines and AA1000 AS and presented in the Practical steps column);</p> <p>Subject Matter 3: The company's description of systems and approaches (as reported);</p> <p>Subject Matter 4: Publicly available definitions used by the company to report quantitative and qualitative performance (for example definitions of performance indicators in the G3 Guidelines), and where appropriate the company's definition of performance information (as reported); and</p> <p>Subject Matter 5: The GRI G3 Guidelines, Mining and Metals Sector Supplement (MMSS), and Application Level guidelines.</p>	<p>In practice, the member company will need to provide the following information to the assurance provider to enable the assurance provider to assess the suitability of the criteria for each of the selected subject matter against the five characteristics of suitable criteria set out by ISAE 3000 (as described in the Explanation of key terms column). For example:</p> <p>Subject Matter 1: The company policies, position statements etc and how they align to the 10 ICMM SD Principles and Position Statements.</p> <p>Subject Matter 2: The company's process for identifying and prioritizing its material SD risks and opportunities and how it has addressed the G3 Guidelines/AA1000AS principles of completeness and materiality. The concepts of materiality and completeness are defined in the G3 Guidelines as follows:</p> <ul style="list-style-type: none"> <li>• Completeness - Coverage of the material topics and Indicators and definition of the report boundary should be sufficient to reflect significant economic, environmental, and social impacts and enable stakeholders to assess the reporting organization's performance in the reporting period.</li> <li>• Materiality - The information in a report should cover topics and indicators that reflect the organization's significant economic, environmental, and social impacts, or that would substantively influence the assessments and decisions of stakeholders.</li> </ul> <p>Subject Matter 3: Descriptions of the company's systems and approaches used to manage each (or a selection) of the identified material SD risks and opportunities and the implementation plans for these systems/approaches.</p> <p>Subject Matter 4: Definitions and guidance used by the company for reporting quantitative/qualitative performance for each (or a selection) of the identified material SD risks and opportunities.</p> <p>Subject Matter 5: Copies of the G3 Guidelines and MMSS (available from GRI).</p>

Explanation of key terms	ICMM requirement	Practical steps
<b>2.1.3 ASSURANCE EVIDENCE</b>		
<p>The assurance provider considers materiality, assurance engagement risk and the quantity (sufficiency) and quality (appropriateness) of available evidence when planning the nature, extent and timing of its assurance approach.</p> <p>ISAE 3000 provides some guidance on what assurance providers should consider:</p> <ul style="list-style-type: none"> <li>• Materiality: An error in reported information or omission is material if it will influence the decisions of the intended users. Determining materiality is a matter of judgment. Factors to consider when assessing whether an error or omission is material include; the size of the error or omission; the impact of the error or omission on the evaluation or measurement of the subject matter and the interests of the intended users.</li> <li>• Assurance engagement risk: The risk that the practitioner expresses an inappropriate conclusion when the subject matter is materially misstated.</li> <li>• The nature, extent and timing of evidence gathering processes will vary between engagements.</li> </ul>	<p>ICMM recognizes that member companies may have already in place internal or external assurance processes in relation to the management and reporting of their sustainability performance, for example ISO14001 certification or GRI report assurance. This assurance procedure is not intended to duplicate existing assurance arrangements nor require for these to be re-done. The member company and its assurance provider should consider all existing assurance processes, confirm the ability to rely on these, and complement them as needed with new assurance work to fully comply to this procedure's requirements.</p> <p>When undertaking assurance work, the assurance provider should obtain sufficient appropriate evidence to support their assurance conclusions on each of the subject matter.</p> <p>The scope of the assurance engagement should include evidence gathering activities at:</p> <ul style="list-style-type: none"> <li>• Corporate;</li> <li>• Business Unit; and</li> <li>• Site level.</li> </ul> <p>The number of Business Units (BU) and sites selected for assessment should reflect the level of reliability required for each subject matter (see ICMM Assurance requirement 2.1.4 below).</p>	<p>The assurance provider and member company will agree a sample of sites and Business Units to visit to gather evidence.</p> <p>Examples of the sort of evidence gathering activities that an assurance provider may conduct include:</p> <p>Subject Matter 1: Documentation review of policies; Management interviews</p> <p>Subject Matter 2: Review materiality process; Interview management involved in the design and implementation of the process; sample test the integrity of underlying information; Review supporting documentation</p> <p>Subject Matter 3: Site visits; Management interviews; Documentation review; Review evidence relating to other assurance processes</p> <p>Subject Matter 4: Site visits; Management interviews; Review evidence relating to other assurance processes; Quantitative and qualitative interrogation of performance data trails; Test internal controls for prevention and detection of material errors in reported information</p> <p>Subject Matter 5: Documentation review; Management Interviews (NB If using the GRI Application Checking service, only documentation review will be conducted).</p> <p>As part of the assurance evidence gathering, the assurance provider should always give due consideration to other assurance processes such as internal audit or ISO14001 certification audits. When placing reliance on other assurance processes, it is important to assess whether:</p> <ul style="list-style-type: none"> <li>• The scope of the assurance process is sufficiently aligned to the scope of the assurance engagement;</li> <li>• The other assurance providers/auditors have sufficient technical competence to perform the work;</li> <li>• The other assurance work has been carried out with due professional care; and</li> <li>• The assurance provider will have access to the other assurance provider(s) and their work to confirm the adequacy of their work.</li> </ul>

Explanation of key terms	ICMM requirement	Practical steps
<b>2.1.4 ASSURANCE LEVEL OF RELIABILITY</b>		
<p>The ISAE 3000 assurance standard defines two types of assurance engagement that can be delivered by an assurance practitioner that are designed to convey different levels of reliability of reported information to the users of the assurance statement. ISAE 3000 refers to this as 'reasonable' and 'limited' assurance:</p> <ul style="list-style-type: none"> <li>• A 'reasonable' assurance engagement is designed to allow the assurance provider to reach an opinion on whether the subject matter is materially free from misstatement. Due to inherent limitations in an assurance engagement, such as sample testing due to the impracticalities of testing all information, it is not possible to confirm that reported information is 'absolute' or 'correct'.</li> <li>• In a 'limited' assurance engagement, the assurance provider forms conclusions as to whether the subject matter is plausible or not misstated on the basis of the work done. Limited assurance requires the assurance provider to confirm that there are underlying systems in place to generate the reported information and data, and that the data is plausible (rather than accurate).</li> </ul>	<p>Member companies should engage with their assurance provider to determine which level of reliability will be sought for each of the five subject matters as reported in the SD Report.</p> <p>Where the assurance engagement is not being conducted in line with ISAE 3000, the level of reliability should be equivalent to 'reasonable' or 'limited'.</p> <p>Where a company's systems are not sufficiently mature to deliver reliable information and data for inclusion in the SD Report, it may not be possible to provide 'limited' assurance on some of the reported information and data. In such cases, the company should report how it intends to bridge any identified gaps and provide a timeframe within which it intends to do so.</p> <p>The assurance provider should clearly state in their assurance statement which level of reliability the statement is intended to convey.</p> <p>Note: ICMM does not specifically require members to conduct assurance in accordance with ISAE 3000.</p>	<p>In practice, the extent of the assurance work required and the quality of the evidence gathered to provide reasonable assurance will be greater than that required to provide 'limited' assurance.</p> <p>The efficiency of gathering the assurance evidence required will depend on the maturity of the company systems in place for collating, validating and reporting the information and data in the SD Report and the cumulative assurance knowledge and experience that the assurance provider has of the member company in the context of the scope of work.</p>

Explanation of key terms	ICMM requirement	Practical steps
<b>2.1.5 ASSURANCE STATEMENT</b>		
<p>The assurance provider prepares a written assurance statement that includes a conclusion on the selected subject matter. The suitable criteria are used as a frame of reference to present the assurance conclusions.</p> <p>The wording of the conclusion should be appropriate to the level of reliability that the assurance statement is intending to convey.</p>	<p>Member companies and assurance providers should disclose details of the assurance engagement and its conclusions. This should be done in an assurance statement prepared by the assurance provider and disclosed in the relevant public corporate report. The assurance statement should be prepared in accordance with good practice, including (but not limited to):</p> <ul style="list-style-type: none"> <li>• Scope of the assurance engagement, including description of the selected subject matter required by ICMM;</li> <li>• Assessment boundaries and activities undertaken to obtain evidence to evaluate the selected subject matter required by ICMM, including the Business Unit (BU)/site sampling methodology and number of BU/sites assessed; and</li> <li>• Assurance conclusions/opinion relating to the content and integrity of reported information for the selected subject matter:</li> </ul> <p>Subject Matter 1: The alignment of a member company's sustainability policies to ICMM's 10 Principles and any mandatory requirements in ICMM Position Statements;</p> <p>Subject Matter 2: The company's material SD risks and opportunities based on its own review of the business and the views and expectations of its stakeholders;</p> <p>Subject Matter 3: The existence and status of implementation of systems and approaches that a company is using to manage each (or a selection) of the identified material SD risks and opportunities;</p> <p>Subject Matter 4: The company's reported performance during the given reporting period for each (or a selection) of the identified material SD risks and opportunities; and</p> <p>Subject Matter 5: The company's self-declared application level of the G3 Guidelines.</p>	<p>ICMM member companies may use a number of assurance processes, and potentially assurance providers, to comply with this assurance procedure. As a result, more than one assurance statement may be used to convey the outcomes of the assurance activities.</p> <p>The assurance statement normally includes standard wording that is 'non-negotiable' as well as sections where the assurance provider may allow the company the opportunity to comment and provide feedback on the writing style and language used in the assurance statement (e.g. in describing the assessment activities undertaken or in the wording of any key observations or recommendations for improvement).</p> <p>A draft version of assurance statement is normally provided to the company once the assurance provider has had the opportunity to review and comment on a good quality draft version of the SD Report.</p> <p>The final version of the assurance statement is normally issued to the company once the assurance provider has reviewed the final version of the SD Report that has been approved for publication.</p>

Explanation of key terms	ICMM requirement	Practical steps
<b>2.1.6 ASSURANCE PROVIDER</b>		
<p>The assurance provider could be an individual or group of practitioners, making up a team of experts that collectively possess the skills, knowledge and experience required to competently perform the assurance engagement.</p>	<p>The report assurance of Subject Matters 1 – 4 should be conducted by an external assurance provider.</p> <p>To ensure the credibility of the assurance engagement, member companies should select an assurance provider which is able to demonstrate:</p> <ul style="list-style-type: none"> <li>• Independence; and</li> <li>• Organizational and individual competence.</li> </ul> <p>Assurance providers should meet good practice criteria to demonstrate independence, impartiality and competence, as set out in Section 3.4.</p> <p>For Subject Matter 5, member companies have the option of:</p> <p>Either: Including Subject Matter 5 in the scope of assurance by an external assurance provider;</p> <p>Or: Requesting the SD Report to be checked by the Global Reporting Initiative (GRI) Application Level check service.</p>	<p>Further guidance on types of external organizations providing report assurance services is provided in section 3.3.</p> <p>In addition to report assurance by an external assurance provider, member companies may use internal or external assurance/audit (or a combination) as part of their internal SD management systems and processes.</p> <p>Please note that for Subject Matter 5, there is likely to be a difference between the activities undertaken by the GRI Application Level check service and an external assurance provider.</p> <p>The GRI Application Level check does not assure the quality or the contents of the report. It is an information check that covers:</p> <ul style="list-style-type: none"> <li>• A review of whether the report references the correct disclosures in the GRI Contents Index to meet the company's self-declared application level</li> <li>• For a sample of performance indicators (not Profile Disclosures or Management Approach Disclosures), a review of whether data has been reported as indicated in the Contents Index</li> <li>• For '+' status, check whether an assurance statement has been included</li> </ul> <p>GRI do not review the scope of the assurance or whether the assurance has met the 'key qualities' of assurance as set out in the G3 guidelines.</p> <p>An external assurance provider is likely to go beyond the above, to review the report and gather evidence (for example conduct interviews with management), to understand how the GRI guidelines have been applied in developing the report content and ensuring quality of the reported information.</p>

Explanation of key terms	ICMM requirement	Practical steps
<b>2.1.7 FREQUENCY OF ASSURANCE</b>		
<p>The frequency of assurance means how often the assurance is undertaken.</p>	<p>Member companies are required to report and seek assurance covering the subject matters set out above on an annual basis.</p> <p>NB: For subject matters 3 and 4, the material SD risks and opportunities selected for assurance may change year by year.</p>	<p>In practice, the scope of individual assurance engagements will be determined by the requirements set out above, and the guidelines in section 3 of this document, e.g. on establishing boundaries to the assurance engagement, site sampling, etc.</p>

### 2.3 Timing of implementation of the ICMM assurance commitment

The timeframe for implementing the ICMM independent assurance commitment is set out in Table 2.2. These requirements are a minimum and member companies should feel free to go beyond them. All ICMM members are required to self-declare that their reports produced in 2010 (i.e. for the financial year ending December 2009 or March 2010) meet the A+ Application Level of the GRI G3 Sustainability Reporting Guidelines, to enable the assurance provider to assure Subject Matter 5.

Table 2.2 Requirements for timing of implementation of the ICMM assurance commitment

Calendar Year	2009	2010
Reporting Period	Financial Year ending Dec 2008 or March 2009	Financial Year ending Dec 2009 or March 2010
<b>MANDATORY SUBJECT MATTER</b>	Subject Matter 1: The alignment of a member company's sustainability policies to ICMM's 10 SD Principles	Subject Matter 1: The alignment of a member company's sustainability policies to ICMM's 10 SD Principles
		Subject Matter 2: The company's material SD risks and opportunities based on its own review of the business and the views and expectations of its stakeholders
		Subject Matter 3: The existence and status of implementation of systems and approaches that a company is using to manage each (or a selection) of the identified material SD risks and opportunities
		Subject Matter 4: The company's performance during the given reporting period for each (or a selection) of the identified material SD risks and opportunities
	Subject Matter 5: The company's self-declared application level of the G3 Guidelines	Subject Matter 5: The company's self-declared application level of the G3 Guidelines

# 3 GUIDELINES ON THE ASSURANCE APPROACH

Member companies will need to discuss the practicalities of delivering the assurance engagement with their assurance provider to reach agreement on the proposed activities. Guidelines on some specific aspects of the assurance engagement are provided in this section.

## 3.1 Boundaries

The boundaries of the assurance engagement reflect the scope of the reported information on the selected subject matter.

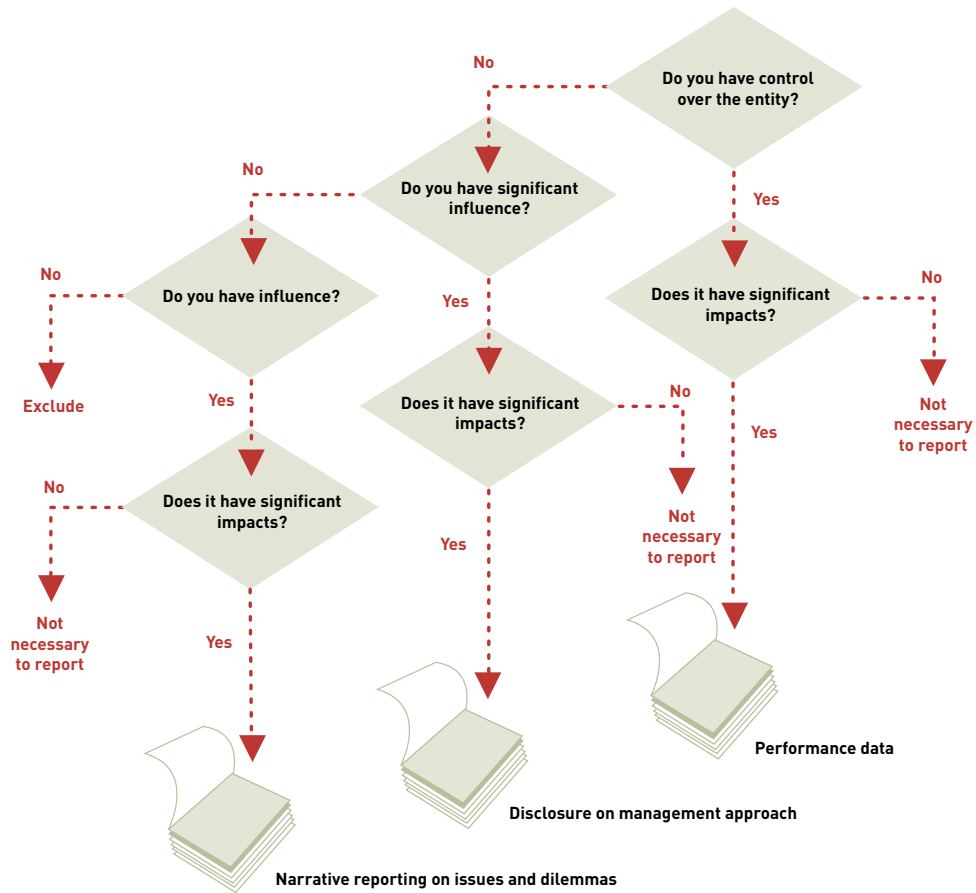
Member companies should follow the Reporting Guidance for Boundary Setting in section 1.3 of the G3 Guidelines (reproduced in Box 1 and Figure 3.1), to determine which entities' (e.g. subsidiaries and joint ventures) performance will be represented by the report. A practical option may be for the member company to align its SD Report boundaries with that of its annual report and financial statements.

### Box 1: Reporting Guidance for Boundary Setting

(extract from GRI G3 Sustainability Reporting Guidelines)

- A sustainability report should include in its boundary all entities that generate significant sustainability impacts (actual and potential) and/or all entities over which the reporting organization exercises control or significant influence with regard to financial and operating policies and practices.
- These entities can be included using either Indicators of operational performance, Indicators of management performance, or narrative descriptions.
- At a minimum, the reporting organization should include the following entities in its report using these approaches:
- Entities over which the organization exercises control should be covered by Indicators of Operational Performance; and
- Entities over which the organization exercises significant influence should be covered by Disclosures on Management Approach.
- The boundaries for narrative disclosures should include entities over which the organization does not exercise control/significant influence, but which are associated with key challenges for the organization because their impacts are significant.
- The report should cover all entities within its Report Boundary. In the process of preparing its report, an organization may choose not to gather data on a particular entity or group of entities within the defined boundary on the basis of efficiency as long as such a decision does not substantively change the final result of a Disclosure or Indicator.

Figure 3.1 **Setting the boundaries for Sustainability Reporting and Assurance**



**Source:** As illustrated in GRI's G3 Sustainability Reporting Guidelines

### 3.2 Site sampling methodology

Assurance providers should use the following risk-based criteria to select a sample of business units and/or operations to include in their assurance activity:

- Size of operation (production/number of employees);
- Type of operating facilities;
- Geographical, cultural, or regulatory influences;
- Changes in asset control or activities e.g. start up/closure;
- Contribution to performance;
- Quality of management practices and performance; and
- Existing internal controls and their effectiveness e.g. audit processes.

These criteria should be used to identify the business units and/or operations that significantly contribute to the company's material SD risks and opportunities.

### 3.3 External assurance

ICMM requires member companies to seek external assurance of reported information on the five selected subject matters.

This requirement is in line with the G3 Guidelines, which state:

“Organizations use a variety of approaches to enhance the credibility of their reports. Organizations may have systems of internal controls in place, including internal audit functions, as part of their processes for managing and reporting information. These internal systems are important to the overall integrity and credibility of a report. However, GRI recommends the use of external assurance for sustainability reports in addition to any internal resources”.

Types of external assurance providers include:

- Financial audit firms;
- ISO certification firms;
- Specialist sustainable development firms; and
- Stakeholder organizations.

In selecting an external assurance provider, member companies should require the assurance provider to demonstrate they meet the criteria for independence, impartiality and competence set out in section 3.4.

### 3.4 Selecting an assurance provider

Member companies should request assurance providers to demonstrate their independence and competencies in accordance with the criteria set out in Table 3.1.

The criteria build on guidelines set out in assurance standards and guidance documents including: the AA1000 AS; ISAE 3000; the Handbook of International Auditing, Assurance and Ethics Pronouncements; and The Evaluation Cooperation Group (ECG) Template for Independence of Evaluation Organizations.

Table 3.1 **Criteria for selecting an external assurance provider**

CRITERIA	EXTERNAL ASSURANCE PROVIDER ATTRIBUTES
Independence	<p>The assurance provider must be able to act in a way that is demonstrably objective.</p> <ul style="list-style-type: none"> <li>• Providers should make a public statement of independence that makes the nature of their relationship with the reporting organization explicit (AA1000 AS)</li> <li>• An assurance provider should have no direct financial or material indirect financial interest in the assurance client (Code of Ethics for Professional Accountants)</li> <li>• An assurance provider should have no undue dependence on total fees from assurance client (benchmark of no more than 30% of total income from assurance client recommended as per Cyanide Management Code)</li> <li>• No member of the assurance team should be performing services for the assurance client that directly relates to the subject matter of the assurance engagement or dealing in or be a promoter of shares and securities in the assurance client (Handbook of International Auditing, Assurance, and Ethics Pronouncements)</li> <li>• No member of the assurance team should be acting as an advocate on behalf of an assurance client in litigation or in resolving disputes with third parties (Handbook of International Auditing, Assurance, and Ethics Pronouncements)</li> </ul>
Individual competencies	<ul style="list-style-type: none"> <li>• Individuals involved in any specific assurance process must be demonstrably competent in terms of skills, Sustainability subject matter, industry experience, assurance process experience and areas of expertise to cover the assurance topics (AA1000)</li> <li>• A multidisciplinary team should provide the expertise necessary to adequately assure a company's non-financial performance (ISAE 3000)</li> </ul>
Organizational competencies	<ul style="list-style-type: none"> <li>• The organizations through which individuals provide assurance must be able to demonstrate adequate institutional competencies, including adequate assurance oversight, understanding of the legal aspects and infrastructure (AA1000)</li> </ul>

### 3.5 Implementation of management systems and processes

Member companies have developed various systems and approaches to manage their identified material SD risks and opportunities, including adoption of external standards such as ISO14001 for environmental management and OHSAS 18001 for health & safety management. In addition, many ICMM members have developed their own internal management systems to address their material SD risks and opportunities. A 'management system' may include plans, policies, procedures etc that member companies have in place to manage their SD risks and opportunities. ICMM does not require member companies to have ten separate policies and underlying management systems in place to address each of the ICMM SD Principles individually; these commitments may be reflected in integrated policies and systems.

Annex 1 sets out further guidance for member companies to inform the design of their management systems and processes. ICMM does not require member companies to implement all of these elements and this guidance is not intended to be a complete list of all elements of a management system. The guidance is not intended to provide 'compliance criteria' for each of the principles.

# ANNEX 1: Detailed guidance on management systems in relation to the 10 ICMM Principles

## PRINCIPLE ONE: “Implement and maintain ethical business practices and sound systems of corporate governance”

Key management actions required:

- 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.

### POTENTIAL MANAGEMENT AND REPORTING ACTIVITIES

In relation to corporate vision/policies	<ol style="list-style-type: none"> <li>1.1 Clearly articulated corporate policy on ethical business principles and practices and sound systems of corporate governance, including ‘no bribery’ and policy on political payments, which is aligned with ICMM Principle One.</li> <li>1.2 Mechanism to ensure that corporate policy draws on best practice in the industry sector and beyond.</li> <li>1.3 Corporate policy signed off by senior management.</li> <li>1.4 Clear commitment to comply with laws and regulations.</li> <li>1.5 Clear commitment to work with relevant stakeholders to achieve appropriate and effective public policy, laws, regulations and procedures that facilitate contribution to sustainable development.</li> </ol>
In relation to standards and guidelines	<ol style="list-style-type: none"> <li>2.1 A ‘code of conduct’ or similar that explains what the corporate policy means in practice for business units’ and operations’ day-to-day activities.</li> <li>2.2 Clear communication of who must comply with the code of conduct.</li> <li>2.3 Management and employee awareness of the requirements of the code of conduct.</li> <li>2.4 Company standards or guidelines to support business units’ and operations’ compliance with all applicable legislation in each jurisdiction of operation.</li> <li>2.5 Procedure for informing relevant third parties in the situation of a potential legal non-compliance.</li> <li>2.6 Guidance on participation in public policy making process, including clear accountabilities.</li> </ol>
In relation to management systems	<ol style="list-style-type: none"> <li>3.1 Clear and company wide communications program for the corporate policy and code of conduct.</li> <li>3.2 Records to demonstrate that appropriate personnel have been trained in what the code of conduct means for them personally and in their day-to-day activities, including their accountability.</li> <li>3.3 Mechanism for evaluating adherence with the code of conduct across the business.</li> <li>3.4 System for managing transgression of the policy and code of conduct.</li> <li>3.5 Documented process to identify, report, track and close-out issues relating to the code of conduct and potential legal non-compliances, including corrective action plans.</li> <li>3.6 Grievance procedure including confidential, third-party whistle-blowing mechanism.</li> <li>3.7 System for recording and reporting on requests relating to political payments and bribes and subsequent action taken, and regular reporting of all payments made to governments implementing the Extractive Industries Transparency Initiative (EITI), consistent with the ICMM position statements on EITI.</li> <li>3.8 Mechanism for identifying and engaging with relevant stakeholders, including public policy makers, on issues related to ethical business practices.</li> <li>3.9 Auditing of compliance with the code of conduct and of payments made to governments under EITI, and of legal compliance. Internal investigation of significant non-compliances.</li> <li>3.10 System for monitoring, measurement and reporting of performance against improvement targets set under EITI.</li> <li>3.11 Regular management review of systems to ensure they continue to be effective, in consultation with relevant stakeholders.</li> </ol>

**PRINCIPLE TWO: “Integrate sustainable development considerations within the corporate decision-making process”**

Key management actions required

- 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.

**POTENTIAL MANAGEMENT AND REPORTING ACTIVITIES**

In relation to corporate vision/policies

- 1.1 Clear definition of what sustainable development means for the company and commitment to integrating sustainable development in the company’s operations in corporate policy, aligned with ICMC Principle Two.
- 1.2 Mechanism to ensure that corporate policy is informed by benchmarking sustainable development best practice in the industry sector and beyond.
- 1.3 Corporate policy signed off by senior management.

In relation to standards and guidelines

- 2.1 Clear communication of who must comply with corporate policy on sustainable development.
- 2.2 Management and employee awareness of the requirements of corporate policy relating to sustainable development.
- 2.3 Procurement policy to ensure sustainable development performance outcomes in key contracts.
- 2.4 Guidelines on evaluating sustainable development implications of major investment or other material business decisions.

In relation to management systems

- 3.1 Clear and company wide communications program for corporate policy on sustainable development.
- 3.2 Mechanism to ensure clear communication of sustainable development requirements of procurement policy to potential contractors.
- 3.3 Documented process to train appropriate personnel in what corporate policy on sustainable development mean for them personally and in their day-to-day activities, including their accountability.
- 3.4 System for identifying training needs relating to sustainable development, and for ensuring required training is delivered in a timely manner.
- 3.5 System to integrate evaluation and management of sustainable development opportunities and risks into business planning at corporate and operational level relating to the full life-cycle of operations, in particular approval of major investments.
- 3.6 Documented system to identify, report, track and close-out issues relating to sustainable development.
- 3.7 Mechanism for identifying and engaging with relevant stakeholders, including public policy makers, on sustainable development issues.
- 3.8 Performance improvement targets to drive progress against commitments of corporate policy on sustainable development.
- 3.9 System for monitoring, measurement and reporting of performance.
- 3.10 Auditing of compliance with corporate policy on sustainability development.
- 3.11 Regular management review of systems to ensure they continue to be effective, in consultation with relevant stakeholders.

**PRINCIPLE THREE: “Uphold fundamental human rights and respect cultures, customs and values in dealings with employees and others who are affected by our activities”**

Key management actions required

- 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.

**POTENTIAL MANAGEMENT AND REPORTING ACTIVITIES**

In relation to corporate vision/policies

- 1.1 Clearly articulated corporate policy on employment and human rights, including anti-harassment, anti-discrimination, resettlement, cultural heritage and Indigenous Peoples, which is aligned with ICMM Principle Three and ICMM’s Draft Position Statement on Mining and Indigenous Peoples.
- 1.2 Mechanism to ensure that corporate policy is informed by benchmarking best practice in the industry sector and beyond.
- 1.3 Corporate policy signed off by senior management.

In relation to standards and guidelines

- 2.1 Clear communication of who must comply with corporate policy on employment and human rights.
- 2.2 Management and employee awareness of the requirements of corporate policies relating to employment and human rights.
- 2.3 Guidance to set out how employment and human rights policies should be implemented in practice across the business, and in relation to business partners, in particular contractors.
- 2.4 Guidance on evaluation of resettlement options and appropriate compensation.
- 2.5 Guidance on effective community consultation to ensure the culture and heritage of local communities is recognized and respected.
- 2.6 Guidance on activities to gain and maintain the broad community support of the communities on which operations are located, including the commitments made in relation to Indigenous Peoples (also refer to ICMM’s Draft Position Statement on Mining and Indigenous Peoples).

In relation to management systems

- 3.1 Clear and company wide communications program for corporate policies on employment and human rights.
- 3.2 Mechanism to ensure clear communication of requirements of employment and human rights policies to business partners, in particular contractors.
- 3.3 Documented process to train appropriate personnel in what corporate policy and guidance on employment and human rights mean for them personally and in their day-to-day activities, including their accountability.
- 3.4 System for recording and managing employee grievances and dispute resolution, including confidential, third-party mechanism to report potential human rights abuses or raise employee grievances.
- 3.5 Documented system to identify, report, track and close-out issues relating to employment and human rights.
- 3.6 Mechanism for identifying and engaging with relevant stakeholders, including public policy makers, on issues related to employment and human rights.
- 3.7 Performance improvement targets to drive progress against commitments of corporate policy on employment and human rights.
- 3.8 System for monitoring, measurement and reporting of performance.
- 3.9 Auditing of compliance with corporate policy on employment and human rights.
- 3.10 Regular management review of systems to ensure they continue to be effective, in consultation with relevant stakeholders.
- 3.11 Consultation with local communities in accordance with corporate guidelines, in relation to ongoing operational issues and potential resettlement situations.

**PRINCIPLE FOUR: “Implement risk management strategies based on valid data and sound science”**

Key management actions required

- 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.

**POTENTIAL MANAGEMENT AND REPORTING ACTIVITIES**

In relation to corporate vision/policies

- 1.1 Clearly articulated corporate risk assessment and management process, which is aligned with ICMM Principle Four (useful ICMM reference, Good practice in emergency preparedness and response).
- 1.2 Mechanism to ensure that corporate process is informed by benchmarking best practice in the industry sector and beyond.
- 1.3 Commitment to corporate processes signed off by senior management.
- 1.4 Senior management accountability for identifying, evaluating and managing risk, such as corporate risk or audit committee.

In relation to standards and guidelines

- 2.1 Clear communication of who must comply with the corporate risk assessment and management process.
- 2.2 Management and employee awareness of the requirements of corporate plans and procedures.
- 2.3 Guidelines to ensure consistent risk assessment and management processes across the business.
- 2.4 Procedure for emergency preparedness and response (useful ICMM reference, Good practice in emergency preparedness and response).
- 2.5 Guidance to implement ICMM guidelines and protocols on chemicals management.

In relation to management systems

- 3.1 Clear and company wide communications program for crisis management and risk management processes.
- 3.2 Mechanism to ensure clear communication of the key risks facing the business to employees and relevant external stakeholders.
- 3.3 Documented process to train appropriate personnel in what risk management means for them personally and in their day-to-day activities, including their accountability.
- 3.4 Risk management and mitigation system, including a risk register.
- 3.5 Senior management review of key risks and process for appropriate response e.g. risk mitigation program.
- 3.6 Mechanism for identifying and engaging with relevant stakeholders, including public policy makers, on risk management issues.
- 3.7 System for identifying potential emergencies and developing appropriate emergency response strategy, including periodic test of emergency response procedures.
- 3.8 Performance improvement targets to drive improved risk management.
- 3.9 System for monitoring, measurement and reporting of performance.
- 3.10 Regular management review and improvement of crisis and risk management systems in consultation with relevant stakeholders.

**PRINCIPLE FIVE: “Seek continual improvement of our health and safety performance”**

Key management actions required

- 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.

**POTENTIAL MANAGEMENT AND REPORTING ACTIVITIES**

<p>In relation to corporate vision/policies</p>	<p>1.1 Clearly articulated corporate policy on health and safety, which is aligned with ICMM Principle Five.</p> <p>1.2 Mechanism to ensure corporate policy is informed by benchmarking best practice in the industry sector and beyond (useful reference, Safety, Health, Environment and Community benchmarking database and website, <a href="http://www.shecbenchmarking.com">www.shecbenchmarking.com</a>).</p> <p>1.3 Corporate policy signed off by senior management.</p>
<p>In relation to standards and guidelines</p>	<p>2.1 Health and safety standards setting out practical operational requirements in line with corporate policy on health and safety and relevant legal obligations.</p> <p>2.2 Clear communication of who must comply with the corporate policy and standards.</p> <p>2.3 Management and employee awareness of the requirements of corporate policy on health and safety.</p> <p>2.4 Procedures for hazard identification, assessment and control in relation to activities, products and services, including those of contractors and suppliers.</p>
<p>In relation to management systems</p>	<p>3.1 Clear and company wide communications program for the corporate policies on health and safety.</p> <p>3.2 Documented process to train appropriate personnel in what health and safety policies mean for them personally and in their day-to-day activities, including their responsibility and accountability. Training provided to both direct employees and contractors.</p> <p>3.3 Occupational health and safety management systems consistent with recognized quality standards.</p> <p>3.4 Procedures for incident investigation, including corrective and preventative action.</p> <p>3.5 Mechanism to establish and maintain health and safety behaviors culture in the workforce, including skills assessment.</p> <p>3.6 Documented process to identify, report, track and close-out issues relating to health and safety including hazards, and potential legal non-compliances, including corrective action plans..</p> <p>3.7 Mechanism to ensure consideration of health and safety impacts in business planning processes.</p> <p>3.8 System for rehabilitation to identify reasonable opportunities for employees to return to work following illness or injury.</p> <p>3.9 Mechanism for identifying and engaging with relevant stakeholders, including public policy makers, on health and safety issues.</p> <p>3.10 Performance improvement targets to drive progress against commitments of corporate policy on health and safety.</p> <p>3.11 System for measurement, monitoring and reporting of health and safety performance, including ICMM safety database indicators.</p> <p>3.12 Auditing of compliance with corporate policy on health and safety.</p> <p>3.13 Regular management review of systems to ensure they continue to be effective, in consultation with relevant stakeholders.</p>

**PRINCIPLE SIX: “Seek continual improvement of our environmental performance”**

Key management actions required

- 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.

**POTENTIAL MANAGEMENT AND REPORTING ACTIVITIES**

In relation to corporate vision/policies

- 1.1 Clearly articulated group level policy on environmental management as relevant to the company’s operations, which is aligned with ICMM Principle Six and ICMM Position Statement on Climate Change.
- 1.2 Mechanism to ensure corporate policy is informed by benchmarking best practice in the industry sector and beyond.
- 1.3 Corporate policy signed off by senior management.

In relation to standards and guidelines

- 2.1 Standards setting out practical operational requirements in line with corporate environment policy and relevant legal obligations, e.g. tailings management, environmental assessment for project lifecycle and closure.
- 2.2 Clear communication of who must comply with the corporate environment policy.
- 2.3 Management and employee awareness of the requirements of corporate environment policy.
- 2.4 Procurement policies to implement environment requirements through the supply chain.

In relation to management systems

- 3.1 Clear and company wide communications program for the corporate environment policy.
- 3.2 Documented process to train appropriate personnel in what environment policy means for them personally and in their day-to-day activities, including their responsibility and accountability. Training provided to both direct employees and contractors.
- 3.3 Environmental Management System consistent with recognized quality standards.
- 3.4 Procedures for environmental hazard identification, assessment and control in relation to activities, products and services, including those of contractors and suppliers.
- 3.5 Procedures for incident investigation, including corrective and preventative action.
- 3.6 Documented process for identification, management and transparent reporting of environment issues and potential legal non-compliances, including corrective action plans.
- 3.7 Mechanism for identifying and engaging with relevant stakeholders, including public policy makers, on environment issues.
- 3.8 Documented closure planning process, informed by consultation with relevant stakeholders, and evidence of allocated funding (useful ICMM reference, Financial Assurance for Mine Closure and Reclamation).
- 3.9 Performance improvement targets to drive progress against commitments of corporate policy on environment.
- 3.10 System for measurement, monitoring and reporting of performance, including energy use and GHG emissions.
- 3.11 Auditing of compliance with corporate policy on environment.
- 3.12 Regular management review of systems to ensure they continue to be effective, in consultation with relevant stakeholders.

**PRINCIPLE SEVEN: “Contribute to conservation of biodiversity and integrated approaches to land use planning”**

Key management actions required

- 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.

POTENTIAL MANAGEMENT AND REPORTING ACTIVITIES	
In relation to corporate vision/policies	<p>1.1 Clearly articulated group level policy on biodiversity as relevant to the company’s operations, which is aligned with ICMM Principle Seven and ICMM Position Statement on Mining and Protected Areas (useful ICMM reference, Good Practice Guidance for Mining and Biodiversity).</p> <p>1.2 Mechanism to ensure corporate policy is informed by benchmarking best practice in the industry sector and beyond.</p> <p>1.3 Corporate policy signed off by senior management.</p>
In relation to standards and guidelines	<p>2.1 Standards or guidelines to implement the corporate policy, including ICMM commitments set out in the Position Statement on Mining and Protected Areas and Good Practice Guidance for Mining and Biodiversity.</p> <p>2.2 Clear communication of who must comply with the corporate biodiversity policy.</p> <p>2.3 Management and employee awareness of the requirements of corporate biodiversity policy.</p>
In relation to management systems	<p>3.1 Clear and company wide communications program for the corporate biodiversity policy.</p> <p>3.2 Documented process to train appropriate personnel in what the biodiversity policy means for them personally and in their day-to-day activities, including their responsibility and accountability.</p> <p>3.3 Systems in place to conduct biodiversity risk identification and assessment, mitigation planning and implementation at all operational stages, in line with corporate guidelines and ICMM guidance.</p> <p>3.4 Documented process for identification, management and transparent reporting of biodiversity issues and potential legal non-compliances, including corrective action plans.</p> <p>3.5 Mechanism for identifying and engaging with relevant stakeholders, including public policy makers, on biodiversity issues.</p> <p>3.6 Partnership with relevant stakeholders to optimize ecosystem integrity and minimize impacts.</p> <p>3.7 Performance improvement targets to drive progress against commitments of corporate policy on biodiversity.</p> <p>3.8 System for monitoring, measurement and reporting of performance.</p> <p>3.9 Auditing of compliance with corporate policy on biodiversity.</p> <p>3.10 Regular management review of systems to ensure they continue to be effective, in consultation with relevant stakeholders.</p>

**PRINCIPLE EIGHT: “Facilitate and encourage responsible product design, use, re-use, recycling and disposal of our products”**

Key management actions required

- Advance understanding of the properties of metals and minerals and their lifecycle 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.

**POTENTIAL MANAGEMENT AND REPORTING ACTIVITIES**

In relation to corporate vision/policies

- 1.1 Clearly articulated corporate policy on materials stewardship, which is aligned with ICMM Principle Eight.
- 1.2 Mechanism to ensure that corporate policy is informed by benchmarking best practice in the industry sector and beyond.
- 1.3 Corporate policy signed off by senior management.

In relation to standards and guidelines

- 2.1 Guidance on implementing the corporate policy through decision-making on products and processes, and supply chain decisions, in line with ICMM Guidance on implementing materials stewardship in the minerals and metals value chain (useful ICMM references, Maximizing Value: Guidance on implementing materials stewardship in the minerals and metals value chain and Materials Stewardship, Eco efficiency and Product Policy).
- 2.2 Clear communication of who must comply with the corporate materials stewardship policy.
- 2.3 Management and employee awareness of the requirements of corporate materials stewardship policy.

In relation to management systems

- 3.1 Clear and company wide communications program for the corporate policy on materials stewardship.
- 3.2 Mechanism to ensure clear communication of requirements of materials stewardship policy in the supply chain.
- 3.3 Documented process to train appropriate personnel in what corporate policy means for them personally and in their day-to-day activities, including their accountability
- 3.4. System to identify and implement potential materials stewardship and eco-efficiency opportunities in the supply chain.
- 3.5 Mechanism for identifying and engaging with relevant stakeholders, including public policy makers, on materials stewardship, including public disclosure of life-cycle information to contribute to the development of sound public policy.
- 3.6 Performance improvement targets to drive progress against commitments of corporate policy on materials stewardship.
- 3.7 System for monitoring, measurement and reporting of performance, including eco-efficiency metrics to improve the eco-efficiency of products.
- 3.8 Auditing of compliance with corporate policy on materials stewardship.
- 3.9 Regular management review of systems to ensure they continue to be effective, in consultation with relevant stakeholders.

**PRINCIPLE NINE: “Contribute to the social, economic and institutional development of the communities in which we operate”**

Key management actions required

- 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.

**POTENTIAL MANAGEMENT AND REPORTING ACTIVITIES**

In relation to corporate vision/policies

- 1.1 Clearly articulated corporate policy on community and economic development, which is aligned with ICMM Principle Nine and ICMM Position Statement on Mineral Resources and Economic Development.
- 1.2 Mechanism to ensure corporate policy is informed by benchmarking best practice in the industry sector and beyond.
- 1.3 Corporate policy signed off by senior management.

In relation to standards and guidelines

- 2.1 Standard or guidelines setting out practical operational requirements in line with corporate community policy and relevant legal obligations.
- 2.2 Clear communication of who must comply with the corporate policy.
- 2.3 Management and employee awareness of the requirements of corporate policies relating to community development.
- 2.4 Standard or guidelines on stakeholder identification and effective consultation/engagement, including with Indigenous Peoples (which are also consistent with ICMM’s Draft Position Statement on Mining and Indigenous Peoples Issues).

In relation to management systems

- 3.1 Clear and company wide communications program for the corporate policy on community and economic development.
- 3.2 Documented process to train appropriate personnel in what corporate policy means for them personally and in their day-to-day activities, including their accountability.
- 3.3 System to identify, report and track community development activities, in particular local capacity building program and integrated closure planning, informed by community needs assessment (useful ICMM reference, Community Development Toolkit).
- 3.4 System to track and respond to community concerns in a timely manner, supported by an independent dispute resolution mechanism.
- 3.5 Mechanism for identifying and engaging with relevant stakeholders, including public policy makers, on issues relevant to local communities through the full operation lifecycle (i.e. pre exploration to post closure) (useful ICMM references, Community Development Toolkit and Good practice in Emergency preparedness and response).
- 3.6 Existence of partnerships with relevant stakeholders to assist in implementation of the company’s business planning and sustainable development policy (useful ICMM reference, Community Development Toolkit).
- 3.7 Performance improvement targets to drive progress against commitments of corporate policy on community and economic development.
- 3.8 System for measurement, monitoring and reporting of performance (useful ICMM reference, Community Development Toolkit).
- 3.9 Auditing of compliance with corporate policy on community and economic development.
- 3.10 Management review of systems to ensure they continue to be effective, in consultation with relevant stakeholders.

**PRINCIPLE TEN: “Implement effective and transparent engagement, communication and independently verified reporting arrangements with our stakeholders”**

Key management actions required

- 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.

**POTENTIAL MANAGEMENT AND REPORTING ACTIVITIES**

<p>In relation to corporate vision/policies</p>	<ol style="list-style-type: none"> <li>1.1 Corporate commitment to report publicly on its sustainable development performance using GRI Reporting Guidelines in policy or other statement, which is aligned with ICMM Principle 10 and the reporting commitment of the ICMM Sustainable Development Framework.</li> <li>1.2 Corporate commitment to assurance of sustainable development performance information in policy or other statement, which is aligned with ICMM Principle 10 and the assurance commitment of the ICMM Sustainable Development Framework.</li> <li>1.3 Corporate commitment to consult to understand the views of key stakeholders in policy or other statement.</li> <li>1.4 Mechanism to ensure corporate policy is informed by benchmarking best practice in the industry sector and beyond.</li> <li>1.5 Corporate policies signed off by senior management.</li> </ol>
<p>In relation to standards and guidelines</p>	<ol style="list-style-type: none"> <li>2.1 Standards or guidelines setting out reporting requirements for businesses and for data and information to be independently assured.</li> <li>2.2 Clear communication of who must comply with the corporate commitments on engagement, communication and assurance.</li> <li>2.3 Management and employee awareness of the requirements of corporate commitments on engagement, communication and assurance.</li> <li>2.4 Standard or guidelines on stakeholder identification and effective consultation/engagement.</li> </ol>
<p>In relation to management systems</p>	<ol style="list-style-type: none"> <li>3.1 Clear and company wide communications program on the corporate commitments.</li> <li>3.2 Documented process to train appropriate personnel in what the requirements mean in their day-to-day activities, including their accountability.</li> <li>3.3 Corporate mechanism to gather information on material issues across all significant parts of the business and to respond to corporate level stakeholders’ needs.</li> <li>3.4 Mechanism for each business unit/operation to gather information on material issues across all significant parts of their activities, responding to their own stakeholders’ needs.</li> <li>3.5 Mechanism for business units/operations to provide information on material issues to corporate to report on publicly, and for the information to be assured.</li> <li>3.6 Mechanism to enable reported information and assurance conclusions to be used by corporate, business units and operations to assess performance and to drive improvement.</li> <li>3.7 Mechanism to identify and engage with relevant stakeholders, including public policy makers, and to use feedback to inform company’s approach to communication and engagement.</li> <li>3.8 Annual public disclosure of relevant information and corporate policies in a timely and accessible way, at corporate and project or operation-specific level.</li> <li>3.9 System to track and respond to stakeholder concerns in a timely manner.</li> <li>3.10 System for monitoring, measurement and reporting of performance.</li> <li>3.11 Regular management review of reporting systems to ensure they continue to be effective, in consultation with relevant stakeholders.</li> </ol>

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## **The working group comprised:**

Britt Banks (Newmont Mining, Chair)  
Anita Roper (Alcoa)  
Kenneth Martcheck (Alcoa)  
Karin Ireton (Anglo American)  
Peter Sinclair (Barrick)  
Dean Williams (Barrick)  
Ian Wood (BHP Billiton)  
Jim Miller (Freeport McMoRan Copper & Gold)  
Rosemary Noge (Gold Fields)  
Marinda Van Der Merwe (Lonmin)  
Pierre Gratton (Mining Association of Canada)  
Mamoru Minami (Mitsubishi Materials Corporation)  
Helen Macdonald (Newmont Mining)  
Michiharu Yamamoto (Nippon Mining & Metals)  
Kirsten Gollogly (Rio Tinto)  
Masatoshi Kitagawa (Sumitomo Metal Mining Co. Ltd)  
Hiromasa Ooba (Sumitomo Metal Mining Company)  
Toshiharu Kanai (Sumitomo Metal Mining Company)  
Patricia Dillon (Teck Cominco)  
David Parker (Teck Cominco)  
Renato Amorim (Vale)  
Liesel Filgueiras (Vale)  
Katsuo Homma (Vale)  
Patricia Mantovani (Vale)  
Guilherme Quental (Vale)  
Paul Jones (Xstrata)

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[www.icmm.com](http://www.icmm.com)

ICMM  
35/38 Portman Square  
London W1H 6LR  
United Kingdom

Telephone: +44 (0) 20 7467 5070  
Fax: +44 (0) 20 7467 5071  
Email: [info@icmm.com](mailto:info@icmm.com)