THE CHAMBER OF MINERALS AND ENERGY OF WESTERN AUSTRALIA INC

THE CHAMBER OF MINERALS AND ENERGY OF WA

Submission to

The Hon Dr Geoff Gallop MLA

Premier of Western Australia

On the Consultation Draft of The WA State Sustainability Strategy

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IN BRIEF

The Chamber of Minerals and Energy (CME) welcomes the opportunity to contribute to the development of Western Australia's State Sustainability Strategy and supports the general thrust of the consultation draft which has been circulated.

An initiative by 25 of the worlds major mining companies including seven companies active in Western Australia has already established 12 fundamental principles of sustainable development for the mining and metals industry worldwide. These are compatible with the general direction of the State's proposed policy.

In supporting the Government's intention to introduce a strategy, we also suggest reshaping the strategy as outlined in the consultation draft, to:

- Emphasise more strongly its importance to the key global challenge of delivering rising standards of living and quality of life to a rapidly growing world population without compromising the underlying ecological support systems now or in the future.
- Change the title to "State Sustainable Development Strategy" which is more dynamic than "State Sustainability Strategy". Sustainable development is what the State, including the public and private sectors, needs to do in order to achieve the outcome of sustainability.
- Amend the criteria for determining sustainability to net aggregate benefit rather than simultaneous achievement of gains in economic, environmental and social benefits which in many cases will be impractical and if applied rigorously and over-zealously could lead to economic, environmental and social stagnation.
- Consider implementing the strategy in two phases, the first to determine principles, policies and governance and the second to consider "action" recommendations after they have been prioritised, costed and justified.
- Further define the roles of the parties, including Government, establish a process to manage any jurisdictional issues with the Commonwealth and other States, and consider the inclusion of health and safety, technology and research and "selling" sustainability to consumers as components of the overall strategy.

CME, which represents the biggest industry sector in Western Australia, looks forward to working with the Government in the further development and implementation of a strategy to achieve sustainability in this State.

INTRODUCTION

CME welcomes the opportunity to contribute to the development of the Western Australia State Sustainability Strategy and submits the following comments in response to the consultation draft which has been circulated to assist in formulating the final strategy.

CME is well placed to contribute, given that our member companies have already been actively involved in the Global Mining Initiative to define the role of the mining and minerals sector in sustainable development.

One of the outcomes of that initiative was the Mining, Minerals and Sustainable Development (MMSD) project, an independent, 15 month review of the industry undertaken with the support and engagement of mining companies, mining communities, labour, the research community and a broad range of other stakeholders.

The recommendations of the MMSD project are now being implemented on a global basis by the members of the International Council on Mining and Metals (ICMM) and its affiliates, in a process based on 12 fundamental principles of Sustainable Development. These are listed, and compared with current industry best practice in Western Australia and with the State Sustainability Strategy under the heading Mining, Minerals and Sustainable Development and Principles on page 6.

In Australia, the Minerals Council of Australia (MCA), representing 20 companies which produce 85% of Australia's mineral output, is in the process of implementing a business plan based on the principles and objectives of the MMSD project.

The publication of the Western Australian State Sustainability Strategy has encouraged this CME to establish its own Sustainable Development Reference Group (Attachment I) to review and introduce sustainability principles to those member companies which may not already formally considered them. Many of our larger members are part of the MMSD project.

Having adopted sustainable development principles as critical to the mining and metals industry globally, our industry welcomes the State Government's initiative to achieve sustainability in Western Australia.

The industry will be pleased to contribute its considerable knowledge and experience of the principles, policies and actions which can lead to sustainability in order to assist discussion and the implementation of sustainable development in Western Australia.

The first part of this submission addresses some of the key issues raised by the discussion draft and we make suggestions for re-shaping it in part to better achieve the Government's underlying objectives.

The second part of the draft strategy deals mainly with matters of implementation and contains 249 proposed action items, mainly for Government. Because of the detail contained we do not comment on this part of the draft but instead suggest that it should be dealt with separately from the key principles and policies.

In the second part of our submission, the listing of the 12 fundamental principles of sustainable development adopted by the Global Mining and Metals Industry also provides practical examples of the application of sustainable development principles to the minerals industry in Western Australia.

The Western Australian State Sustainability Study

CME supports the broad intention of the consultation draft of the State Sustainability Strategy as it applies to the resources industry. It is generally consistent with the ICMM's 12 fundamental principles of Sustainable Development, some of which have long been followed by our members while some are now being adopted for the first time.

In supporting the intention to introduce a strategy, we would also like to suggest some re-shaping of the consultation draft, to emphasise its relevance to all West Australians.

Context

To put the State strategy into a global context, it should be very specifically related, in the Premier's foreword, the summary, the introduction and elsewhere as appropriate, to the core global challenge of delivering rising standards of living and quality of life to a rapidly growing world population without compromising the underlying ecological support systems now and in the future. Such emphasis will inform any views which may otherwise develop that the strategy is biased specifically towards economic growth, or specifically towards environmental protection or specifically towards protection of societal standards to the detriment of the other needs of the State and its citizens and the planet and humanity.

Title of Strategy

It is the Chamber's view that the title "State Sustainable Development Strategy" would be more meaningful than the "State Sustainability Strategy". The term 'sustainable development' originated in the Bruntland report of the 1980's and describes the activities that are needed to enable mankind to meet the needs of the present without compromising the ability of future generations to meet their needs. The term "sustainable development" contains a verb. Its ideas are more clearly defined, more capable of implementation and represent a more desirable and beneficial set of objectives than "sustainability" which is the desired outcome of "sustainable development" rather than the means of getting there.

Criteria for Determining Sustainability

Clearly, projects judged for their contribution to sustainability should be judged on their net aggregate benefits and not their simultaneous achievement of sustainability in terms of economic, environmental and social benefit. If this is not the case, it may be difficult for Government to approve, for example, the establishment of a major natural gas project, a national park or an aged persons' home. Each of the foregoing makes a major contribution to economic development, environmental protection or social well being. However, each may also fail to achieve the desired level of sustainability in one or two of the three key criteria for determining the level of benefit they convey and therefore fail the simultaneous achievement test. Rigorous application of this requirement would be a recipe for stagnation and would defeat the objectives of sustainable development.

Principles and Priorities

The consultation draft falls naturally into two parts, one of which deals with principles, policies and governance and one which contains 249 proposed action items. It is suggested that for ease of discussion it should be redrafted for consideration in two separate phases through the various stages of public consultation and enactment.

Phase I should focus, as it already proposed in the consultation draft, on the critical high leverage issues of principle, policy and governance, and in establishing the necessary mechanisms for refinement and implementation of the strategy.

Phase 2 should focus on the 249 proposed action items from the consultation draft. These, and any other action items arising from the consultation process should be prioritised, costed and justified in more detail before they can be fully evaluated by government and stakeholders.

The Role of Government

There appears to be limited discussion in the consultation draft about the roles of the parties and the boundaries of responsibility. It would be useful for the Government to clarify its own boundaries and help to facilitate a broader understanding of sustainable development among the parties. CME recognises that it is a key role of elected Government to lead, encourage and assist individuals, companies and communities to develop broad principles and aspirations for the common good relating to the way we live our lives and sustain ourselves.

Equally, we believe that how society (or business) performs against these principles or aspirations should be dependent on the circumstances at the time of implementation. An overly prescriptive approach must be avoided. The consultation draft of the strategy also supports this approach.

<u>**Jurisdictional Issues**</u>

While we applaud and support the Western Australian Governments decision to develop a strategy for achieving sustainability we note that what is planned here is more comprehensive than any policies foreshadowed by the Commonwealth or the other States regarding sustainable development.

Increasingly Australian businesses work across State borders and this is particularly the case for the resource industries. In addition a significant part of the petroleum industry based in Western Australia draws its production from areas offshore from Western Australia which fall under the jurisdiction of the Commonwealth Government. The Chamber suggests it may be to the benefit of business and to the credit of the State for the Government to make its sustainability policies known to the Commonwealth and also to the Council of Australian Governments.

Health and Safety

The consultation draft should give more emphasis to workplace (and community) health and safety as a factor in sustainability. Health and safety are key issues for the petroleum and hard rock mining industries and for all other areas of the private sector and for Government.

Technology and Research

The role of research generally seems to be understated in the consultation draft. Technological advances can play a significant role in doing more with less and resolving the big issues (eg clean coal technologies, Hlsmelt, etc.) Technology is a key ingredient in the mixture which makes sustainable development work.

Selling Sustainability

The strategy document would also benefit from stronger references to the need to educate consumers and to make the markets work for sustainable development.

The Minerals Industry in WA

As noted in the consultation draft of the Western Australian State Sustainability Strategy, the State mineral and petroleum resources sector accounts for 25% of gross State product, 49% of investment, 71% of exports and 17% of direct and indirect employment.

The Government of Western Australia is responsible for the regulation of the largest mining sector within a single jurisdiction anywhere in the world. The State is the world's major source of commodities such as alumina, titanium minerals and tantalum, and is one of the largest sources of iron ore, nickel and gold. It is also the principle mining production jurisdiction for the world's three largest mining companies, Alcoa World Alumina, BHP Billiton and Rio Tinto.

The expertise required to develop Western Australia's resources is significant, and health and safety standards, governance, regulation, exploration, development, processing and post-mining rehabilitation in our mining industry are equal to the best in the world. Expertise in all of the above areas is being exported to the rest of the world, further adding to the value of the resource industries in this State.

Policy and regulation can play an important and welcome role in setting a sound framework for business activity - eg climate change. Legislation and regulation, however, are only one (important) tool. Governments have a primary role in developing the 'environment' framework to facilitate sustainable development. It cannot be mandated by parliament or achieved through bureaucracy.

The draft state sustainability strategy presents an opportunity for the Government to link more effectively the various elements of state development, environment, and social policies to deliver a more effective contribution to Sustainable Development. Sensible resource development can form a critical plank of this integrated strategy.

Working with Government

We also recognise that new legislation or amendments to legislation and some structural or institutional changes may be necessary to implement a state sustainability strategy. However it is imperative that the strategy works as a process to stimulate further improvement in the industry and that it does not introduce further regulatory burdens to its operation.

CME will work with Government to support and facilitate the introduction of a State Government strategy for achieving sustainability in Western Australia. We will also encourage our members to make their considerable expertise on sustainability available to all Western Australians by participating in all relevant committees, round tables and forums which the Government plans to introduce during the implementation of the Strategy.

We acknowledge the invitation for the minerals and energy industry to participate in partnerships with Government. Clearly for motivational and legal reasons such partnerships will be more effective with individual companies, projects or joint ventures, than with industry organisations.

Mining, Minerals and Sustainable Development (MMSD) Principles

In 1998, a group of 10 global mining companies, seven of them operating in Western Australia, joined together in a Global Mining Initiative to define the place of the mining industry in sustainable development. Working through the World Business Council for Sustainable Development they initiated the Mining, Minerals and Sustainable Development (MMSD) project, an independent process sponsored by 25 of the world's largest mining companies as well as a variety of Governments, international institutions, non-governmental organisations, universities and foundations.

The project, which made an exhaustive analysis of sustainability in mining, was coordinated by the International Institute for the Environment and Development. Of the 25 major mining companies in the sponsorship group, seven comprising Alcoa Inc, Anglo American plc, BHP Billiton, Newmont Mining Corporation, Placer Dome Inc, Rio Tinto plc and WMC Resources Ltd, are major miners in Western Australia.

As part of the Global Mining Initiative, the International Council on Mining and Metals (ICMM) was formed to assist the industry to take up the ideas developed by the MMSD project. In May, 2002 the ICMM published the Toronto Declaration, a broad statement of values saying, essentially, that successful mining and metals processing requires the support of communities in which they operate (see Attachment 2).

The ICMM subsequently published 12 Fundamental Principles of Sustainable Development which are now being taken up by major mining companies globally, including in Australia/Western Australia.

To illustrate the industry's empathy for the Western Australian Government's approach, we list the 12 fundamental principles below, together with our brief description of current best practice in Western Australia, followed by a reference to the State Sustainability Strategy's aspirations. We believe that the industry in Western Australia is well placed to achieve best practice and exceed the expectations of the State Sustainability Strategy.

The list of 12 Fundamental Principles of Sustainable Development together with current best practice and State Sustainability Strategy aspirations follows:

I. We recognise that sustainable development is a corporate priority;

Current Best Practice in WA:

The WA mining industry believes that its future is inseparable from the global pursuit of sustainable development. The Minerals Council of Australia has established a Sustainable Development Committee to serve its member companies who are actively engaged in the effective integration of the environmental, social and wealth creation elements of minerals resource development and the Chamber of Minerals and Energy of WA has established a high level Sustainable Development Reference Group to respond to the State strategy and guide members towards sustainable development considerations (see Attachment I).

The MCA and the Chamber have two overarching goals:

- An Australian minerals industry enhancing value for stakeholders and the broader community through sustainable practices; and
- Commitment by the Australian minerals industry to sustainable development through wealth creation, environmental leadership and socially responsible development which is acknowledged by the key stakeholders and decisionmakers.

A number of objectives underpin these goals, including:

- Industry awareness and effective update of sustainable development goals;
- Minerals industry leadership in environmental practices and performance based on continual improvement and excellence;
- Continual improvement in socially responsible minerals development; and
- Progressively increased credibility and awareness of the industry's sustainable development activities.

State Sustainability Strategy

The industry's intentions are consistent with (and in advance of) the aspirations of the State Sustainability Strategy as outlined in the consultation draft. However, publication of the draft of the State's approach has focussed the Chamber's attention on the need to introduce sustainability strategies to members, which may not have already adopted them.

2. We recognise the importance of integrating environmental, social and economic aspects into the decision making process;

Current Best Practice in WA:

The resources industries have been leaders in acknowledging and embracing these joint aspirations. Most major minerals producers now take environmental, social and economic aspects of operations into their decision making and reporting process.

This move to sustainable development is partly proactive and partly the result of new legislation and regulatory regimes, particularly in the areas of environmental protection and Indigenous relations.

The industry's move is reflected publicly in major mining companies' adoption of 'triple bottom line reporting' as an essential step towards sustainable development. Within companies there has also been considerable cultural and operational change in decision making and planning processes to incorporate sustainability concepts.

The mining industry has recognised that sustainability is a greater issue than simple environmental protection. In essence it is a proactive cultural change in corporate decision making processes, rather than an imposition of new regulations.

The industry believes in an approach that encourages innovative approaches to sustainability, rather than one that proscribes the way sustainability should be viewed, measured and undertaken.

State Sustainability Strategy

The consultation draft proposes developing a set of agreed sustainability operating principles for the mining sector including consideration of the MMSD principles, through a working group managed by the now Department of Industry and Resources (cons. draft, state sustainability strategy pp 1 14, 3.27).

3. We acknowledge that consultation and participation are integral to balancing the interests of local communities and other affected organisations and to achieving common objectives;

Current Best Practice in WA:

The development of minerals resources is one of many competing land uses with many stakeholders – from urban and regional communities to Indigenous groups – having an interest in how land is used.

As competition for land has increased, the resources industry has become a leader in engaging stakeholders in the process of deciding land uses. Many processes that companies follow are prescribed by regulation, but increasingly companies are taking voluntary and pro-active steps in the belief that all stakeholders need to be involved. Companies in remote areas have always cooperated with pastoral leaseholders, local government and other local landholders. The ILUA's and various indigenous agreements are examples of best practice.

State Sustainability Strategy

Foster local community investments (particularly Aboriginal communities, pastoralists and local Shires) as part of the sustainability assessment process. (Cons. draft, State Sustainability Strategy pp I I 4 3.28).

4. We support the use of sound scientific, technical and socio-economic analysis in developing policies related to the mining and metal industries;

Current Best Practice in WA:

Current examples before the Government include the proposed HIsmelt development for Kwinana (Box 25, pp I I2 cons. draft State Sustainability Study) and ChevronTexaco's proposal for the Greater Gorgon natural gas development. Both projects have involved exhaustive scientific and technical analysis and development.

By astute use of technology and additional project investment the positives will generally exceed the negatives. In this way many of the minerals exported from Western Australia, also have a role in assisting to prevent or minimise environmental degradation elsewhere in the world.

Both projects have involved substantial social and economic impact assessment and the impacts have been, or will be, analysed along with the environmental impacts.

State Sustainability Strategy

Various references, which acknowledge that Western Australia, is a world leader in advancing sustainability and mining.

5. We employ risk management strategies, based on sound science and valid data, in the design, operation and decommissioning of mining and metal processing operations, including the handling and disposal of hazardous materials and waste;

Current Best Practice in WA

With high labour costs, mining and processing operation sin Western Australia are capital intensive and amount the most technically advanced in the world. Particular attention is given to waste disposal and mine decommissioning. Mine closure and more importantly, post closure rehabilitation, is enshrined in Western Australian mining and environmental regulations. Mine closure plans are in place before developments commence to ensure that the necessary topsoil, plants and seeds are stored for later rehabilitation. The Western Australian industry is a world leader in this area with considerable rehabilitation success after bauxite mining and the production of titanium mineral sands. Techniques developed by Alcoa in the rehabilitation of Jarrah forests are now being used to rehabilitate farmland and water catchments in Western Australia.

Mining companies are active supporters of a number of research organisations investigating improved land and water remediation and rehabilitation. They are among the few private sector-funding groups sought out by research groups.

State Sustainability Strategy

Various references that acknowledge the application of sound science to mining operations in Western Australia.

6. We implement effective environmental management systems, involving regular environmental assessments and action based on the results;

Current Best Practice in WA:

The Western Australian resources industry seeks, wherever possible, to avoid long term environmental impacts to the State. New resources developments are undertaken with this principle first and foremost.

The industry is governed by a range of land use and environmental regulations and has its own code of practice. Resource companies operate under very stringent environmental constraints and are large contributors to research and development in such fields.

The challenge for industry and the Government is to optimise the balance between development benefits for the State and local communities and environmental impacts. This is particularly important in Western Australia because, as has already been noted, the State is the largest single mining jurisdiction in the world.

State Sustainability Strategy

Various references which note the high levels of performance by the industry in this area.

7. We acknowledge that neither mining operations nor products should present unacceptable risks to employees, communities, customers, the general public or the environment;

Current Best Practice in WA:

Mining and mineral processing operations are conducted to produce materials that are used by the community. Nearly all are safe to handle and pose no risk to public health. Only a few mining products in Western Australia present a health risk to the community. Most concerns associated with the industry's products in recent years relate to minerals processing and the chemicals involved in the various processes.

Resource companies have an envious health and safety record. The rate of lost time injury and accidents are very low in comparison with other sectors. Given the inherent risks of working in hazardous environments, this is a commendable performance. Companies have developed safety case processes in recognition of the potentially serious accidents possible in mining and extraction operations.

State Sustainability Aspirations

Various references but no specific recommendations in the consultation draft document. draft of the State Sustainability Strategy.

8. We encourage product design, technologies and uses that promote recyclability as well as the economic collection and recovery of metals;

Current Best Practice in WA:

Most minerals processed and metals produced in Western Australia are exported and the potential for companies to influence recycling are limited. However, the industry leads the way in the use of new technologies to efficiently locate, extract and process minerals and hydrocarbons. Significant funding is provided for inhouse research and work by research organisations to continually improve the efficiency of resource recovery.

The largest resource producers in the world have substantial operations in Western Australia and these global producers have the ability to influence product design and recyclability on a global level.

State Sustainability Strategy

Various references. No specific recommendations.

9. We contribute to biodiversity conservation and protection;

Current Best Practice in WA:

The Western Australian resources industry is a leader in biodiversity conservation and protection. Many projects now donate large areas of high conservation value land as offsets in the approval process thus adding to the States overall conservation estate.

As previously noted, the industry has a well established and well regarded policy on environmental matters that forms part of its approach to sustainable development.

A number of major resource projects operate in environmentally sensitive land and marine environments. The continuity of these operations depends on the company's ability to convince the community and government regulatory authorities that they are able to manage the impacts of their operations on this environment. Companies have developed environmental protocols to ensure this. Hamersley Iron's memorandum of understanding with CALM over the management of pastoral leases surrounding the Karrajini National Park is an example of best practice in this area. These are backed up by substantial research programs and biodiversity surveys.

Much of what is known about the biodiversity in regional areas of Western Australia has come from work sponsored by resource companies.

State Sustainability Aspirations

The consultation draft recognises the success of the minerals industry in this area.

10. We contribute to and participate in the social, economic and institutional development of the communities where mining operations are located:

Current Best Practice in WA:

In most regional areas of Western Australia, the resource sector has been directly responsible in the past for the development of new towns, roads, rail, parks, water, power and sewerage facilities. While this infrastructure has been developed – primarily to facilitate mining operations, it also supports local communities.

While the resource companies are now less involved in the provision and management of their facilities, they remain the most prominent contributors to social, economic and institutional development in regional Western Australia. Resource companies are, in many areas, the only companies willing to contribute to such development.

State Sustainability Strategy

Various references. No recommendation specific to the minerals industry.

11. We adhere to ethical business practices and, in so doing, contributing to the elimination of corruption and bribery, to increased transparency in government-business relationships, and to the promotion of respect for human rights internationally;

Current Best Practice in WA:

Major mining companies operate in Western Australia under intense public scrutiny, as recent publicity attests. The large companies are scrupulous in their dealings with government at all levels and have developed codes of conduct for working with Government. The Chamber is a strong supporter of transparency in government decision making and welcomes a sustainability process as enhancing community involvement. Greater community involvement reduces the potential for corruption of decision-making processes.

State Sustainability Strategy

No reference specific to the minerals industry.

12. We provide public reports on progress relating to economic, environmental and social performance.

Current Best Practice in WA:

The State Sustainability Strategy implicitly acknowledges that the minerals and energy business is leading the move toward sustainable development. This is particularly true in the area of corporate reporting, where many major companies now provide an annual Social and Environmental Report as part of their 'Triple Bottom Line' strategy.

To date, this reporting process has been voluntary. It has been driven by a range of factors including a growing commitment to sustainability and community and financial interests, as well as peer pressure.

The industry is already committed to providing public reports on progress against economic, environmental and social targets. Past experience has shown that the use of voluntary targets and reporting is effective, and this approach should continue to be encouraged. Industry-wide examples familiar to Government are the 'Safety Case' regime for petroleum companies and the 'Greenhouse Challenge' program.

State Sustainability Strategy

Various references.

Conclusion

The Chamber believes that the State Government should progress the adoption of principles, policies and actions to achieve sustainable development in Western Australia. This is most effectively achieved through a process of consultation and consensus building in the community along the lines already being followed.

This means pursuing the very essence of sustainability by involving all parties - Government, business and the general public – to achieve a Sustainable Development Strategy that contains realistic goals which will benefit all Western Australians now and in the future. This will ensure a world class lifestyle in the best possible environment.

Sustainable development has been identified by many people as the 'big idea' of the 21st Century. The Chamber commends the Government for its work to date in this area and its proactive approach. We look forward to further discussions on this important matter.

ATTACHMENT I

Sustainable Development Reference Group Membership

Mr Kim Horne - Manager of Mines – WA Operations

Alcoa World Alumina Australia (Chairman)

Mr Collis Thorp - Managing Director

Cable Sands (WA) Pty Limited

Dr David Smith - Managing Director

Hamersley Iron Pty Ltd

Mr Bruce Larson - General Manager, External Affairs

Argyle Diamond Mines Pty Ltd

Mr Stedman Ellis - Vice President - External Affairs

BHP Billiton Iron Ore

Dr Keith Watkins - General Manager – Exploration

Sons of Gwalia Ltd

Mr David Parker - Director, Policy and External Relations

Chamber of Minerals and Energy (Secretary)

ATTACHMENT 2

ICMM TORONTO DECLARATION

On 15 May 2002 the ICMM Council adopted the ICMM Toronto Declaration that appears below. Following this decision, the Council directed its Secretary General, in conjunction with its Members and through consultation with its key constituencies, to develop a work program to implement this Declaration.

The Spirit of Toronto-An ICMM Perspective

During the Global Mining Initiative Conference held May 12-15, we participated in a dialogue, driven by a shared desire to enhance the contribution that mining and metals can make to social and economic development. Participants have, in our belief, discovered many shared values including the realisations:

- that successful mining and metals processing operations require the support of the communities in which they operate;
- that respect for these communities and a serious engagement with them is required to ensure that mining and metals processing are seen as beneficial for the community and the company;
- that successful companies will respect fundamental human rights, including workplace rights, and the need for a healthy and safe workplace; and
- that successful companies will accept their environmental stewardship responsibilities for their facility locations.

To give expression to these values will take dedicated and focused action on our part. We cannot achieve this alone. Progress towards sustainable development will be the product of continuing engagement with government and civil society. This engagement, which will have to occur at all levels of our industry, will at times involve trade-offs and difficult choices. These three days in Toronto provided a context of partnership in which continuing engagement can realise a future for the mining, metals and minerals sector that offers clear and important benefits for all.

ICMM recognizes that:

- The MMSD Report and the process, on which it was based, including the regional programs, have elevated and informed the debate leading to a way forward for the sector.
- Decisive and principled leadership is required at this critical time.
- Accountability, transparency, and credible reporting are essential.
- Its Members, in satisfying their obligations to shareholders, must do business in a manner that merits the trust and respect of key constituencies, including the communities in which they operate.

- Constructive and value-adding engagement among constituencies at the local, national, and global levels is essential.
- Its Members must move beyond a regulatory-compliance-based mindset to effectively manage the complex trade-offs of economic, environmental, and social issues.
- The industry requires additional capacity to be effective in advancing sustainable development.
- The roles and responsibilities of the diverse parties comprising governments, civil society, and business are different and must be respected.
- Artisanal, small-scale mining and orphan site legacy issues are important and complex. However, they are beyond the capacity of ICMM to resolve and believe governments and international agencies should assume the lead role in addressing them.

ICMM will:

- Expand the current ICMM Sustainable Development Charter to include appropriate areas recommended in the MMSD Report.
- Develop best-practice protocols that encourage third-party verification and public reporting.
- Engage in constructive dialogue with key constituencies.
- Assist Members in understanding the concepts and application of sustainable development.
- Together with the World Bank and others, seek to enhance effective community development management tools and systems.
- Promote the concept of integrated materials management throughout the minerals value chain wherever relevant.
- Promote sound science-based regulatory and material-choice decisions that encourage market access and the safe use, reuse and recycling of metals and minerals.
- Create an emergency response regional register for the global mining, metals and minerals industry.
- In partnership with IUCN-The World Conservation Union and others, seek to resolve the questions associated with protected areas and mining.

NOTE: See ICMM website (<u>www.icmm.com</u>) for "ICMM Toronto Declaration: Goals and Implementation Process," for further details.