



The Role of CRIRSCO and Strategic Partnership with ICMM

Harry Parker, CRIRSCO
Annual meeting,
Brasilia, 30 November 2015

The Strategic Partnership

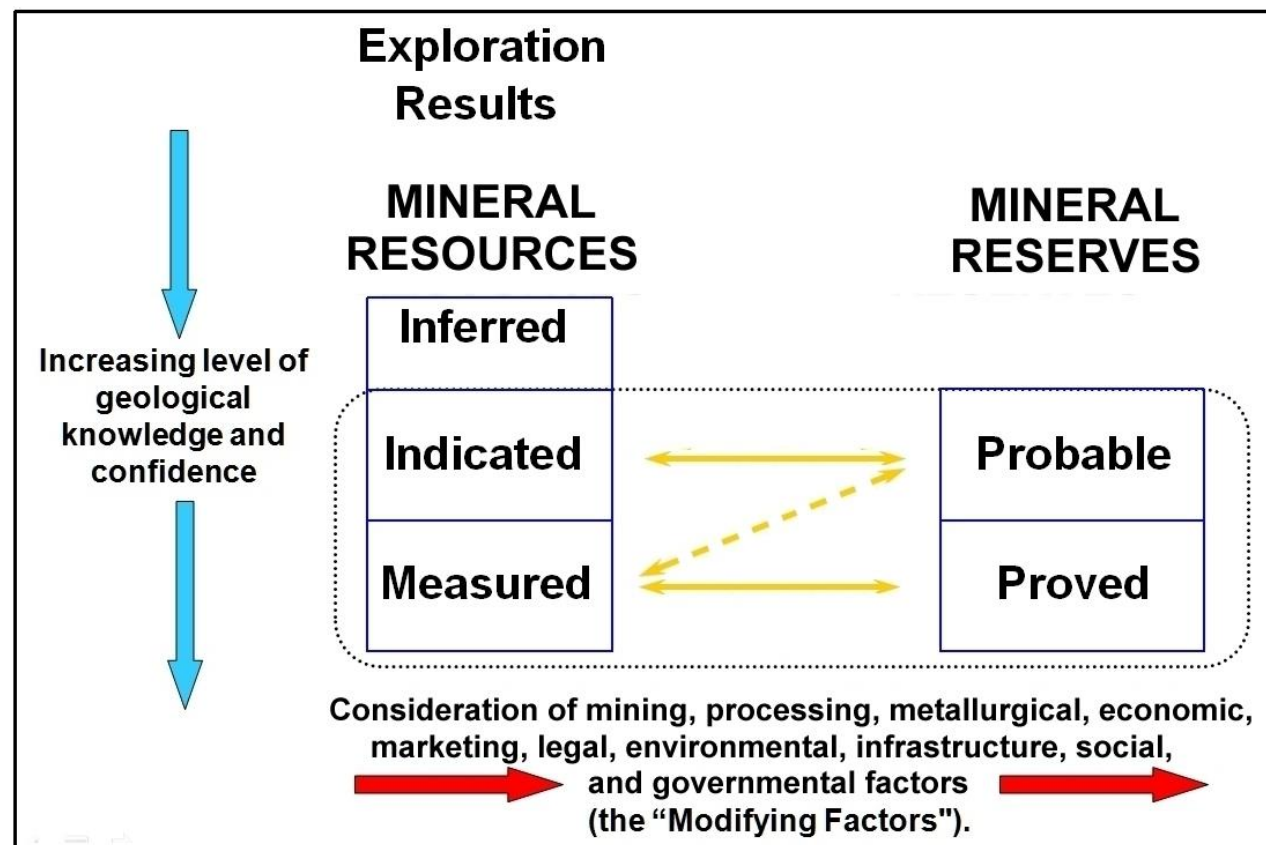
- Since 2007 CRIRSCO has been supported by the International Council on Mining and Metals (ICMM)
- In 2009 the Strategic Partnership was formed
- From 2010 to 2015 the partnership operated under a Memorandum of Understanding. In November 2015, this was renewed for 2016 to 2018. Going forward ICMM will provide about half of CRIRSCO's annual budget
- The Strategic Partnership is one of two “external” projects supported by ICMM – the other being the Extractive Industries Transparency Initiative (EITI)

Why a Strategic Partnership?

- The minerals industry depends on the trust and confidence in companies' data and reports by investors and other stakeholders for its financial and operational well-being
- Mining is based on depleting mineral assets, the knowledge of which is imperfect prior to extraction commencing
- It is essential that the industry communicates the risks and opportunities associated with investment effectively and transparently **in order to earn the level of trust necessary to underpin its activities**

The Role of CRIRSCO

- The aim of CRIRSCO is to contribute to earning and maintaining that trust by promoting consistent high standards of reporting of Exploration Results, Mineral Resources and Mineral Reserves



Areas of Mutual Recognition

- Focus on transparency and uniformly applied principles of accountability
- Best practice in sustainable development performance relies on:
 - high-quality and long-life mineral reserves that are financially sound
 - reserve estimation addresses marketing, infrastructure, legal, environmental, social; and governmental factors

What ICMM Achieves Through CRIRSCO

- Responsible performance enhances reputation with stakeholders and enables “supplier of choice” status, ensuring access to land, capital and markets.
- Through the application of consistent best-practice reporting standards, the credibility and reputation of the industry can be improved along with its ability to attract investment funding.

What CRIRSCO Achieves Through ICMM

- Funding for meeting prospective members (2 trips to Brazil in 2015, 1 trip to China in 2014)
 - The pipeline: Kazakhstan, China, India, Indonesia, Argentina, Colombia, Peru, Philippines
- Funding for attendance at international meetings (United Nations Expert Group on Resource Classification, International Observatory for Raw Materials)
- Funding for annual meetings with two representatives from each National Reporting Organization attending, workshops for host country
- Going forward, advice on dealing with sustainability and social issues in Competent Person's technical reports

The following slides were contributed by ICMM

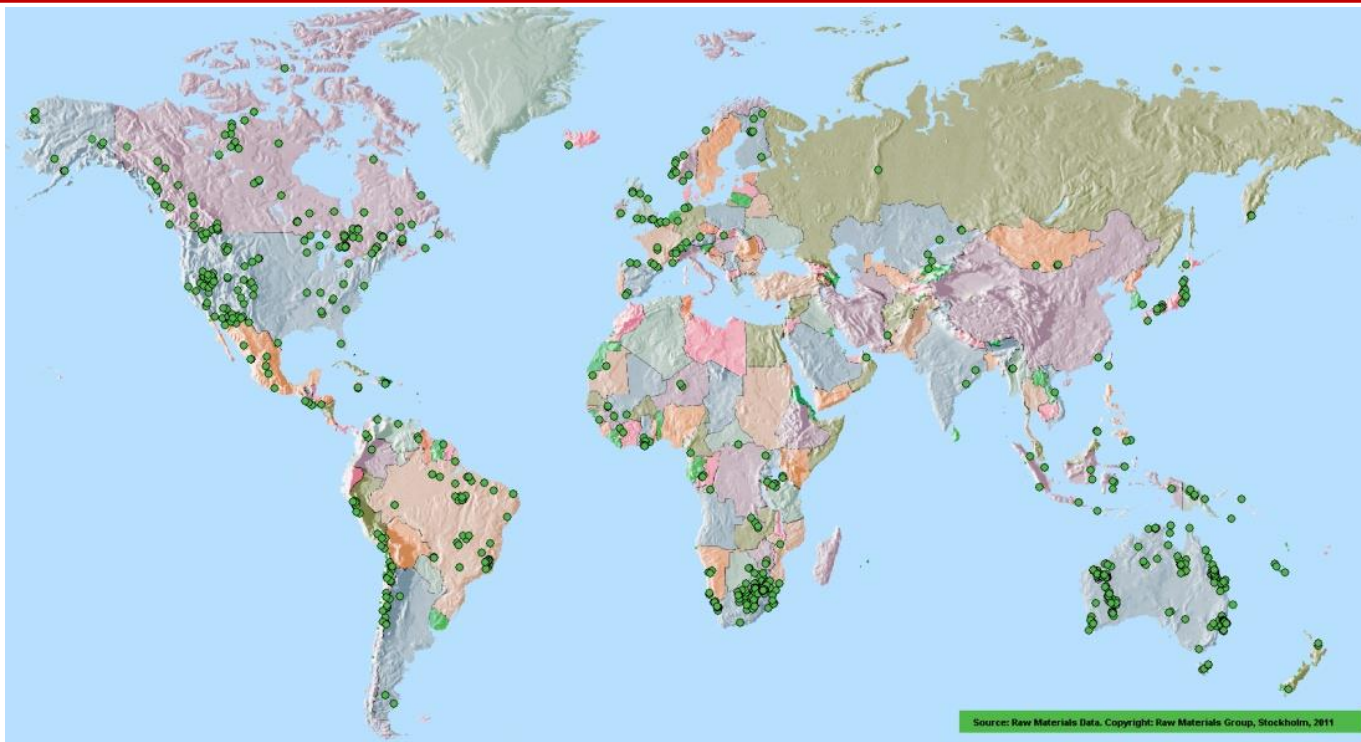
- The presentation describes focus for 2016 -2018 programs
- Language relevant to CRIRSCO has been highlighted in red

ICMM at a glance



CEO led
23
Company
members

35
Association
members



Over 800 sites
in 70 countries

www.icmm.com

Obligations of ICMM membership

**Robust entry
criteria and
process**



**Clear
performance
expectations**

**10 Principles
6 position statements**

**Member commitments
progressively
strengthened through
position statements**

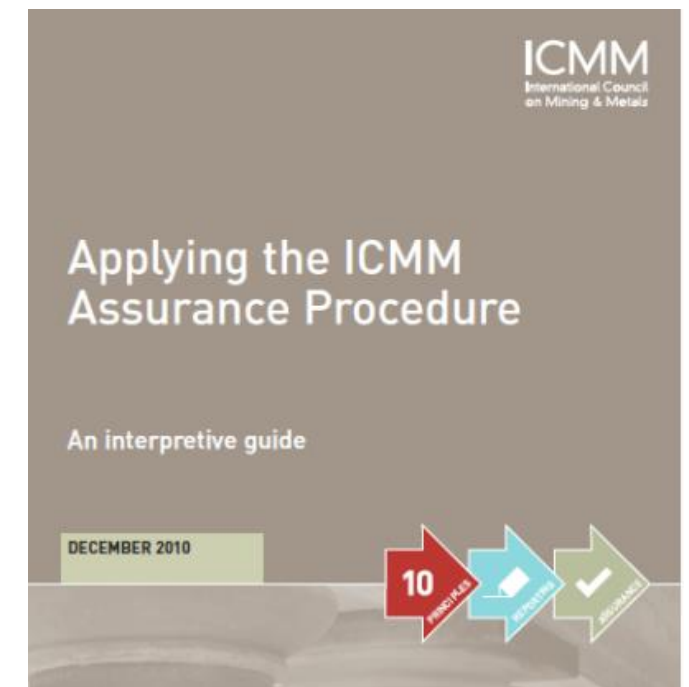
**Enhanced
reporting
commitments**



Pilot testing

G2 - G3 - G4

**Sustainable
Development
reports assured
independently**



ICMM policy Framework



10 principles for sustainable development

1. Implement ethical business practices and apply good corporate governance
2. Integrate SD in corporate decision-making
3. Uphold fundamental human rights
4. Manage risks based on sound science
- 5/6. Improve environment, health and safety performance continuously
7. Conserve biodiversity & contribute to integrated land use planning
8. Encourage a life cycle approach to materials management
9. Contribute to community development
10. Publicly report, independently assure and engage openly and transparently

6 position statements

Mining and Protected Areas
Mining: Partnerships for Development
Climate Change
Mining and Indigenous Peoples
Mercury Risk Management
Transparency of Mineral Revenues

CRIRSCO
Objectives

The value of ICMM membership

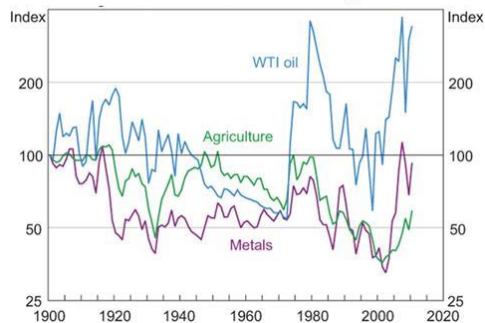
- Convening CEO's and peer networks across membership, in support of collective action
- Setting performance expectations for responsible mining
- Building relationships with stakeholder networks
- Understanding trends and emerging issues
- Representation and advocacy on behalf of members
- Communicating the role of mining and metals in society and the contribution to sustainable development

Balancing effort - performance and engagement

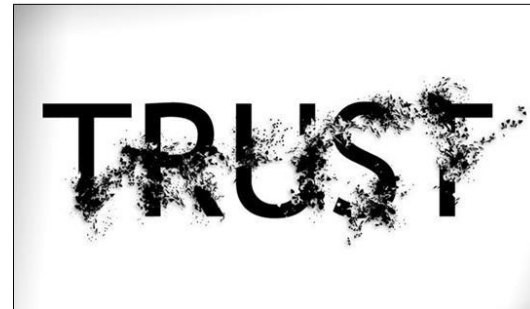


Drivers of change affecting the industry

Price Volatility



Declining trust



Resource scarcity



Citizen activism / ICT



Capital constrained



Rights-based discourse



Life cycle thinking



Corporate accountability



Share of wealth



Stakeholder involvement



Development re-defined



Access to (tax) justice



Key focus areas highlighted by the CEOs

- The most important thing for ICMM to consider is to engage on the value of (or contribution of) mining and metals to society
- Performance improvement and communicating the role of mining and metals in society are both important, but the **balance needs to shift in favour of communication – a CRIRSCO objective**
- A key focus ought to be on improving societal acceptance of mining, which is broader than local community acceptance (although this remains important)
- We need to better distinguish ICMM members as being the leadership of the industry
- ICMM needs to focus its activities in fewer areas to achieve greater impact
- External engagement needs to be more strategic and guided by smart choices about who we are trying to influence

What might this mean in practice?

- A shift in emphasis from developing new 'products' to 'sweating' existing ones
- A focus on strategic engagement in support of societal acceptance, while building on existing efforts in support of community acceptance
- Sustained focus on performance improvement – but pursue better recognition
- Greater focus overall in terms of numbers of activities we work on



Vision

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

Values

INTEGRITY

CARE

ACCOUNTABLE

RESPECT

COLLABORATE

ICMM's mission and objectives

Mission: ICMM and its members, in collaboration with others, strengthen the social and environmental performance of the mining and metals industry and build recognition of its contributions to local communities and society at large

Specific objectives

- Leadership through performance
- Listen and engage
- Enhance understanding
- Shape the policy environment

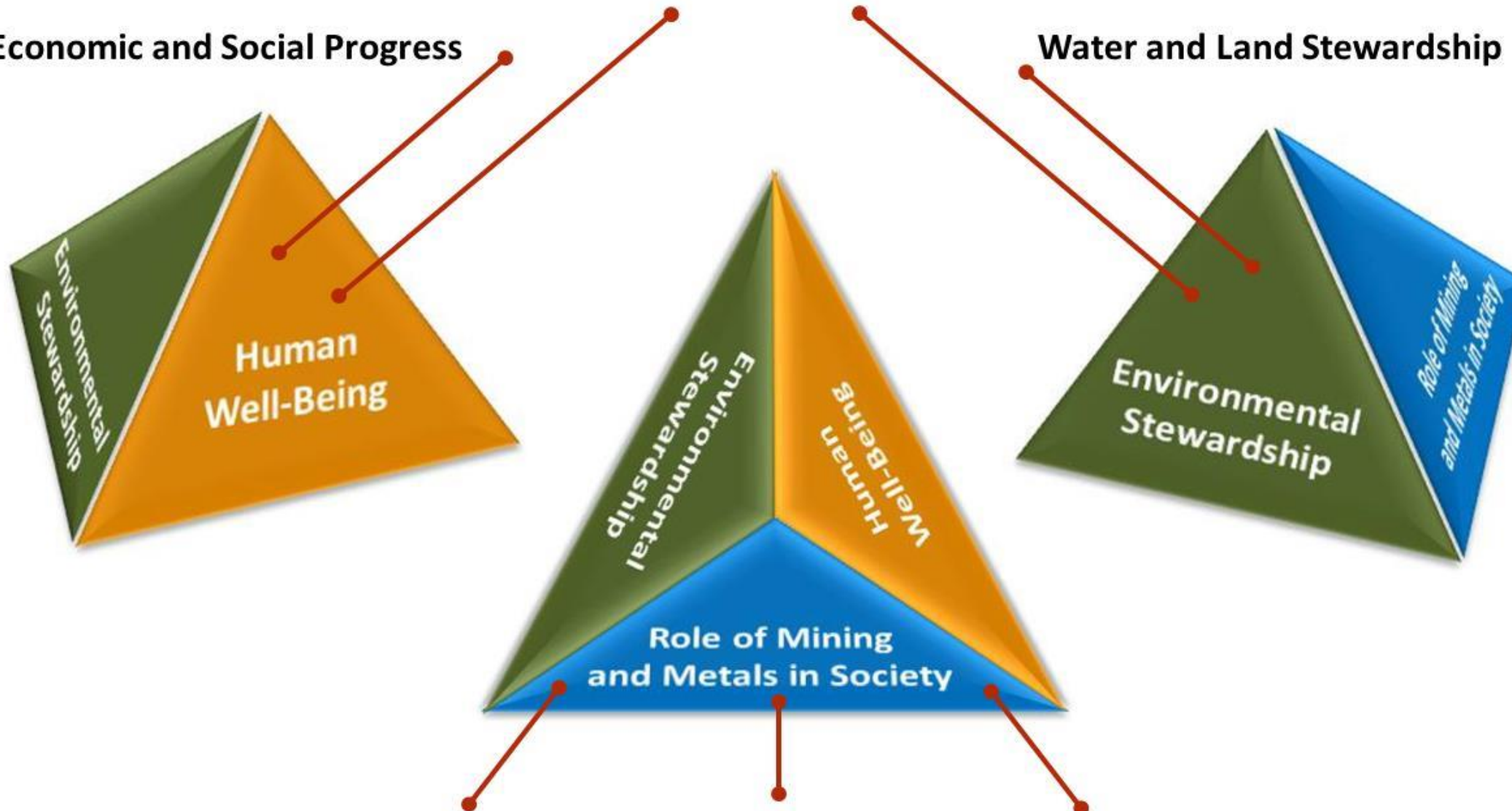
Scope of ICMM's work (2016 - 2018)

Worker and Community Health and Safety

Economic and Social Progress

Action on Energy and Climate Change

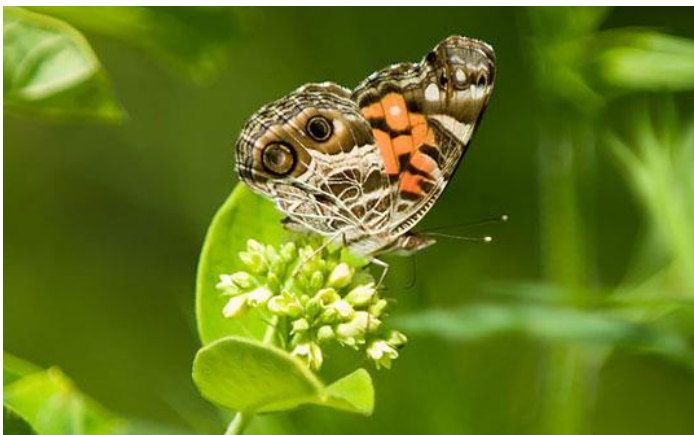
Water and Land Stewardship



Responsible Supply
and Use of Materials

Contribution of
Mining and Metals

**Transparency and Natural
Resources Governance -
CRIRSCO Objective**



Water and land stewardship

- Recognition for a robust approach to water management and reporting (1°)
- Leading practice approaches to responsible land stewardship (2°)

Climate change and energy

- Supporting the transition to a low carbon economy through efficiency and low carbon technology (2°)
- Strengthening the resilience of operations and host communities to climate change (2°)

Role of Mining and Metals in Society (2016 - 2018)



Contribution of mining and metals

- Demonstrating the value of minerals and metals to society (1°)
- Using public perceptions data to build trust and respect (1°)
- Understanding trends and emerging issues (2°)
- Building recognition for members contributions to the Sustainable Development Goals (2°)
- Deepening engagement with investors to enhance and rationalise reporting obligations (2°) - a CRIRSCO objective

Role of Mining and Metals in Society (2016 - 2018)



Responsible supply and use of materials

- Securing societal recognition of responsible provision and safe use of minerals and metals (1°)



Transparency and resources governance

- Recognition for positive engagement on governance challenges (2°) - a CRIRSCO objective



Economic and social progress

- Engage key stakeholders to realise inclusive economic opportunities (1°)
- Strengthen operational capacity to improve community support (1°)



Health and Safety

- Demonstrate progress on ZERO fatalities, occupational disease and catastrophic events (1°)



- CRIRSCO appreciates the support of ICMM as a strategic partner
- Under the partnership Chile, European Union, Russia and Mongolia have been added to CRIRSCO, nearly doubling its size since 2007
- CRIRSCO looks forward to increased engagement with ICMM on the role of the Competent Person in public reporting of and confidence in modifying factors with respect to environmental and social aspects