ICMM 2017 Industry Stakeholders Opinion Survey

Final Report

March 24, 2017

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evidence and ideas. applied.

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Objectives

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- The overarching purpose of this assignment is to empower ICMM to refine its understanding of the perceptions towards the mining and metals industry, and towards ICMM and its mandate amongst its key stakeholders. Building on the insights gathered from the three previous waves of research, but with a refreshed perspective through a set of newly designed questions, this new research will empower ICMM:

    - To explore and track the latest perspectives on opportunities and challenges facing the sector, and to measure differentiated perceptions of the industry and of ICMM members about addressing those challenges

    - To assess the perceived value of mining to society, and to refine that understanding to weigh the potential benefits of different areas of contribution

    - To understand the channels of influence between different stakeholders, and to quantify the strength and direction of those relationships in order to tackle sustainable development issues

    - To have a baseline measurement of ICMM's vision for the industry, and of the association's progress in fulfilling that mission

    - To understand the main drivers of favourable perceptions towards ICMM member companies

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Methodology and Stakeholder Audiences

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- Stakeholders who took part in this study are all from ICMM's own database of contacts. The selected database (7,936 contacts) was identified by ICMM and invited to participate by Tom Butler, CEO of ICMM, via an official letter of invitation encouraging them to share their perspective on the state of the mining industry.

- The survey and subsequent prompting emails were sent by GlobeScan, on behalf of ICMM. The survey was conducted online and in English. Interviews took place between February 21st and March 13th, 2017. Almost 800 surveys (799) were validated, including 47 partial completes, for a response rate of 10 per cent. Four stakeholders were excluded after the first question as they reported to be "not familiar at all" with the sector.

- Stakeholder groups invited to participate in this study included:
    - Private sector – mining industry non-members, non-mining companies, consultants, investors/lenders
    - Public sector – governments (national, regional, local), and multilaterals
    - Academia
    - Trade associations –including mining and metals associations
    - Non-governmental organisations
    - Media

- Stakeholders in more than 90 countries participated in the 2017 study, with a good coverage across six regions. A detailed breakdown of the numbers by group and region is provided in the next slide.

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Stakeholder Audiences by Group and Region*

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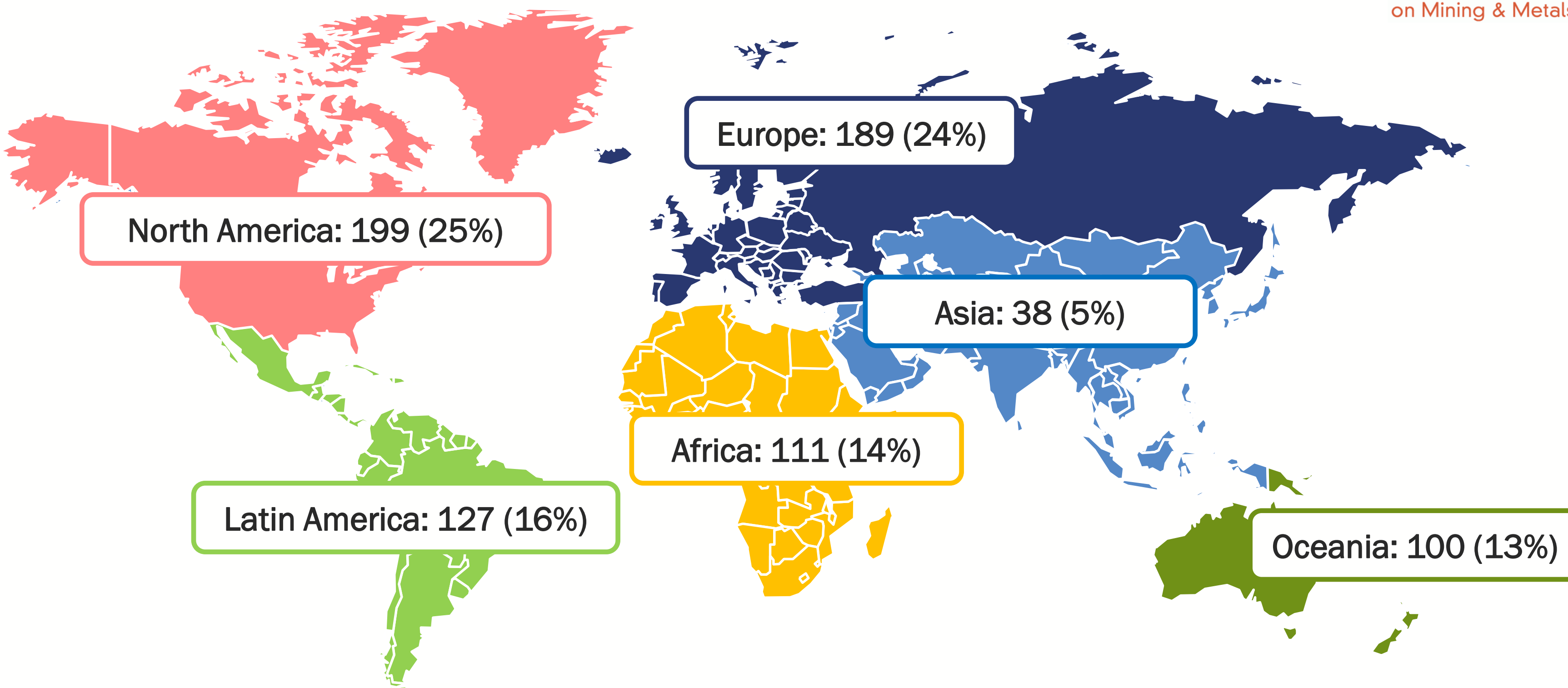

*Nearly 4 per cent of stakeholders did not provide region demographics, and 5 per cent did not categorise their stakeholder group.

Private sector	Public sector	Academia	Trade associations	NGOs	Media
482 (60%)	76 (10%)	104 (13%)	33 (4%)	55 (7%)	8 (1%)

Executive Summary

Summary of Key Findings:
Issues Landscape and Management

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- Surveyed stakeholders show a **very good level of familiarity** with the mining and metals industry and its issues (62% "very familiar"). They **largely acknowledge that this is a beneficial economic activity** for society notwithstanding its impacts that need to be mitigated through regulation and scrutiny.

- The **breadth of issues** the sector is expected to face in the next five years indeed demonstrates the **wide array of both environmental and social impacts** that it is felt to have on society. These **historical pain points** and the increased **pressure to deploy meaningful engagement** with local communities seem to contribute to a **climate of anxiety,** also fuelled by the prospect of challenging community conflicts with dramatic **consequences on the levels of social acceptance.**

- Though the vast majority of stakeholders (almost 90%) believe the sector considers these social and environmental factors as important in their decision-making, a **striking discrimination opposes ICMM members and the rest of the industry.** When it comes to assessing **issues management performance** across 14 individual areas, over six in ten (62%) have positive views of ICMM member companies' performance. Less than one in ten (8%) feel the same way for the rest of the industry (and 43% rate it poorly).

- This strong discrimination explains why **being a member of ICMM continues to warrant clear benefits from a reputation perspective.** Over eight in ten (82%) say they have a more favourable impression of a company if it is part of ICMM. Indeed, the **membership's requirements and member companies' own policies are felt to hold the most positive influence** in driving decision-making on sustainable development issues.

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Summary of Key Findings:
Member Companies' Reputation and ICMM Assessment

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- The **most important driver of favourable impressions towards ICMM member companies** is their **ability to make improvements to the environment** (water management in particular). Having an **executive leadership committed to social purpose** also looks to be critical, as is **transparency on impacts.** About average (or below average) performance in all these areas suggests an even greater focus is needed to increase payoff on member companies' reputation capital. In comparison, **the current best performing areas** (health and safety, responsible production, employee treatment) **are all less important drivers of favourable perceptions.**

- **Stakeholders praise the way ICMM fulfils its mission** of strengthening members' social and environmental performance and building recognition of the industry's contribution to society. Eight in ten (79%) agree that ICMM lives up to its mandate in this area. However, there is still a **long way to go to ensure greater resonance of the vision** it has for the industry; on this aspect, **views remain divided on whether or not the sector is respected and trusted** to operate responsibly and contribute to sustainable development (45% "Agree," while 43% "Disagree").

- **Understanding of ICMM's membership requirements remains limited** overall. Just half of stakeholders (51%) are aware of the robustness of the entry process, and two-thirds (66%) know about the subsequent mandatory requirements – the same proportion (67%) believes the membership entails making voluntary commitments. This uncertainty seems to lead to **moderate feedback on perceived compliance with the requirements across member companies:** just four in ten see it as being strong, and almost three in ten lack enough information to form an opinion. This may also explain why being part of ICMM seems less a determining factor in shaping positive views towards member companies compared to a few years ago.

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Summary of Key Findings:
The Value Points of the Industry and Channels of Influence

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- **Stakeholders attach a deal of value to the industry generally.** Almost eight in ten (79%) consider the value it brings to society is high. When trying to refine the meaning of such value by ranking the importance of different value points and how beneficial each one is to the development of sustainable economies, **stakeholders focus on the core proposition of mining and metals:** providing essential materials for modern society to function. The **subsequent key value points include the array of benefits to the national economies of host countries** (support to country's industrial infrastructure, impact on national Treasury through taxes, and contribution to employment figures, all of which address the imperatives of fostering sustainable growth and addressing inequality).

- The **local contributions of the industry in and around mining communities** (social investments, local community development, youth professional development) **are ranked after the macro-economic impact**, perhaps because the **benefits remain more localised and discreet.** Similarly, likely because they are less material and easily identifiable, the long-term sustainability initiatives related to mine closures are deemed to yield a lesser degree of benefits.

- Looking at the channels of influence between different stakeholders to understand how opinions of the industry are shaped, **no dominant influencing group across stakeholders clearly emerges.** Instead, **endemic rather than external influence** seems to be the rule, implying that the different audiences are **not communicating or interacting heavily with each other.**

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Three Key Takeaways

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1. *It is not about competency*: issues management and performance are strong

The research shows that the mining and metals industry **continues to operate in an adverse environment**, with persistent **concerns around the license to operate**, be it with local communities or the general public. In this challenging context, however, there is clear recognition by stakeholders of the serious efforts of ICMM member companies to address the breadth of issues the sector faces. The **overall issues assessment indicates that competency on fundamentals is viewed positively.**

2. *It is not about behaviour*: sustainability is becoming mainstream thanks to ICMM

While performance issues remains uneven across the industry, stakeholders largely feel that ICMM companies are on the right track. **ICMM is perceived to be a strong enabler of sustainability**, as seen in the striking discrimination between ICMM members and the rest of the industry which confers **enormous legitimacy** to the membership association and its mission. **ICMM is the warrantor of how the industry delivers on its issues and progresses on its journey towards sustainable development.** Protecting and enhancing ICMM's brand is a strategic imperative for the industry given the reputational benefits of being a member.

3. *It is about purpose:* the industry struggles to engage around a purposeful story of what it stands for

The analysis of a potential value proposition of mining, however, reveals **a simplistic narrative** by approaching the most salient benefits of mining and metals **essentially through the lens of the industry's core proposition**: being the industrial engine supporting sustainable growth and development at national and macro levels. This means that the second part of ICMM's mission (*"to build recognition of the industry's contribution to local communities and society at large"*) still needs to be brought to life as it offers the **opportunity to shift the value narrative towards more purposeful and aspirational conversations** for the industry, focused on the **value-add of its activities and impact from a social and sustainability perspective** beyond the more immediate and tangible economic footprint.

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Implications and Recommendations

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A. Drive more inclusive dialogue around mining's positive social and sustainability impacts

Influence mapping unveils **fairly thin networks of interactions** between most stakeholder audiences which is not conducive to positioning mining as a transparent, collaborative and socially valued industry. **ICMM and its members should increase the industry's visibility through campaigns and engagement** with the media (mass & digital channels) and NGOs (highly trusted by the public) to enhance the industry's social license to operate. Executives from ICMM member companies have a special role to play in conveying the purpose of mining.

B. Create a framework around the Sustainable Development Goals

ICMM and the industry can **articulate a greater focus on purpose** via two areas, identified by stakeholders as the most discriminating ones between members and the rest of the industry, and among the most important in driving enhanced reputation for members:

- Support the implementation of a **social and environmental performance framework that aligns with the SDGs** as this will position the industry squarely in a positive future orientation (i.e., working for the world we want in 2030)
- As part of the framework, **ensure a focus on the specific topics of water and inequality** as these are critical SDGs and also speak to what drives the industry's reputation (environmental issues), and relate to the underlying benefits of mining (building sustainable economic growth)

C. Reinforce the value of ICMM and its membership

The research proves the reputational value of ICMM. The organisation is perceived as the legitimate arm for the industry and there is clear value in its brand and in being a member. An opportunity exists to **communicate more about the membership and clarify its requirements and compliance obligations.** The **re-assertion of the ethos of ICMM** is also part of the education messaging that will help to improve attitudes towards the industry, while strengthened accountability around compliance will also ensure that **ICMM is a trust mark for its members.**

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Familiarity and Top-of-Mind Associations with the Industry

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Key Takeaways

- Surveyed stakeholders show a high level of familiarity with the mining and metals industry and its issues.

- On a continuum scale from highly beneficial without focusing on concerns to being tolerated, they largely acknowledge that this is a beneficial economic activity for society notwithstanding its impacts that need to be mitigated through regulation and scrutiny.

Familiarity with the mining industry is highest in the Americas, and among private sector and trade associations

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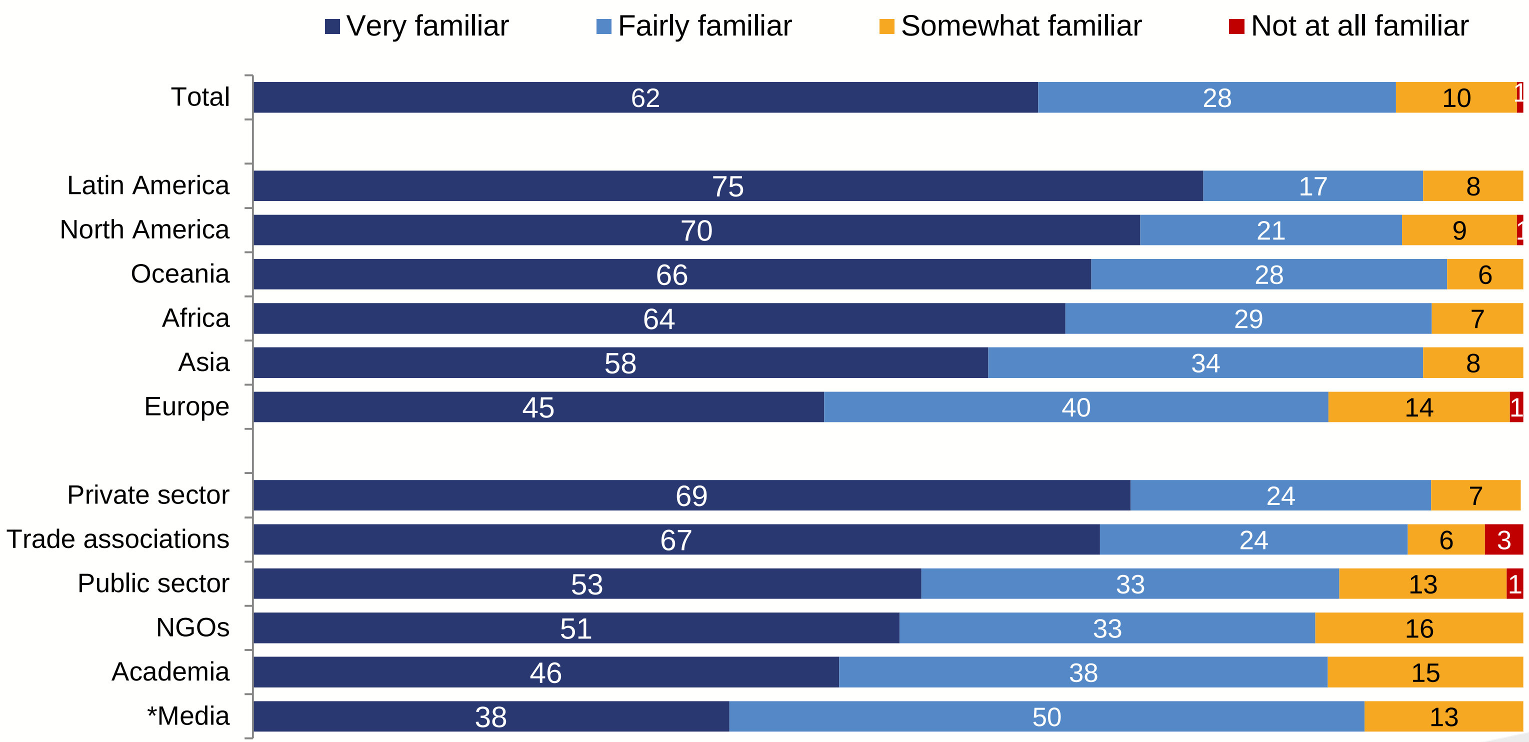
Familiarity with Mining Industry, All Stakeholders, by Region and Stakeholder Group, %, 2017



*Note: Very small sample size for Media (*n*=8).

Q1t. Overall, how familiar are you with the mining industry and its issues? Would you say that you are…?

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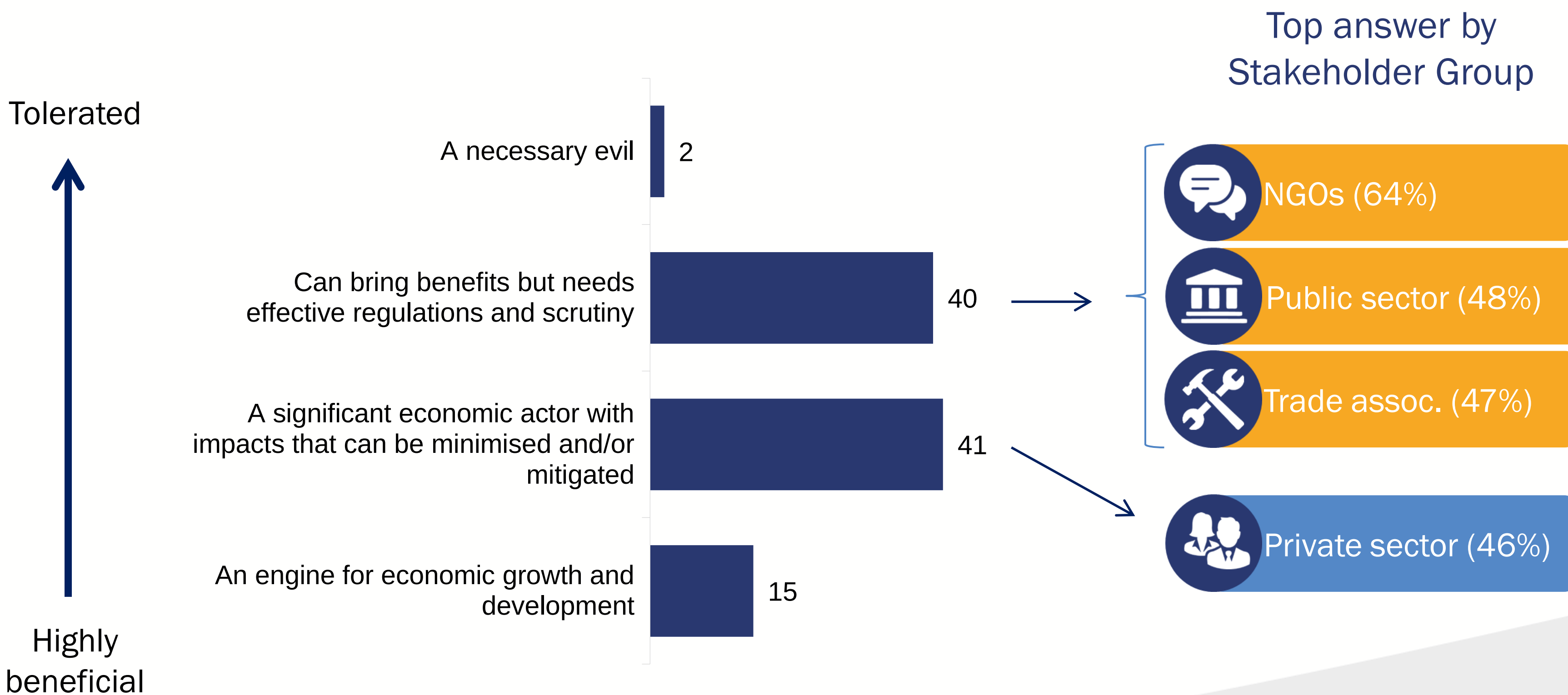
Over eight in ten stakeholders describe mining as beneficial as long as the industry works to mitigate its impacts or that it is properly regulated

Views of Mining, Prompted, All Respondents and by Stakeholder Group, %, 2017



Q2. Which of the following statements best describes your views of mining?

Stakeholders in Europe and Oceania are more likely to acknowledge the need for regulation and scrutiny for the industry

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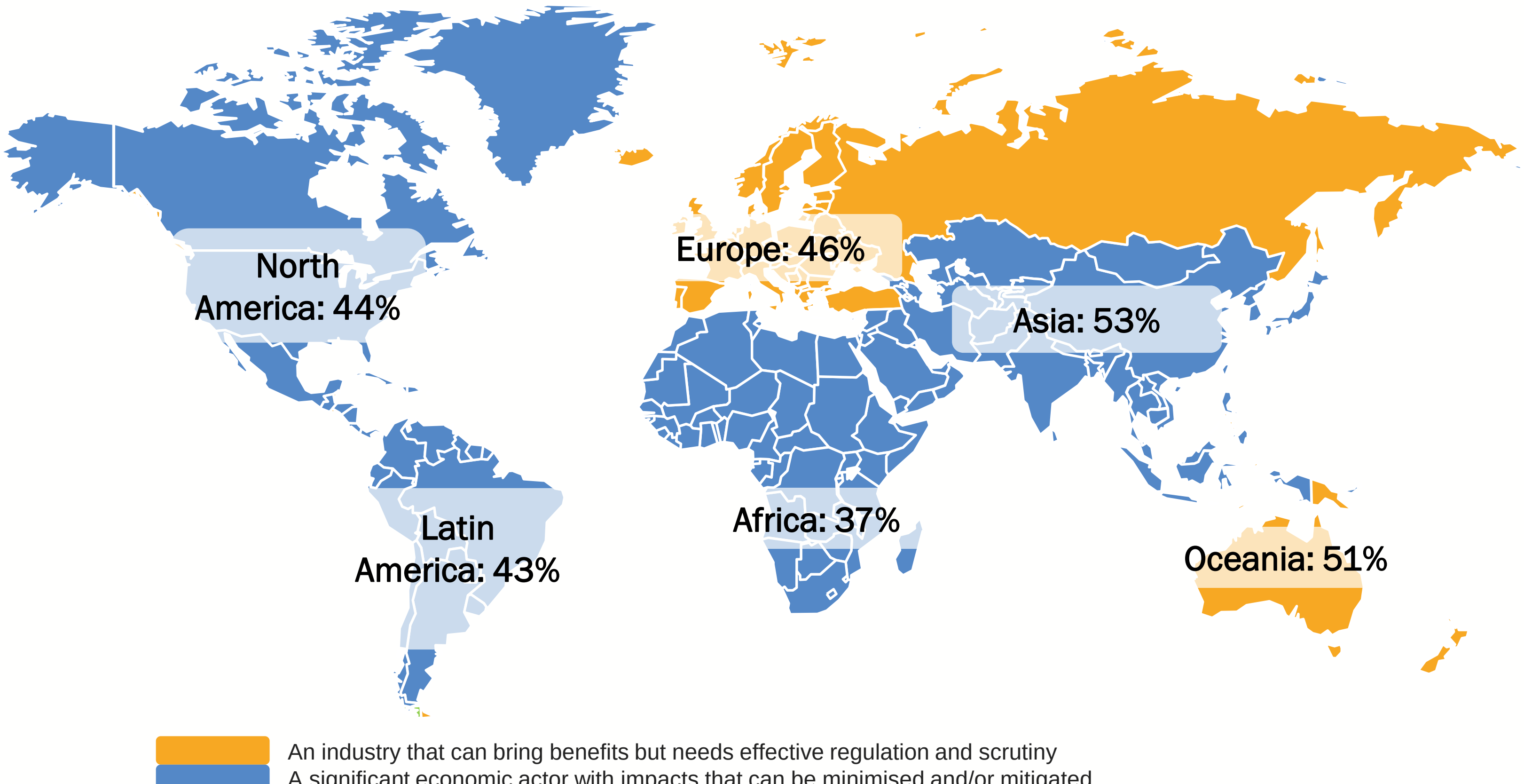
Views of Mining, Prompted, Top Answer by Region, 2017



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Q2. Which of the following statements best describes your views of mining?

Issues Management

Key Takeaways

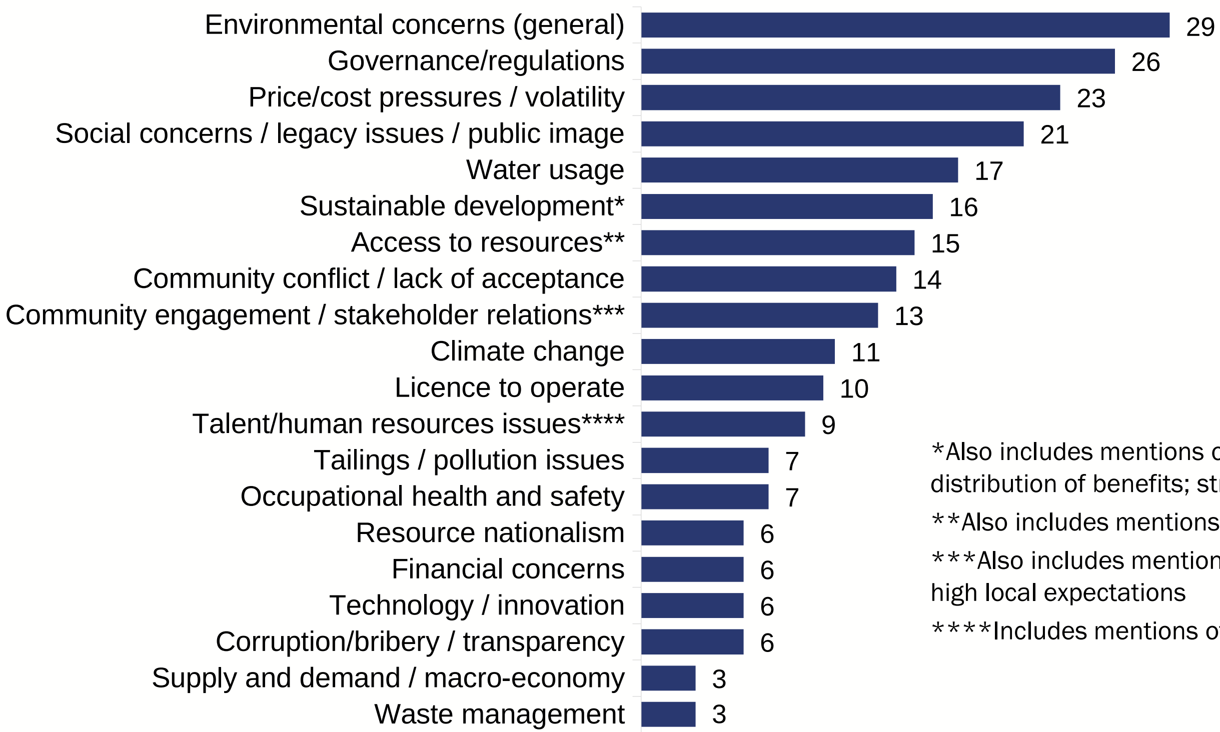
- The sector is expected to face a wide range of issues over the next five years with environmental impacts, governance and social concerns continuing to hold a dominant position in peoples' minds. However, nearly all stakeholders believe that social and environmental considerations are important factors in a companies' decision-making.

- Sustainability implementation, stronger local community engagement, and transparency are most frequently mentioned as pathways for building broader public trust in the industry.

General environmental and social concerns related to the industry's impacts, a context of increased regulations to address those, and price pressures are perceived to be the most serious issues facing the mining community

Most Serious Issues Facing the Mining and Metals Industry in Next Five Years

Unprompted, All Stakeholders, Total Combined Mentions, %, 2017



*Also includes mentions of shared-value, long-term approach; distribution of benefits; strong focus on community development

**Also includes mentions of exploration; land rights and access issues

***Also includes mentions of relationships with Indigenous and FPIC; high local expectations

****Includes mentions of working conditions, skills shortages, wages

Q3t. What do you think are the most serious issues that the international mining and metals industry will face in the next five years? List a maximum of three.

Issues around social acceptance, engagement and conflicts remain top of mind, almost as prominently as in 2014; the environment narrative seems to have climbed up the agenda again

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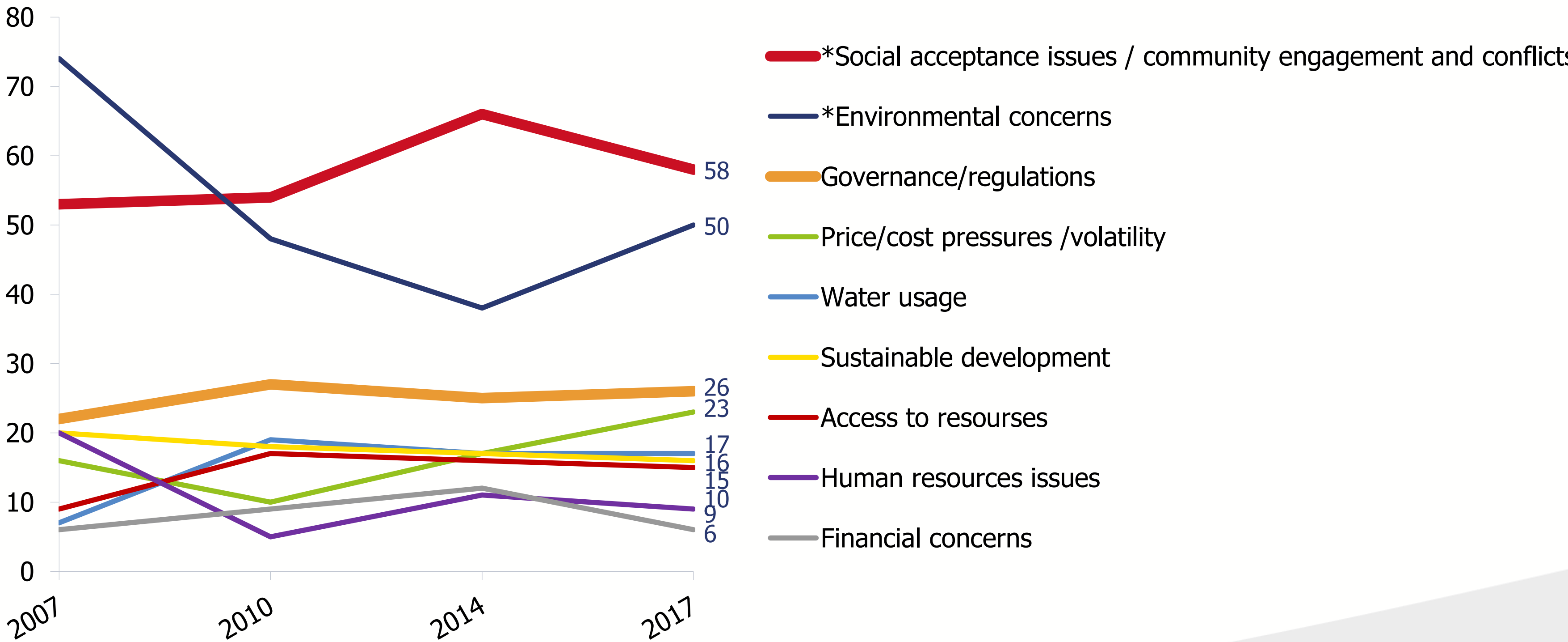
Most Serious Issues Facing the Mining and Metals Industry in Next Five Years

Combined Top Mentions, Unprompted, All Stakeholders, %, 2007–2017



*For historical comparability, the 2014 and 2017 figures for "Environmental concerns" include climate change, pollution, biodiversity. Similarly, mentions of community conflict / lack of acceptance, and community engagement are included in "Social acceptance issues".

Q3t. What do you think are the most serious issues that the international mining and metals industry will face in the next five years? List a maximum of three.

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Top Five Most Serious Issues Facing the Mining and Metals Industry in Next Five Years

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Combined Mentions, Unprompted, by Region, 2017

	Europe	North America	Latin America	Asia	Africa	Oceania
1	Governance/ regulations (26%)	Environmental concerns (26%)	Water usage (31%)	Environmental concerns (39%)	Environmental concerns; Price/cost pressures / volatility (each 34%)	Environmental concerns (41%)
2	Environmental concerns (25%)	Governance/ regulations; Social concerns/legacy issues/public image (each 22%)	Governance/ regulations (26%)	Price/cost pressures / volatility (34%)		Social concerns/legacy issues/public image (28%)
3	Price/cost pressures / volatility (21%)		Environmental concerns (24%)	Governance/ regulations (29%)	Governance/ regulations (32%)	Price/cost pressures / volatility; Governance/ regulations (each 26%)
4	Water usage; Access to resources; Social concerns / legacy issues / public image; Sustainable development (each 18%)	Price/cost pressures / volatility (19%)	Social concerns/legacy issues/public image (22%)	Social concerns/legacy issues/public image (24%)	Sustainable development (20%)	
5		Sustainable development (18%)	Community engagement (17%)	Community conflict / lack of acceptance; Sustainable development (both 18%)	Community conflict / lack of acceptance (16%)	Climate change (17%)

Q3t. What do you think are the most serious issues that the international mining and metals industry will face in the next five years? List a maximum of three.

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Top Five Most Serious Issues Facing the Mining and Metals Industry in Next Five Years

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Combined Mentions, Unprompted, by Stakeholder Group, 2017

	Private sector	Public sector	Academia	Trade associations	NGOs
1	Environmental concerns (28%)	Environmental concerns (32%)	Environmental concerns (34%)	Governance/ regulations (27%)	Environmental concerns (31%)
2	Governance/ regulations (27%)	Community conflict / lack of acceptance (21%)	Governance/ regulations (28%)	Environmental concerns (24%)	Social concerns/legacy issues/public image (24%)
3	Price/cost pressures / volatility (26%)	Governance/ regulations; Water usage (each 20%)	Social concerns/legacy issues/public image (21%)	Social concerns/legacy issues/public image (21%)	Climate change; Sustainable development (each 22%)
4	Social concerns/legacy issues/public image (21%)	Governance/ regulations; Water usage (each 20%)	Price/cost pressures / volatility (19%)	Price/cost pressures / volatility (18%)	Climate change; Sustainable development (each 22%)
5	Water usage (20%)	Sustainable development (18%)	Sustainable development (15%)	Talent / human resources issues; Climate change (each 15%)	Governance/ regulations (18%)

Q3t. What do you think are the most serious issues that the international mining and metals industry will face in the next five years? List a maximum of three.

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A large majority of stakeholders perceive social and environmental factors to be important in decision-making

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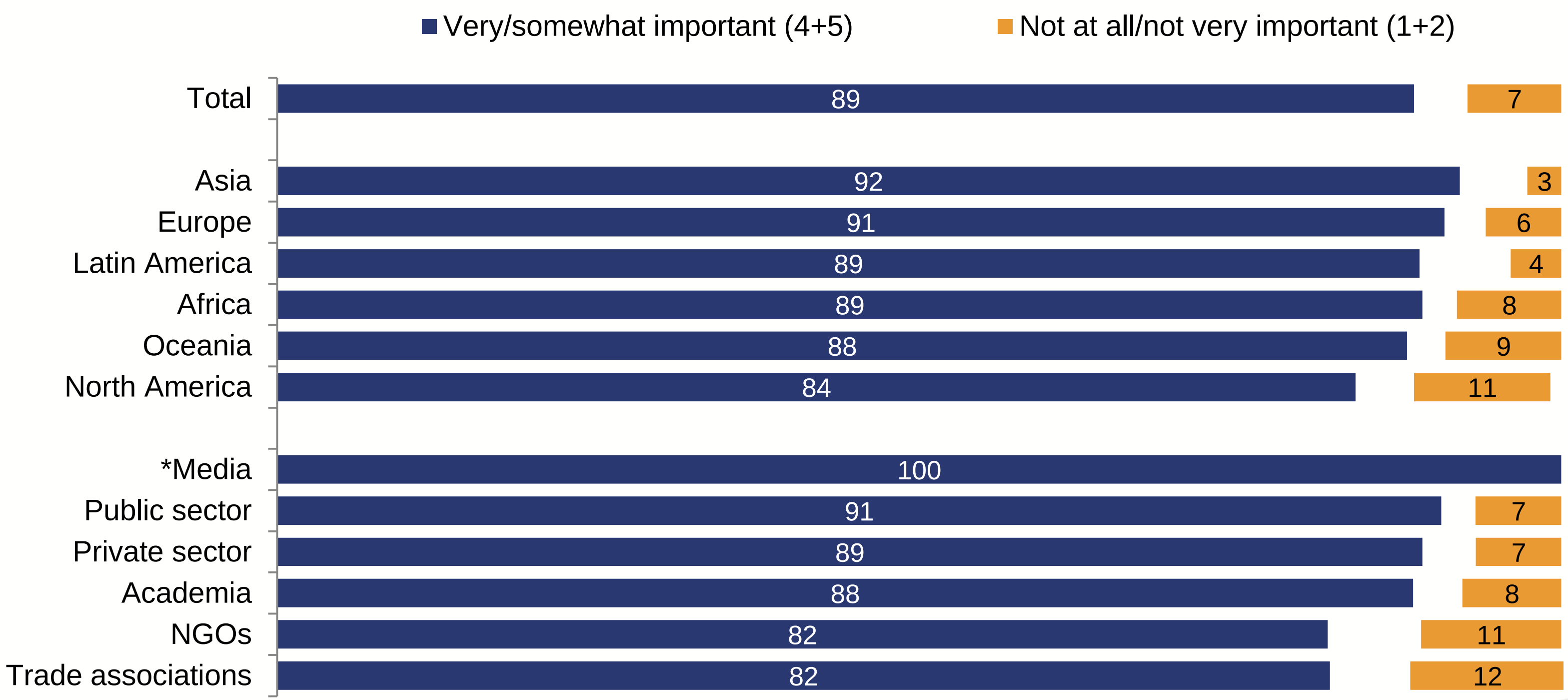
Perceived Importance of Social and Environmental Factors in Companies' Decision Making

All Stakeholders, by Region and Stakeholder Group, %, 2017



*Note: Very small sample size for media (*n*=8).

Note: The white space in this chart represents those who answered "Neither important nor unimportant," and "Don't know / not sure."

Q4. Thinking of the mining and metals industry overall, how important a consideration do you think social and environmental factors are in companies' decision-making...?

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Sustainability implementation, stronger local community engagement, and transparency are key suggested routes for broader public trust in the industry; education on mining and enhanced visibility are also mentioned

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Initiatives to Take to Increased Public Trust and Acceptance

Unprompted, Total Combined Mentions, All Stakeholders, %, 2017

Q14. What initiatives do you think the mining and metals industry and ICMM could take to build broader public trust and social acceptance of the sector in your country or region?

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Performance of the Industry

Key Takeaways

- On issues management performance across 14 individual areas, ICMM member companies receive much higher ratings that non-ICMM companies on all metrics.
- Overall, for both members and non-members, performance is deemed highest on health and safety and lowest on climate change.
- Mining industry stakeholders praise ICMM member companies issue performance to a greater extent than the overall sample. At the same time, however, they are also less critical of non members' performance.

Stakeholders have strongly differentiated views when assessing the way ICMM and non-ICMM companies manage their issues: ICMM membership receives much more favourable perceptions

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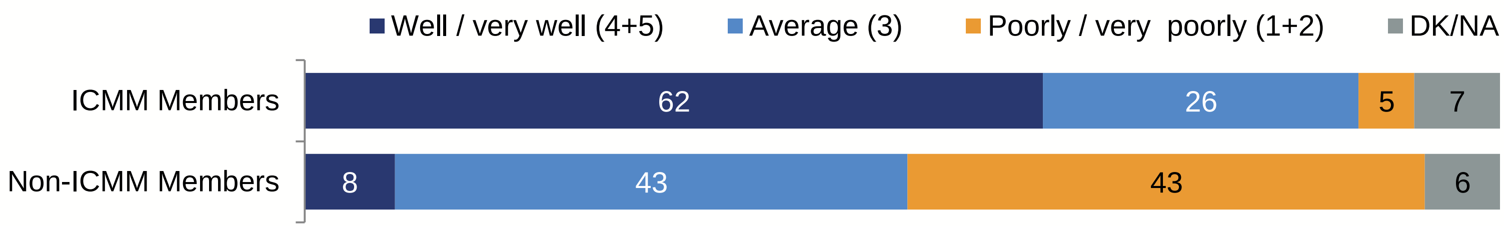
Issues Management of Mining and Metals Industry: Aggregated Performance*

ICMM Members vs Companies in Rest of Industry, All Stakeholders, %, 2017



"Good Performance % (4+5)," by Region and Stakeholder Group

	Europe	North America	Latin America	Asia	Africa	Oceania
ICMM Members	65	63	63	68	56	54
Non-ICMM Members	6	9	6	8	10	8

	Private sector	Public sector	Academia	Trade associations	NGOs	**Media
ICMM Members	66	53	59	53	40	38
Non-ICMM Members	9	5	6	12	4	13

*Average of 14 issues. **Note: Very small sample size for Media (*n*=8).

Q5. As you may know some mining and metals companies are members of ICMM. We are interested in understanding how your perceptions of the mining and metals industry may vary when comparing ICMM member companies to the rest of the industry on a set of common issues. Please rate how well both ICMM member companies and companies in the rest of the industry deal with each of the following issues.

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The positive discrimination of ICMM member companies is also very much apparent among mining industry stakeholders outside the membership; however attitudes towards the rest of the sector are also less negative

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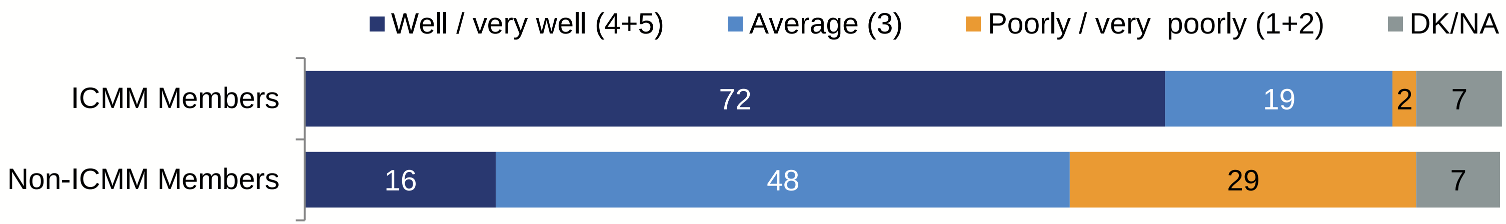
Issues Management of Mining and Metals Industry: Aggregated Performance*

ICMM Members vs Companies in Rest of Industry, Mining Industry Stakeholders,** *n*=125, %, 2017



- Looking at individual issues evaluated, mining industry stakeholders rate ICMM member companies better than the total sample on all individual 14 issues; however, industry stakeholders perception of the rest of the industry is also more favourable on each of them.
- Looking at the deltas between the proportions of positive ratings (4+5) received by ICMM companies and the rest of the industry, three areas seem to stand out as particularly strong positive discriminants for ICMM and its members:
  - the capacity to align social and environmental performance with the UN's SDGs,
  - having a committed executive leadership focused on social purpose,
  - efforts to mitigate climate change impacts.

*Average of 14 issues. **Outside of ICMM membership

Q5. As you may know some mining and metals companies are members of ICMM. We are interested in understanding how your perceptions of the mining and metals industry may vary when comparing ICMM member companies to the rest of the industry on a set of common issues. Please rate how well both ICMM member companies and companies in the rest of the industry deal with each of the following issues.

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ICMM member companies' lead over the rest of the industry on performance is clear across all individual areas; health and safety is a particularly strong area, climate change much less so

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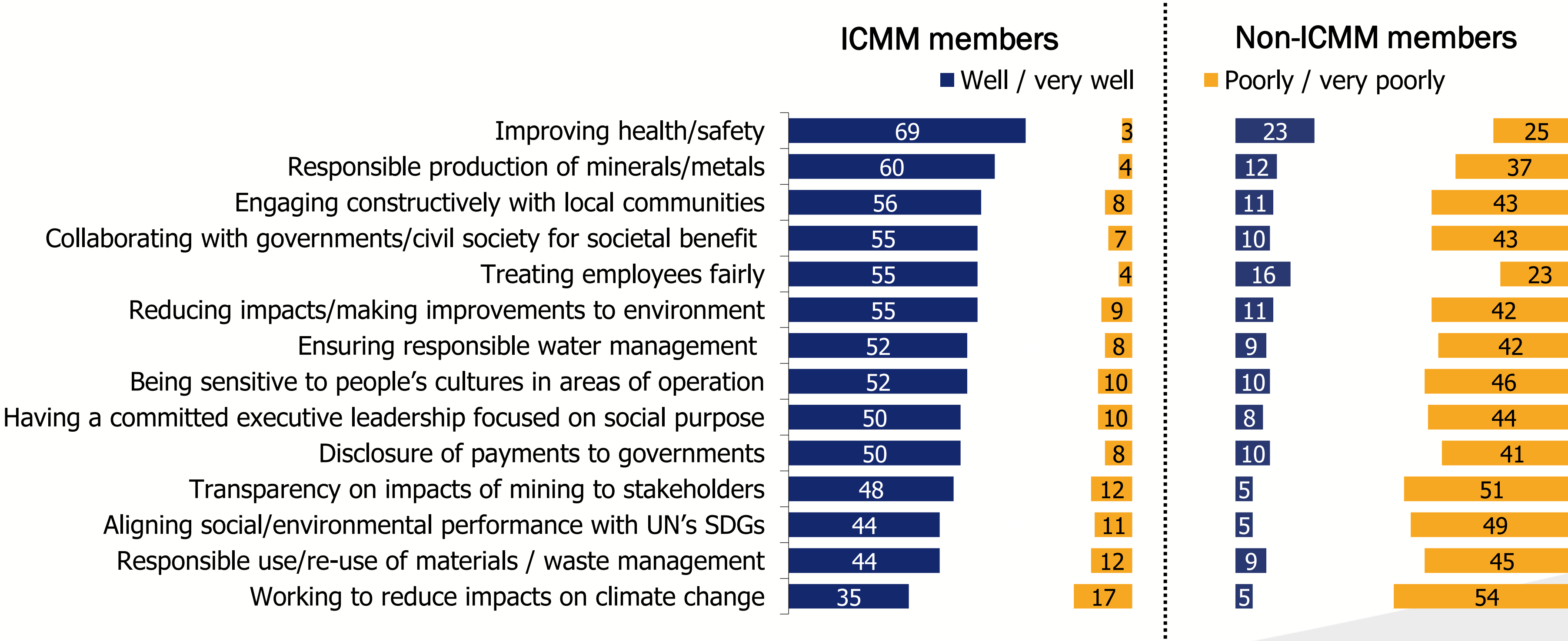
Assessment of Issues Management Performance of Mining and Metals Industry

ICMM Members vs Companies in Rest of Industry, All Stakeholders, %, 2017



Q5. As you may know some mining and metals companies are members of ICMM. We are interested in understanding how your perceptions of the mining and metals industry may vary when comparing ICMM member companies to the rest of the industry on a set of common issues. Please rate how well both ICMM member companies and companies in the rest of the industry deal with each of the following issues.

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Understanding Drivers of Reputation of ICMM Member Companies

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Key Takeaways

- The most important driver of favourable impressions towards ICMM member companies is their ability to make improvements to the environment (water management in particular).
- Having an executive leadership committed to social purpose also looks to be critical, as is transparency on impacts.
- About average (or below average) performance in all these areas suggests an even greater focus is needed to increase payoff on member companies' reputation capital.

The reputational benefit of being a member of ICMM continues to be tangible, though less decisively so compared to a few years ago

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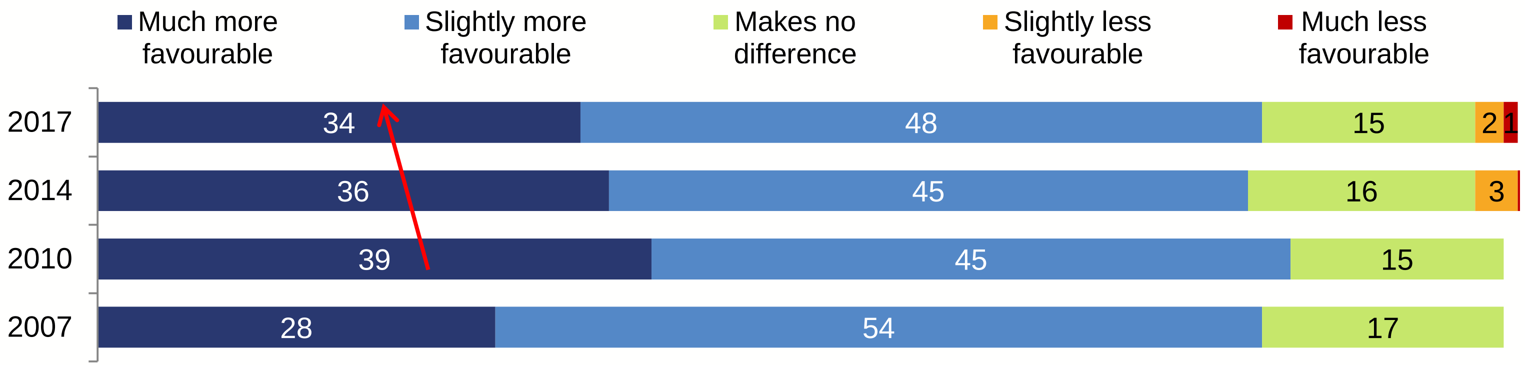
Impact of ICMM Membership on General Perceptions of ICMM Member Companies

All Stakeholders, %, 2007–2017



- Those who view ICMM companies “much more favourably” are more likely to think that ICMM membership and its related requirements have a positive influence on decision-making related to sustainable development.
- They are also more likely to believe that companies’ own policies and commitments, with regards to actions related to sustainable development, have a positive influence.

Q12t. Does knowing that a company is a member of ICMM make you feel more favourable towards it, less favourable towards it, or does it make no difference?

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Stakeholders in Oceania and Asia are a bit less likely than in other regions to hold favourable views towards a company because it is a member of ICMM; the impact of the membership is also less strong among NGOs, the Public Sector, and Trades

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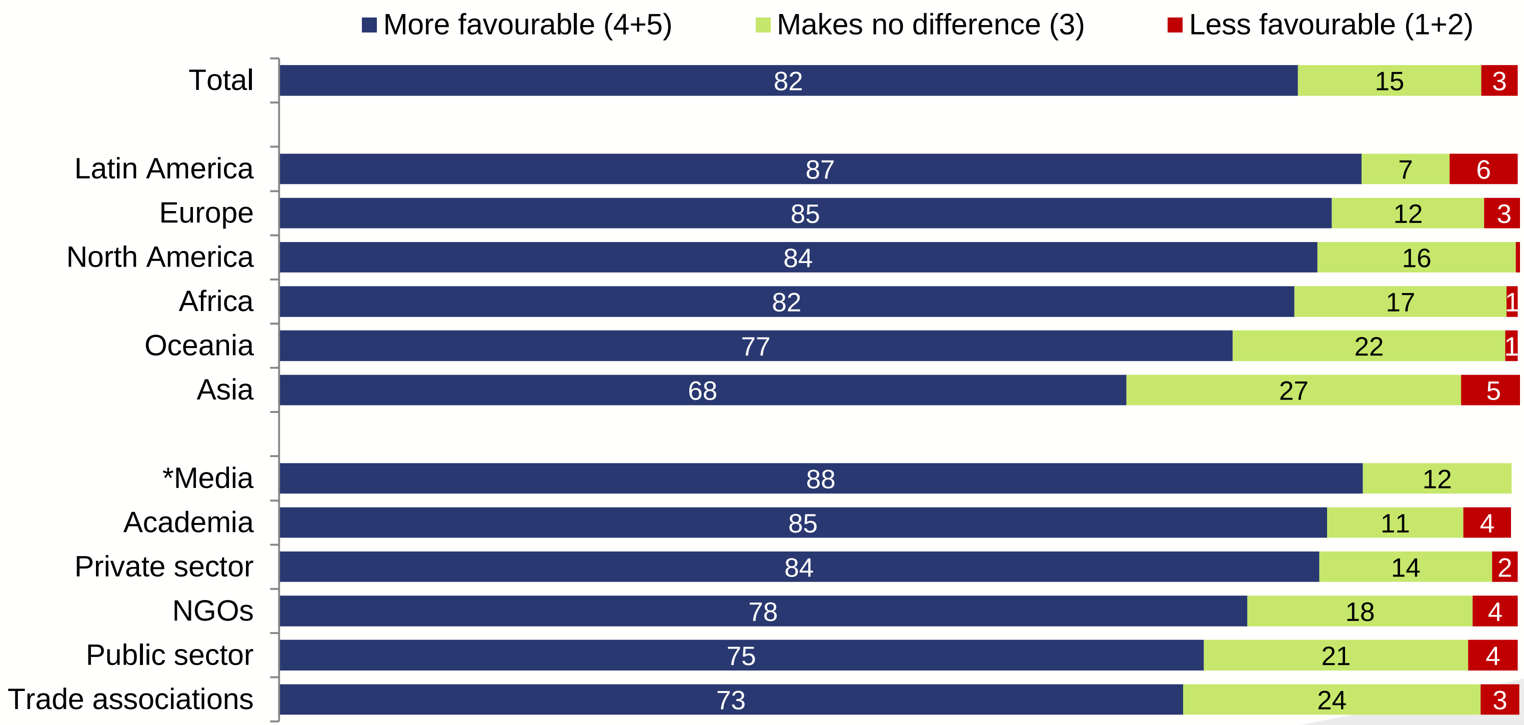
Impact of ICMM Membership on General Perceptions of ICMM Member Companies

All Stakeholders, by Region and Stakeholder Group, %, 2017



*Note: Very small sample size for Media (*n*=8).

Q12t. Does knowing that a company is a member of ICMM make you feel more favourable towards it, less favourable towards it, or does it make no difference?

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Drivers Analysis: Methodology

Drivers Analysis is a predictive tool used to understand relationships between an outcome variable and a set of independent predictors. In this case, we tried to analyse the relationship between perceived performance of ICMM member companies (the predictor variables – Q5 in the survey) and the extent to which each performance attribute can predict ratings of favourability towards ICMM member companies (the outcome variable – Q12 in the survey).

With data from the questions noted above, we have used partial least squares (PLS) regression analysis to determine the relative importance of each performance attribute, which we call a driver, in predicting the level of favourability towards ICMM member companies.

To visualize the resulting data of the drivers analysis, we create a matrix to plot each attribute on performance and importance axes (see figure on next slide). Placing the data on a matrix helps determine the best strategic options to manage reputation, and build trust and leadership. It does so by showing which drivers are the basis for securing lasting reputation and where an improvement in performance or perceptions could have the most positive impact on enhancing it.

It is important to remember that the drivers are **plotted relative to each other**. For example, when a driver appears in "Manage" or "Maintain," this does not mean it is seen as unimportant on an absolute basis in driving favourability; rather, it has a relatively weaker influence compared to other drivers.

Strategic Matrix Analysis: Combining Performance and Importance

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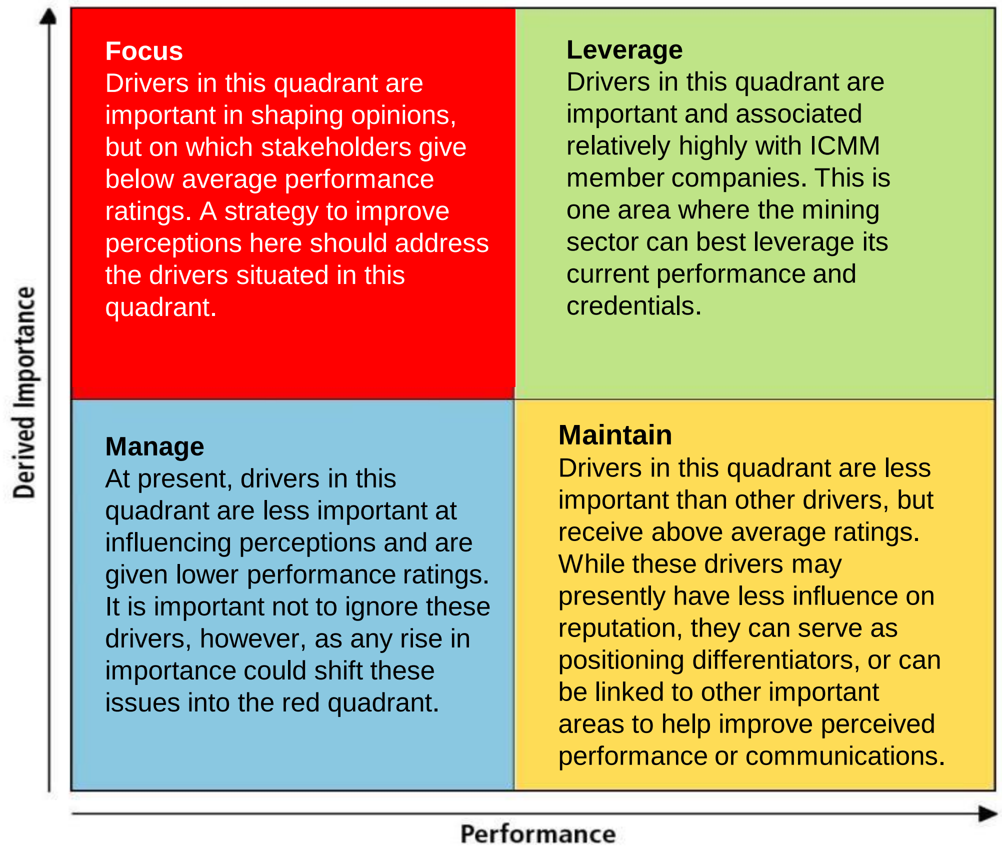

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Drivers of Reputation of ICMM Member Companies: Importance vs Performance

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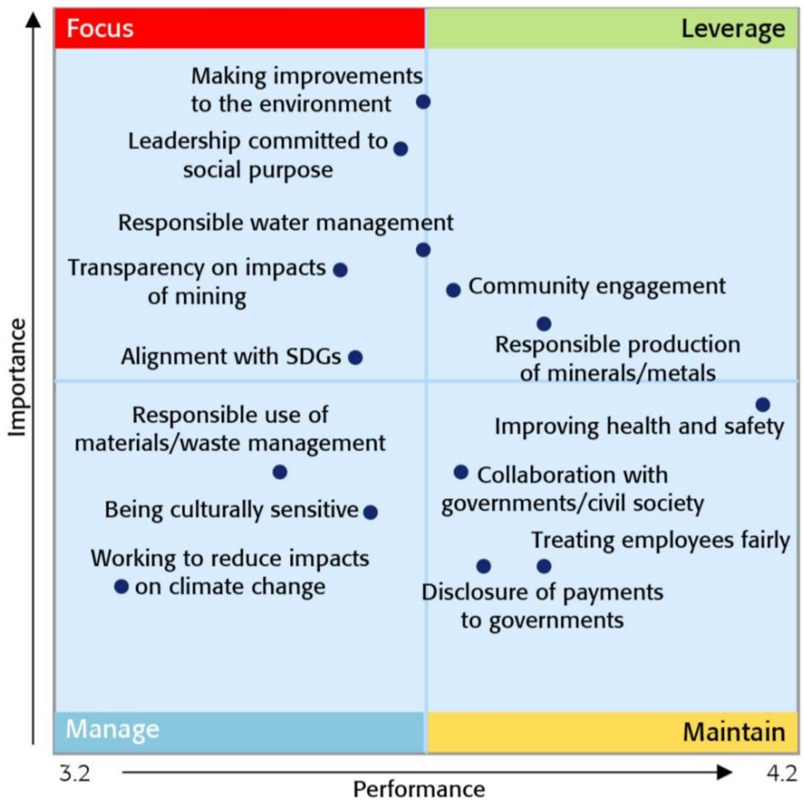

- **Environmental performance** is the most important driver of favourable perceptions towards ICMM member companies. However, this is an area where relative performance is rated average.
- All performance areas related to the environment narrative receive average or below average ratings (water management, recycling and waste, and climate change mitigation). A stronger focus here by ICMM member companies is therefore critical to sustain positive reputation. The key element in doing so may be **transparency.** while demonstrating how companies' social and environmental performance **aligns with the Sustainable Development Goals** is also likely to unlock enhanced reputation capital going forward.
- Stakeholders are also far more likely to have a favourable view if they see an ICMM member company **having executive leadership committed to social purpose.** However, this is also an area where perceived performance is below average.
- **Constructive engagement with local communities and responsible production** are two areas that are fairly influential in shaping positive perceptions, and on which ICMM member companies seem to be performing relatively well.

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Assessing the Value of the Industry

Key Takeaways

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- Stakeholders attach a lot of value to the industry generally.

- Refining how this value manifests, the top ranked areas of potential benefit is the core proposition of mining and metals: providing essential materials for modern society to function, and the subsequent idea that it benefits the national economies of host countries and supports industrial infrastructure.

- The local contributions of the industry in and around mining communities (social investments, local community development, youth professional development) are ranked after the national / macro-economic impact.

- Long-term local sustainability initiatives, philanthropy and fair distribution are not seen as strong value points.

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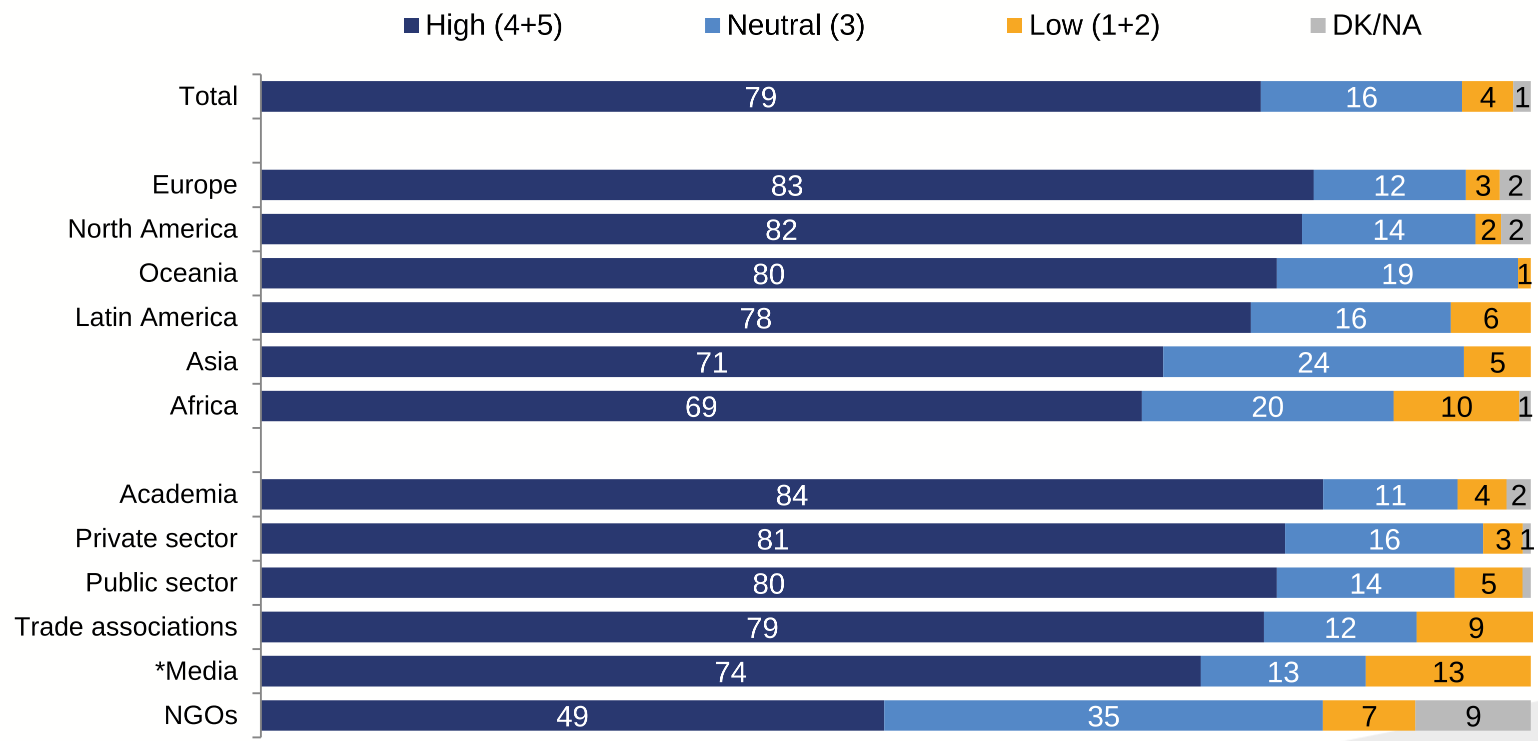
Four in five stakeholders consider the value of mining to society to be high; stakeholders in Europe and North America are most positive, while those in Asia and Africa are less generous; NGOs' ratings are much less bullish

Perceived Value of Mining and Metals Industry to Society

All Stakeholders, by Region and Stakeholder Group, %, 2017



*Note: Very small sample size for media (*n*=8).

Q6. Overall, how would you rate the value of mining and metals industry to society?

Establishing a Hierarchy between Different Value Points of Mining and their Contribution to the Development of Sustainable Economies

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The next slide summarises the findings of an exercise run to determine the relative importance of different value points stemming from the activity of the mining and metals industry.

All areas of contribution bring some benefit, however, not all are equally important in terms of their intrinsic value or perceived impact, and ability to drive acceptance of the mining industry to higher levels. In an attempt to better understand and identify which value points resonate most strongly, we asked stakeholders to rate which areas of contribution they felt were most and least beneficial to the development of thriving and sustainable economies.

The attributes tested included a range of value points in different areas (economic, social, environmental), and were randomised across ten different screens, using a maximum differentiation methodology. Respondents' ten responses were used to calculate the most and least beneficial areas of contribution, indicating the relative importance of each value point on a scale between zero and ten.

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Ranking the Potential Benefits of Mining to the Development of Sustainable Economies

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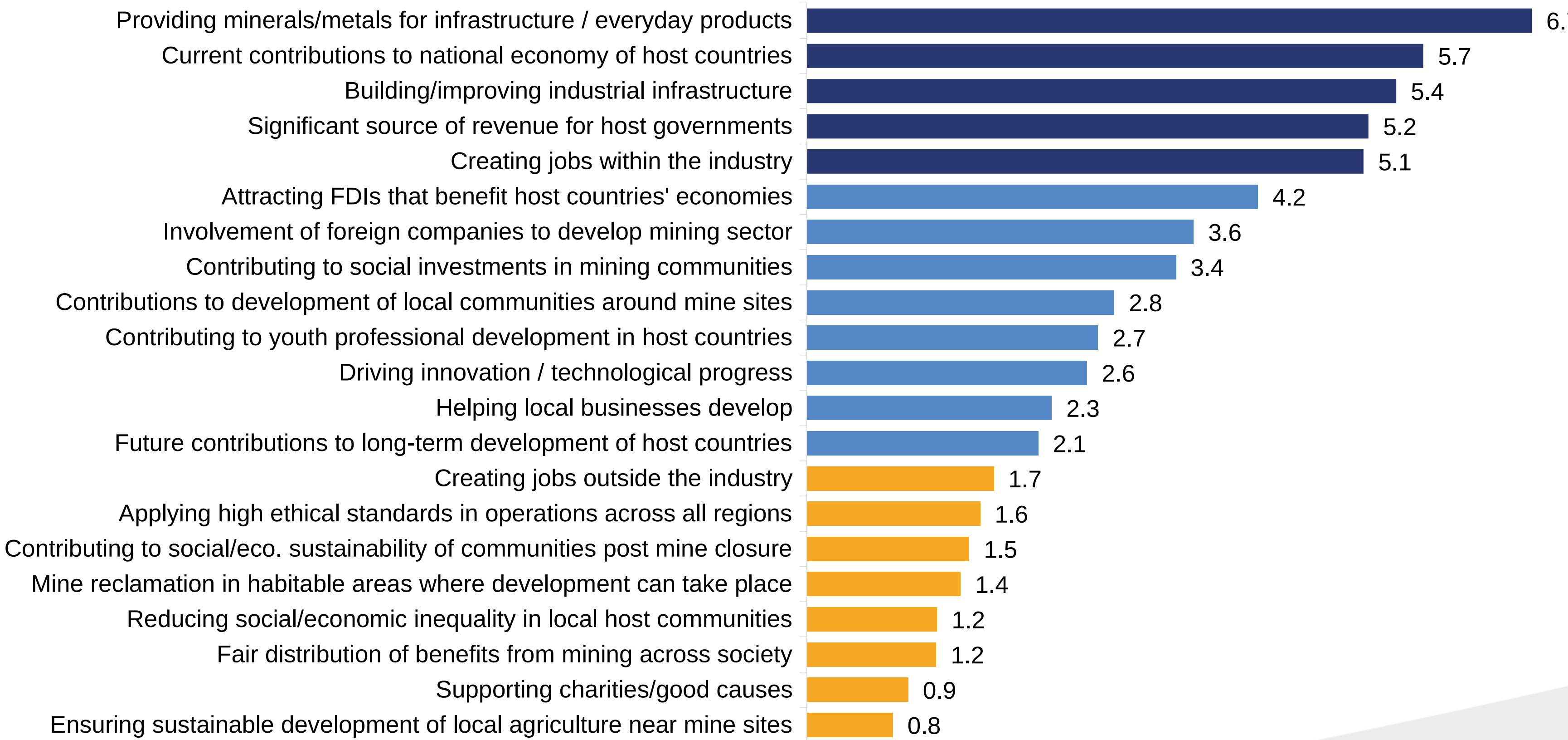
"Beneficial Contribution" Score (out of ten), All Stakeholders, 2017



Q7. Now, let's think of the various areas of potential contributions of the mining and metals industry to the development of thriving and sustainable economies. You will be shown a number of screens with five contribution areas. For each screen please choose the area in which you think the mining and metals industry's contribution is the least beneficial and the area you think the mining and metals industry's contribution is the most beneficial?

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Ranking the Perceived Strength of the Benefits of Different Value Points of Mining to Society

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Summary Analysis

Top tier: the end product of the activity, its use for modern society, and subsequent impact on macro-economy

- The industry's provision of essential commodities for everyday products is by far the greatest perceived potential benefit of mining to the development of thriving and sustainable economies.
- The overall economic development impact is also a very clear benefit, as witnessed by the perceived importance of the current contributions to national host economies. These are seen through support to building or improving industrial infrastructure, the impact on employment creation within the sector, and the impact on significantly growing national revenue for host countries through taxes.

Second tier: local contributions to demonstrate the shared value of the activity

- The localised impact of operations is felt to be less beneficial if stakeholders have to compare different value points. Contributions to community and local economic development, social investments, and support to youth professional development are areas where the expected benefit potential is seen to be more moderate.
- Stakeholders who believe strongly in ICMM's vision for the industry, and who view compliance as strong, are significantly more likely to positively view the benefits of mining in terms of local community development.

Bottom tier: long-term local sustainability initiatives, philanthropy and fair distribution are not strong value points

- The industry's benefit impact is also expected to be very limited for long-term, localised, sustainability activities, such as mine reclamation, ensuring social and economic development of communities post closure, or support for sustainable local agriculture. The ability to drive equitable sharing of benefits from mining across society, or to reduce inequality near mine sites, is also not seen as a strong value point for the industry. It is also noteworthy that philanthropic contributions to charities, and support for good causes, are not considered a strong benefit point.

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Top vs Bottom Three Beneficial Areas of Contribution to Society

By Stakeholder Group, 2017

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	Private sector	Public sector	Academia	Trade associations	NGOs
Top three areas	Providing minerals/metals for infrastructure / everyday products	Providing minerals/metals for infrastructure / everyday products	Providing minerals/metals for infrastructure / everyday products	Providing minerals/metals for infrastructure / everyday products	Providing minerals/metals for infrastructure / everyday products
	Current contributions to national economy of host countries	Current contributions to national economy of host countries	Building/improving industrial infrastructure	Building/improving industrial infrastructure	Building/improving industrial infrastructure
	Significant source of revenue for host governments	Building/improving industrial infrastructure	Current contributions to national economy of host countries	Current contributions to national economy of host countries	Current contributions to national economy of host countries
Bottom three areas	Fair distribution of benefits from mining across society	Reducing social/economic inequality in local host communities	Reducing social/economic inequality in local host communities	Reducing social/economic inequality in local host communities	Reducing social/economic inequality in local host communities
	Supporting charities/good causes	Supporting charities/good causes	Supporting charities/good causes	Ensuring sustainable development of local agriculture near mine sites	Supporting charities/good causes
	Ensuring sustainable development of local agriculture near mine sites	Ensuring sustainable development of local agriculture near mine sites	Ensuring sustainable development of local agriculture near mine sites	Supporting charities/good causes	Ensuring sustainable development of local agriculture near mine sites

Top vs Bottom Three Beneficial Areas of Contribution to Society

By Region, 2017

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	Europe	North America	Latin America	Asia	Africa	Oceania
Top three areas	Providing minerals/metals for infrastructure / everyday products	Providing minerals/metals for infrastructure / everyday products	Current contributions to national economy of host countries	Providing minerals/metals for infrastructure / everyday products	Providing minerals/metals for infrastructure / everyday products	Providing minerals/metals for infrastructure / everyday products
	Building/improving industrial infrastructure	Building/improving industrial infrastructure	Providing minerals/metals for infrastructure / everyday products	Current contributions to national economy of host countries	Current contributions to national economy of host countries	Current contributions to national economy of host countries
	Current contributions to national economy of host countries	Creating jobs within the industry	Significant source of revenue for host governments	Building/improving industrial infrastructure	Significant source of revenue for host governments	Building/improving industrial infrastructure
Bottom three areas	Fair distribution of benefits from mining across society	Reducing social/economic inequality in local host communities	Mine reclamation in habitable areas where development can take place	Reducing social and economic inequality in local host communities	Reducing social and economic inequality in local host communities	Supporting charities/good causes
	Supporting charities/good causes	Supporting charities/good causes	Supporting charities/good causes	Supporting charities/good causes	Supporting charities/good causes	Fair distribution of benefits from mining across society
	Ensuring sustainable development of local agriculture near mine sites	Ensuring sustainable development of local agriculture near mine sites	Ensuring sustainable development of local agriculture near mine sites	Ensuring sustainable development of local agriculture near mine sites	Ensuring sustainable development of local agriculture near mine sites	Ensuring sustainable development of local agriculture near mine sites

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Baseline Assessment of ICMM's Vision and Mission

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Key Takeaways

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- Stakeholders are generally in strong agreement with ICMM's mission of strengthening members' social and environmental performance and building recognition of the industry's contribution to society.

- However, stakeholders are divided on the vision it has for the industry, with nearly equal proportions in disagreement over whether the industry is respected and trusted to operate responsibly and contribute to sustainable development.

- Understanding of ICMM's membership requirements remains limited overall and compliance is perceived to be moderate.

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ICMM's vision for the industry yields mixed reactions among stakeholders; however, the association gets strong recognition on how it delivers on its mission from all stakeholder groups

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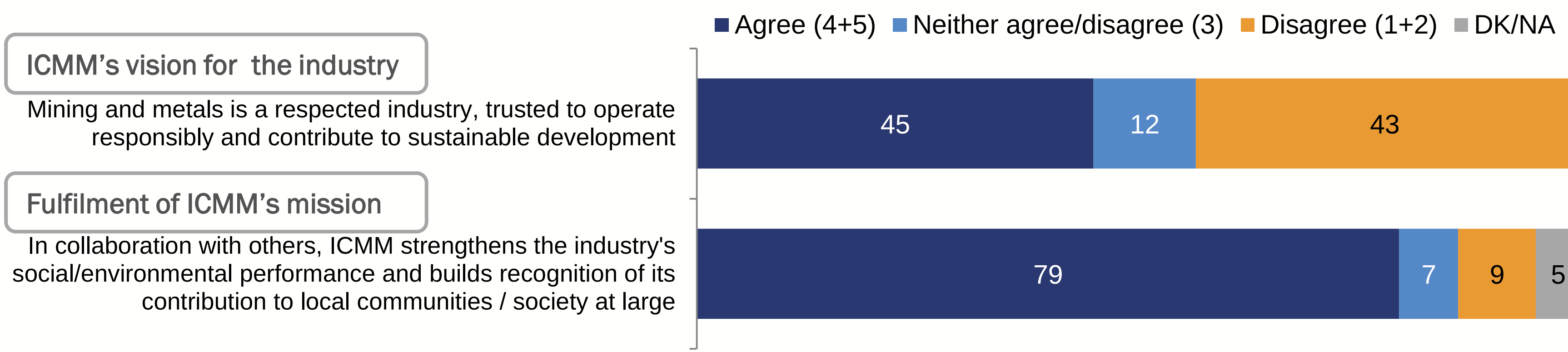
Perceptions of ICMM's Vision and Progress on Fulfilling Mission

All Stakeholders and by Stakeholder Group, %, 2017



	Private sector	Public sector	Academia	Trade associations	NGOs	*Media
Vision for the industry (% Agree)	47%	47%	41%	39%	36%	38%
Fulfilment of ICMM's mission (% Agree)	82%	73%	78%	73%	75%	75%

*Note: Very small sample size for Media (n=8).

Q8. To what extent do you agree with the following statements?

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Stakeholders in all regions recognise the impact of ICMM's mission; however, the vision ICMM has for the industry resonates more in developing regions than in Western regions

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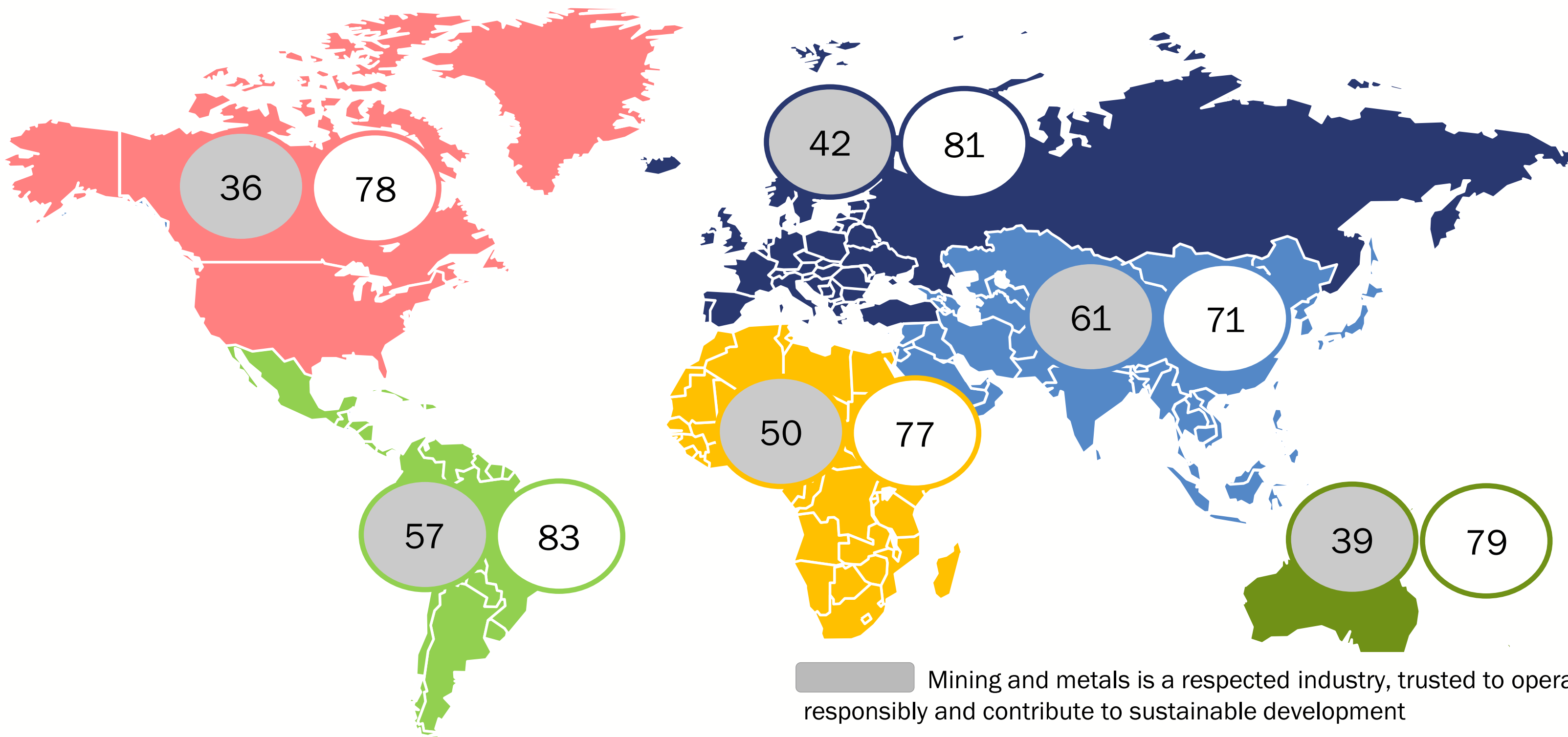
Perceptions of ICMM's Vision and Progress on Fulfilling Mission

Levels of Agreement with Vision and Mission Statements, % (4+5), by Region, 2017



Mining and metals is a respected industry, trusted to operate responsibly and contribute to sustainable development

In collaboration with others, ICMM strengthens the industry's social/environmental performance and builds recognition of its contribution to local communities / society at large

Q8. To what extent do you agree with the following statements?

Two-thirds know about the mandatory requirements to comply with for ICMM members, while the same proportion thinks membership entails voluntary commitments; just about half, however, are aware of the robust entry process

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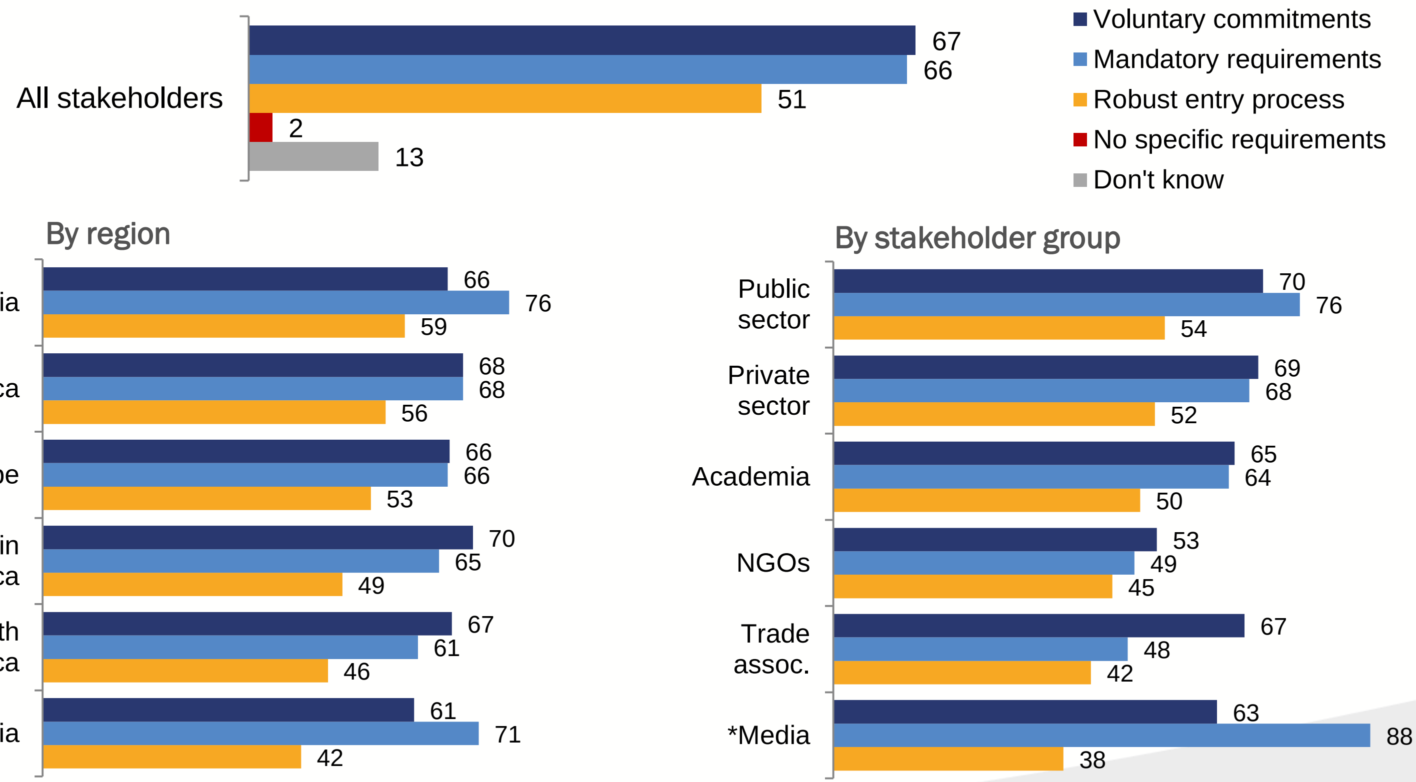
Understanding of ICMM Membership Requirements

All Stakeholders, by Region and Stakeholder Group, %, 2017



*Note: Very small sample size for Media (*n*=8).

Q9. Which of the following are ICMM member companies expected to comply with? Please select no more than three.

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Close to four in ten overall assess members' compliance as strong, and a quarter see it as moderate; almost one in three, however, are unable to make a judgement

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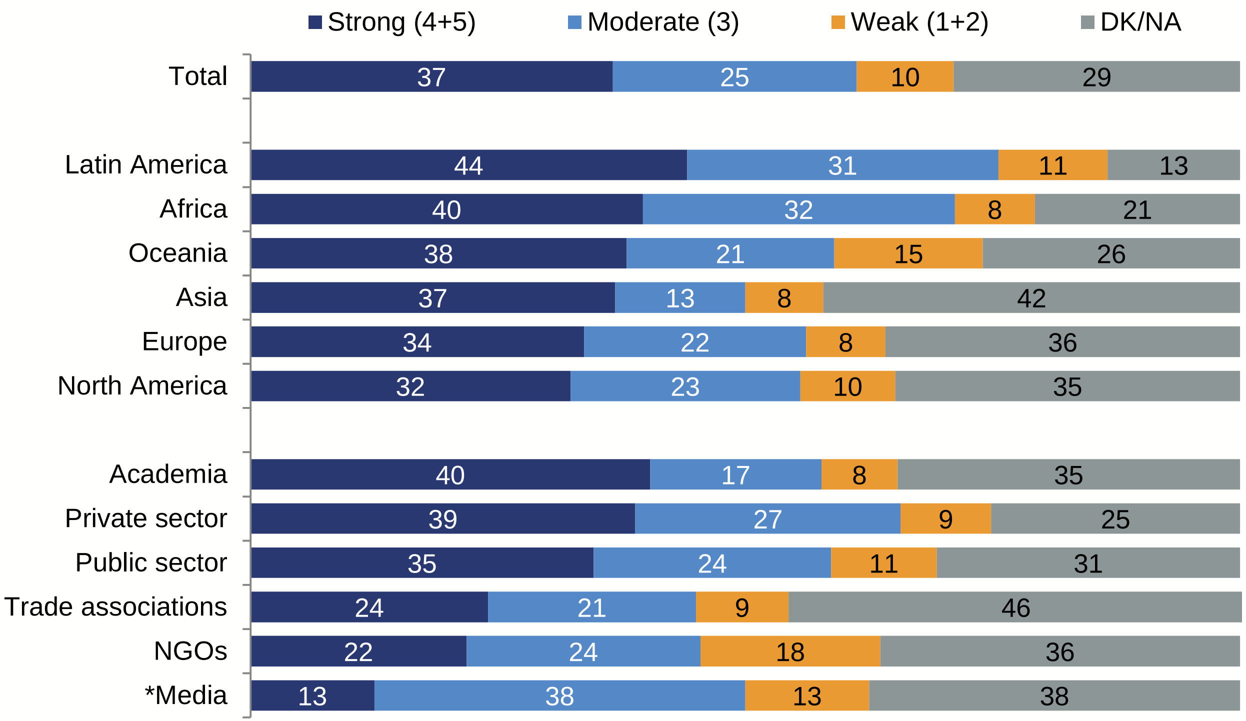
Perceived Compliance with ICMM's Membership Requirements across Members

All Stakeholders, by Region and Stakeholder Group, %, 2017



- Even among stakeholders who understand well ICMM's membership requirements (robust entry process and subsequent mandatory requirements), the perceived level of compliance among members remains moderate: 42 percent rate it as strong (vs 37% for the total sample); there is still an important proportion who does not feel they know enough about this aspect (23% compared to 29% for the total sample).
- Mining industry stakeholders (outside the membership) are more likely than the total sample to assess the compliance of ICMM members as strong (44%).

*Note: Very small sample size for media (n=8).

Q10. As you may know, ICMM has stringent membership requirements, with a robust entry process and mandatory requirements for companies willing to join. In your experience, how would you assess the robustness of the compliance with these requirements across the member companies?

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Influence Sentiment Analysis

Key Takeaways

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- ICMM requirements and member companies' own policies are felt to have the most positive influence on ICMM members' decision-making related to sustainable development issues.

- Overall, however, all groups assessed are felt to have a mostly positive influence in advancing the sustainability agenda for ICMM member companies, including NGOs, host governments, or shareholders.

- Looking at the channels of influence between different stakeholders to understand how general opinions of the industry are shaped, endemic rather than external influence prevails; no dominant influencing group across stakeholders clearly emerges.

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All prompted actors are felt to have a mostly positive influence on how ICMM member companies' tackle sustainable development issues; but the membership's requirements and companies' own policies are more decisive

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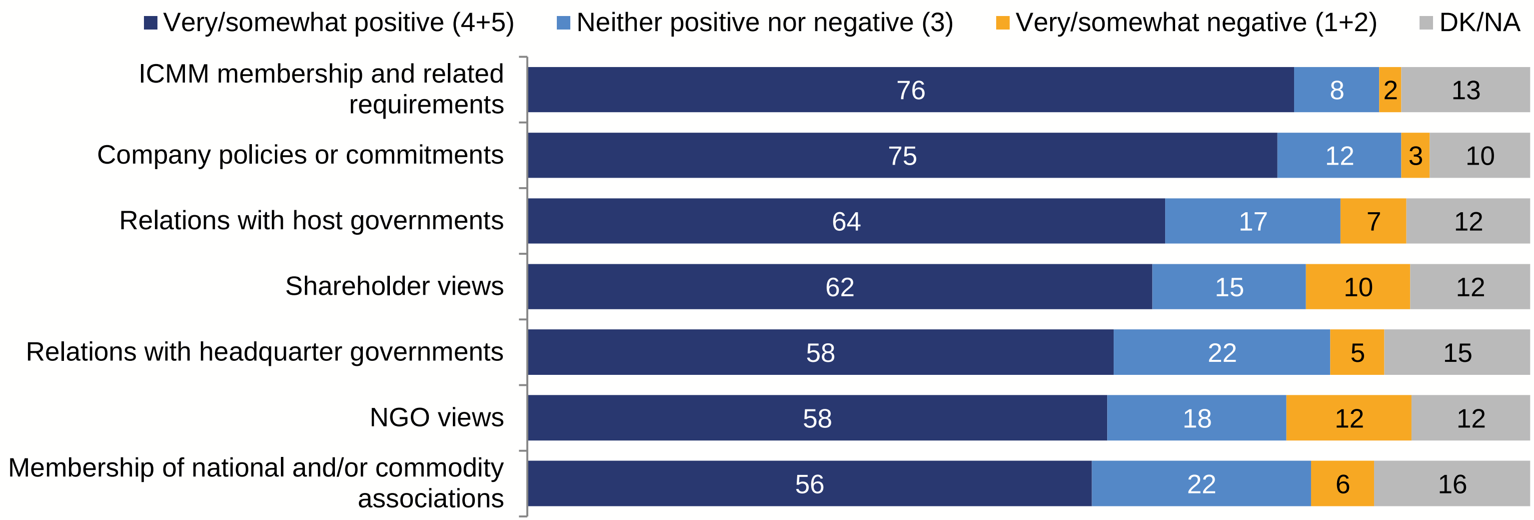
Influencing ICMM Member Companies' Decision-Making on Sustainable Development Issues

Degree of Influence, by Category of Influencers, All Stakeholders, %, 2017



- Stakeholders who most strongly believe in ICMM's vision, mission and the robustness of its compliance are more likely to rate all influencers positively. In particular, those who rate ICMM members' compliance strongly, are far more likely to rate ICMM membership and related requirements positively than those who view the compliance robustness more loosely (94% vs 54%, respectively).
- Similarly, stakeholders who praise members' compliance are more likely to rate relations with host governments as a positive influencer (79% vs 49% for those less convinced with the strength of members' compliance).

Q11. When it comes to act upon issues related to sustainable development, how would you rate the level of influence each of the following factors or actors has in the decision-making process of ICMM member companies?

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Mining industry stakeholders outside the membership are more likely to think that ICMM member companies' own policies and commitments are a positive influencer to tackle sustainable development, ahead of the membership requirements

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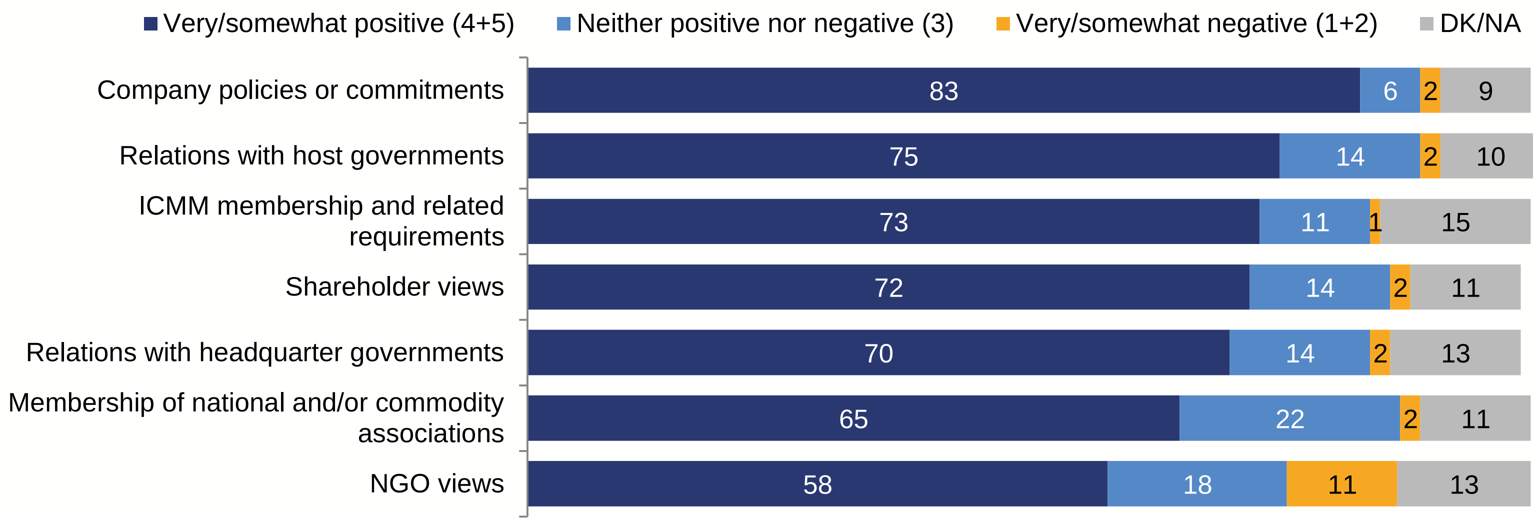
Influencing ICMM Member Companies' Decision-Making on Sustainable Development Issues

Degree of Influence, by Category of Influencers, Mining Industry Stakeholders,* n=125, %, 2017



- Compared to the whole sample, mining industry stakeholders (outside the membership) are more likely to rate higher the influence of several actors on how ICMM member companies address sustainable development issues. Apart from internal policies and commitments, they also see relations with host governments, or HQ governments, shareholder views and other national membership associations as more conducive and decisive in driving sustainable development strategies.

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Q11. When it comes to act upon issues related to sustainable development, how would you rate the level of influence each of the following factors or actors has in the decision-making process of ICMM member companies?

In strong mining regions, NGOs are seen as having lower positive influence on ICMM member companies' decisions on sustainable development; HQ governments and national associations are also considered less influential

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Influencing ICMM Member Companies' Decision-Making on Sustainable Development Issues

Most vs Least Positive Influencer, by Region and Stakeholder Group, 2017

	Europe	North America	Latin America	Asia	Africa	Oceania
Most positive influencer	ICMM membership requirements (78%)	Company policies or commitments (75%)	ICMM membership requirements (85%)	Shareholder views (76%)	Company policies or commitments (80%)	ICMM membership requirements (71%)
Least positive influencer	Membership of national or commodity associations (47%)	Relations with HQ government (52%)	NGO views (59%)	Membership of national or commodity associations (61%)	NGO views (62%)	NGO views (45%)

	Private sector	Public sector	Academia	Trade associations	NGOs	*Media
Most positive influencer	Company policies or commitments (79%)	ICMM membership requirements (78%)	ICMM membership requirements (80%)	Company policies or commitments (59%)	ICMM membership requirements (69%)	Shareholder views; Relations with HQ governments (both 63%)
Least positive influencer	NGO views (58%)	Relations with HQ government (43%)	Membership of national or commodity associations (52%)	Relations with HQ government (39%)	Membership of national or commodity associations (40%)	Membership of national or commodity associations (25%)

*Note: Very small sample size for media (*n*=8).

There is no clear dominant influencing group across stakeholders; rather, inner circles within peer networks tend to be most important in shaping opinions of the mining and metals industry

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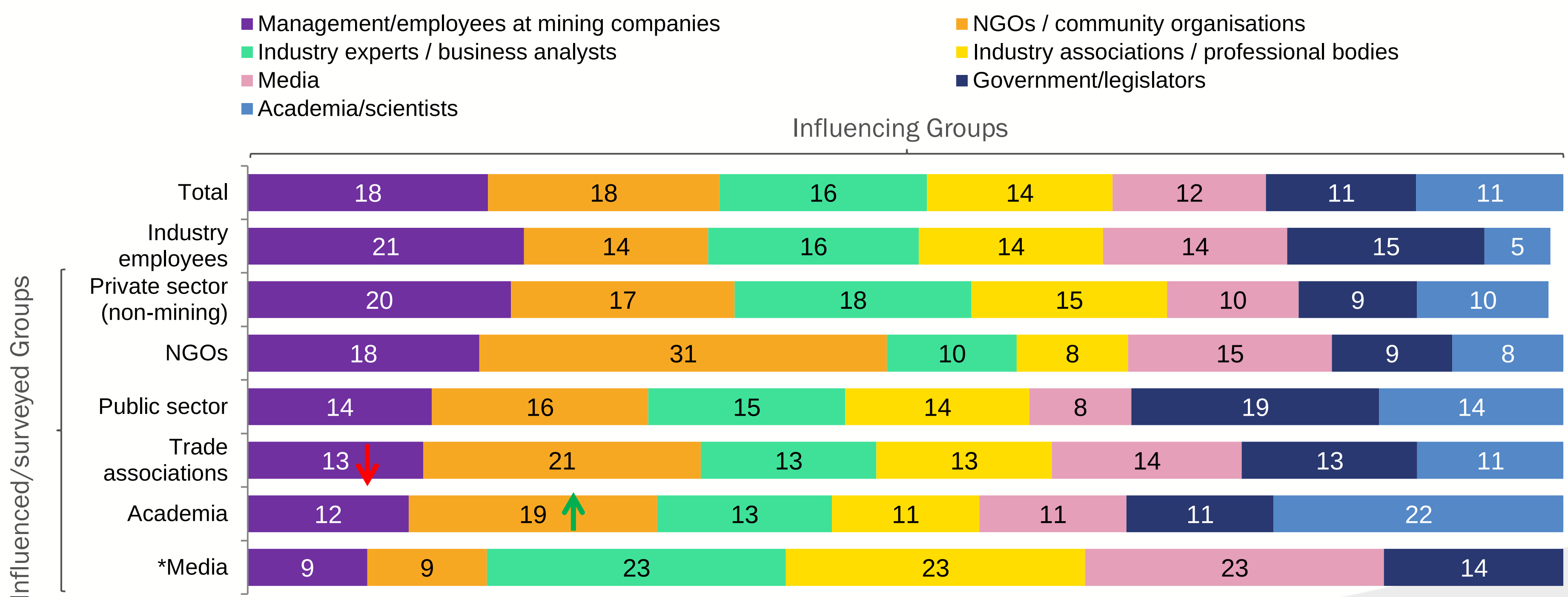
Influencers of Mining and Metals Industry Reputation

Total Mentions, All Stakeholders, by Stakeholder Group, %, 2017



Influenced/surveyed Groups	Management/employees at mining companies	NGOs / community organisations	Industry experts / business analysts	Industry associations / professional bodies	Media	Government/legislators	Academia/scientists
Total	18	18	16	14	12	11	11
Industry employees	21	14	16	14	14	15	5
Private sector (non-mining)	20	17	18	15	10	9	10
NGOs	18	31	10	8	15	9	8
Public sector	14	16	15	14	8	19	14
Trade associations	13 ↓	21	13	13	14	13	11
Academia	12	19 ↑	13	11	11	11	22
*Media	9	9	23	23	23	14	

↑↓ Increased/decreased influence of influencing group over surveyed group compared to 2014

*Note: Very small sample size for media (*n*=8).

Q13t. Below is a list of different types of people and organisations. Please select up to three that have the greatest impact on the way you or your colleagues view the mining and metals industry overall.

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Mapping Influence

Influence mapping provides a visual summary of the main relationships between key stakeholder groups, and their level of influence on one another. In this case, it is used to illustrate the results of a question that asked stakeholders which organisations or groups are most influential in shaping their opinion of the mining and metals industry (reported on the previous slide).

By finding out "who is talking to whom," we can identify:

- The ongoing stakeholder dialogues in which the mining and metals industry should aim to engage.
- The "easier-to-reach" stakeholder groups that may provide useful channels for communication with harder-to-reach" groups.

Note: The model is qualitative and reflective of views of the surveyed sample. Data should be treated as indicative rather than definitive.

Influencers of Industry Views: Summary Map

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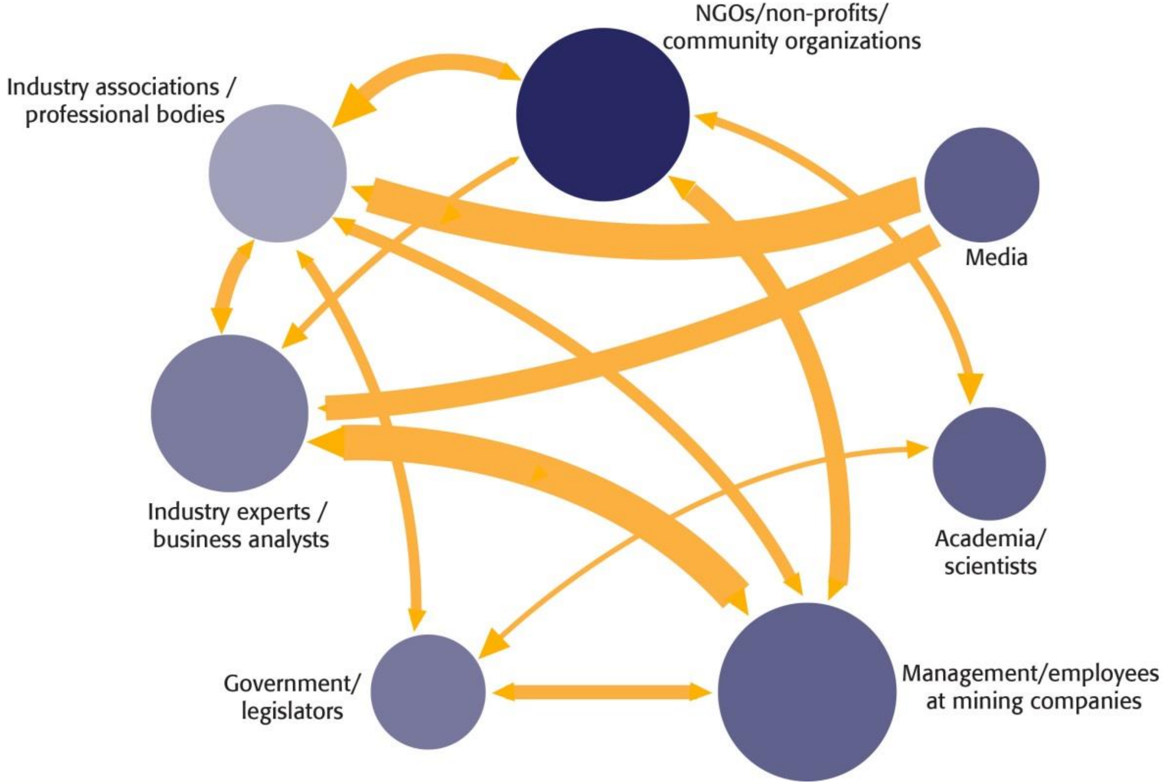

Legend

Arrow width indicates the strength of influence between stakeholder groups

Arrowhead size indicates the strength of influence each way between stakeholder groups. If an arrow has no arrowhead on one end, there is no influence in that direction.

Circle size indicates overall influence based on all mentions. The larger the circle, the more influential the stakeholder group.

Circle colour indicates amount of "endemic influence" or influence over itself

Strong endemic influence — Weak endemic influence

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Influencers of Industry Views

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Summary Analysis

- Overall, influence over perceptions of the mining sector looks fairly moderate between most stakeholder groups. As per the sentiment analysis chart (see slide 48), there is no dominant influencer group that seem to manage to shape attitudes significantly across the whole range of industry stakeholder groups. For the groups that emerge as having some weight in the conversation about the mining and metals industry (indicated by the size of the bubbles), it is often due to endemic influence (indicated by the darker colour of the bubble) rather than external.
- This implies that the different audiences are not communicating or interacting heavily with each other. The exception here would be employees at mining companies and industry experts which have a strong level of influence over each other.
- The mining industry also has the strongest relative influence over NGOs and government, although it looks like the degree of existing interactions can be strengthened (arrows are not very thick).
- NGOs seem to have influencing interactions with several groups, but these do not seem to be very prominent at the moment (outward-facing arrows are mostly thin), and they also do not appear to be shaping views among government authorities; instead NGOs have the most endemic influence (i.e. they talk about the mining industry a lot within their own inner circle).
- Apart from interactions with the mining industry, government stakeholders are not heavily influenced by any other group; stakeholders from industry associations are influenced by the greatest number of groups and their voice also has its importance, but the strength of the interactions seem rather tenuous.
- The media seem to have a certain degree of influence over industry associations and industry experts.

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Newspapers / print media and TV remain among the top media sources with the greatest impact on shaping views of the industry; however, specialised mining sources have obtained a higher profile since 2014

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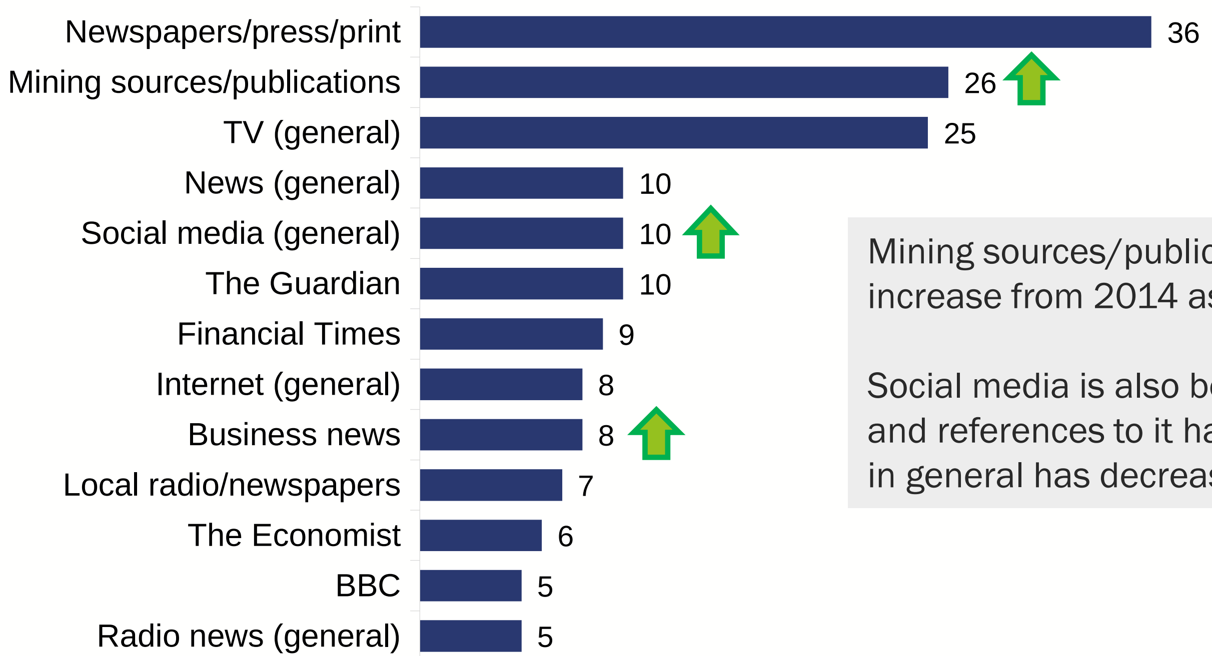
Top Media Sources with Greatest Impact on Shaping Views of Mining and Metals Industry

Unprompted, Stakeholders Influenced by Media, Total Mentions, %, 2017



Mining sources/publications has seen a neat increase from 2014 as an influential media source.

Social media is also beginning to play a bigger role and references to it have gone up while the Internet in general has decreased.

Q13bt. You selected media organisations as having a high impact on the way you or your colleagues view the mining and metals industry overall. Could you please recall up to three specific media sources that have the greatest impact on your views about the mining and metals industry? *List a maximum of three.*

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