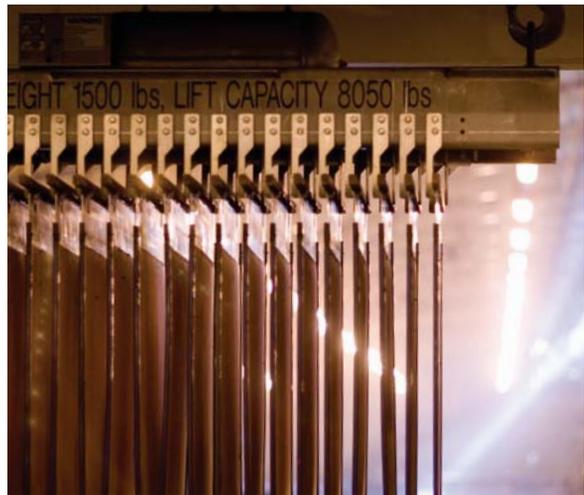


Annual Review 2008

Embracing change



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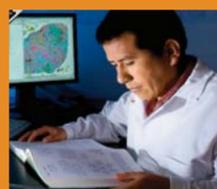
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ABOUT ICMM

ICMM is a collaborative of 17 companies and 30 mining and commodity associations. It provides a means for joint action on sustainability-related issues important to the mining industry.

Its overall goal is to facilitate improved member performance. ICMM members believe that, by acting collectively, they can help create and maintain a respected mining and metals industry that is widely recognized as a key contributor to sustainable development.

About this review

Welcome to ICMM's Annual Review. In these pages you will find a description of the challenges we faced in 2008, and will continue to face in 2009 and beyond. A summary of 2008 activities is provided and through that you can gain an understanding of how the mining and metals community is adapting to these challenges.

For readers of the review who want an overview of how the organization operates, the Governance and financials section on pp. 22-3 includes a

breakdown of how ICMM's work program is funded, with cross-references to the detail elsewhere in the review.

Most of the photography in the review is taken from our member companies – full details on each photograph are available at www.icmm.com/annualreview.

For a more regular update, subscribe to our online news service by emailing us at info@icmm.com.

FOREWORD



2008 was a year marked by tumultuous change. Across the world the financial system staggered – commodity prices that underpin the mining and metals industry plummeted, and in a few short months, the operating environment for the sector in general and ICMM more specifically was entirely changed.

I took up my post as ICMM President on 1 October just as these events moved into high gear. I found an organization that was operating smoothly and was remarkably well prepared for the events that were unfolding. Credit for that situation goes to my predecessor, Paul Mitchell, and to John Groom who served as chief operating officer during the six-month transition period immediately prior to my arrival. Their contribution to ICMM has been significant.

During the five years that Paul was in charge at ICMM, he presided over a period of considerable growth and evolution, helping to shape ICMM into the organization it is today. I could not make the contribution that I hope to make had Paul not paved the way.

For his part, during the short six months that John was here, systems were introduced that have created a strong foundation for me to build on, and move forward.

We also welcomed a new chairman in 2008 – Brad Mills (then Chairman and CEO of Lonmin) was replaced by Richard Adkerson, President and CEO of Freeport-McMoRan Copper & Gold. All at ICMM are thankful to Brad for his contribution and I now look forward to a creative and productive period of time working with Richard.

Commitment and collaboration

In the short time I have been with ICMM, two factors have stood out. First, it is impossible not to be moved by the spirit, motivation and depth of engagement of the 16 staff that comprise the secretariat. Without their professionalism, ICMM's work and success – past, present and future – would not be possible.

Second, I was similarly struck by the depth of commitment to the work of ICMM articulated by the member CEOs. The culture of the mining and metals industry is one of competition. However, ICMM members have come to understand that on certain issues – including many of the environmental and social issues that are gathered under the banner of sustainability – it is the sharing of experience and good practice that is needed.

Making a difference

People ask me how ICMM can make a difference. We need to bridge the gap between ideas and practice, between concepts and concerted action. We need to reach out and make a real difference on the ground, touching people's lives.

ICMM needs to be the kind of organization that says the right things, makes the right commitments and works effectively through its members and others in the industry to achieve concrete results in practice. We need to walk the talk.

In 2008, we began a process of strategic review. The purpose of this review is to refresh the vision, mandate and priorities of ICMM.

I use the word "refresh" advisedly. We are not redefining the foundation of this organization. We are building on our work to date, preparing for the future and making sure that we are relevant as an organization.

I hope that our partners and collaborators will embrace the changes that we are working towards. The actions that are required need commitment from our members and all the interests that our industry reaches. That commitment is evident in the CEOs on our Council. It is the strongest possible starting point for success as we move into a new era for ICMM.

A handwritten signature in black ink, consisting of a large, stylized 'R' followed by a horizontal line extending to the right.

Dr R. Anthony Hodge, President

“ICMM needs to be the kind of organization that says the right things, makes the right commitments and works effectively through its members and others in the industry to achieve concrete results in practice.”

CREATING OPPORTUNITIES

ICMM's Resource Endowment initiative made solid progress in 2008, focusing on mining's contribution to economic and social benefits.



ICMM is leading a pathbreaking initiative involving UNCTAD and the World Bank. The effort is aimed at working with countries and communities, particularly in the emerging world, to strengthen benefits arising from mineral wealth. The key is bringing together a broad range of interests to ensure effective management of mineral wealth.

Since its inception in 2004, the initiative has significantly enriched our understanding of how to tackle the many challenges. In 2008, ICMM worked with governments and others to catalyze partnerships in the mineral rich countries of Ghana and Peru. 2008 also saw major progress on our work on minerals taxation.

This year we have co-hosted events in two of our case study countries

Ghana: Sowing the seeds for action

The government of Ghana and ICMM, supported by the Ghana Chamber of Mines, jointly hosted a workshop in Accra in February 2008. Ghana has quite successfully transformed its mineral wealth into development at both national and community levels. However, more can be done to tackle challenges such as artisanal mining and strengthening district assemblies, particularly in the mining districts. The workshop brought together national and local government agencies, traditional authorities, development agencies, mining company executives and a broad cross-section of civil society to discuss possible ways to create new partnerships that could enable Ghana to achieve a bigger social and economic benefit from mining.

Peru: From boom to broad-based development?

The mining industry in Peru has recently boomed, creating an important opportunity for economic development and poverty reduction. In the first six months of 2008, the economy expanded by over 10%. Yet around 40% of Peru's population live below the poverty line.

Therefore, at the Natural Resources and Development Forum in Lima, organized by the Sociedad Nacional de Minería, Petróleo y



Energía (SNMPE), the focus was on multi-stakeholder initiatives targeted at poverty reduction. About 300 people attended, including about 70 local mayors. An innovative feature was the partnership fair where there were 22 exhibitors who showcased multi-stakeholder partnership initiatives between communities, companies, development agencies and local and national government bodies.

Minerals taxation regimes

The design of tax regimes is a major factor influencing mine project viability and whether, and to what extent, mineral revenues help drive social and economic development. As a result of feedback from a multi-stakeholder workshop, in 2008 we began looking at, for example, how equitable such fiscal impositions are and how governments choose to spend mineral revenues they raise. Because of the complexity of this topic, we set up an advisory group comprising four leading international experts in the field to oversee the process and give feedback at every stage.

GLOBAL CHALLENGES

SHARING THE BENEFITS

Contributing to economic development and poverty reduction is one of the most significant challenges facing the world today. Under the right conditions, the mining and metals industry can make a significant contribution. But, how do you ensure that the costs and benefits – economic, social and environmental – associated with a billion-dollar industry are

distributed equitably? By advocating collaborative approaches involving companies, governments, inter-governmental organizations, NGOs and communities. Together, these organizations can address development priorities and ensure that public revenues from mining are used to enhance overall socio-economic development.



CONTRIBUTING TO SUSTAINABLE COMMUNITIES

ICMM underlined its commitment to building constructive relationships between the mining industry and local communities this year.

ICMM and its members are well aware that, in many parts of the world, mining takes place in areas that are home to indigenous communities, and that in the past the rights and interests of those communities have not always been respected. While the relationship between mining and metals operations and local communities is a complex one, ICMM is committed to building effective and constructive relationships between the mining and metals industry and Indigenous Peoples.

Our activities in 2008 continue to reflect this commitment. In January 2008, IUCN and ICMM jointly held a second Roundtable on Mining and Indigenous Peoples Issues in Sydney, Australia.

Making a positive contribution to social and economic development in mining areas

The roundtable addressed a number of topics including the issue of free, prior and informed consent (FPIC), generating and defining net social benefits, and consultation, engagement and the meaning of broad community support. The event brought together mining companies and representatives of Indigenous Peoples from across the globe for a round of constructive and positive discussions.

The discussion of implementation challenges at the roundtable provided a final opportunity to consider the wording of ICMM's Position Statement on Mining and Indigenous Peoples, prior to its approval in May 2008 by ICMM's Council of CEOs. The Position Statement also includes a commitment to development of good practice guidance for companies/Indigenous Peoples. A collaborative effort for developing this guidance is under way and will be completed in 2009.

Planning for mine closure

The closure of mining operations is a key area of responsibility for the metals and mining industry. How mine closure is dealt with has a significant effect on the long-term environmental impact



and on the contribution of mining to an area's social, economic and institutional development.

To help companies and communities engage with each other from the very outset, ICMM published its *Planning for Integrated Mine Closure* toolkit in 2008. Designed primarily for operational managers and staff, the toolkit provides a number of practical tools to help plan for mine closure throughout the life of the mine.

Integrating closure considerations into an operation's planning and engineering processes, and achieving community ownership of the post-closure goals, is an important mechanism for a mine to create lasting value. The intention is to leave behind a positive, thriving community, that is sustainable for the future: a community that is working for itself and can continue to do so.

GLOBAL CHALLENGES

ARTISANAL MINING

While acknowledging the significant differences between artisanal mining and large-scale mining, how do we help legitimize what is sometimes an illegal activity, conducted in poor and unsafe working conditions, but practised by some 20 to 30 million people across the globe?

By recognizing that: artisanal mining could play an important

and legitimate role in the social and economic development of many countries; for many people (including some indigenous communities) it provides a unique opportunity to escape poverty; a collaborative approach between governments, artisanal miners, communities and mining companies is needed to improve technical, environmental, economic and social practices.

EMBRACING CHALLENGES

ICMM must continue to adapt to changes in society so that we remain in a position to contribute to a responsible industry.



Climate change, water scarcity, the evolving role of Indigenous Peoples, the effects of mine closures. These challenges stare us in the face every day. And, one of the main challenges ICMM faces in 2009 is maintaining a focus on these and other fundamentally important issues at a time when the financial climate inevitably means cuts in resources.



Our industry and our organization acknowledge that the issues we face are no longer optional, desirable add-ons to what we already do. They are essential to address if we are to ensure that mining is to be the bridge to a better future that it can and ought to be – and be seen to be by society.

Mining is an opportunity to make a very significant contribution to society over a long period of time – it is not just a cost. ICMM's health and safety guidance is about safeguarding lives and livelihoods. The Resource Endowment initiative is about sharing the benefits derived from the mining and metals industry. These initiatives are not dispensable.

At the heart of what we strive for is the issue of equity and fairness. There comes a point when local people honestly believe that they are carrying an unfair burden, and that unfairness is so great that they lose hope in the future, for themselves and their family. Or equally, that the mining companies feel that the demands placed upon them are unfair, and they withdraw their goodwill.

ICMM addresses the issues that cut across all of our members, across the industry and across society. We must maintain momentum when the global economy is shrinking dramatically. We must encourage collaboration leveraging our scarce resources. We must find common ground and ensure an equitable distribution of risks, costs, benefits and responsibilities.



ICMM addresses issues that cut across all of our members, across industry and across society

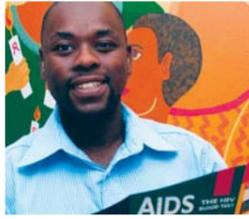
We recognize that our operating context is different from that when ICMM was created. Thus we need to adjust to the changes in society and the business environment. This is why our strategic review is so timely and important. It is an essential element in meeting the challenges that face us – ensuring that the activities of the mining and metals sector go hand in hand with the concepts of sustainability and fairness, and securing long-term future benefits for both companies and communities.

GLOBAL CHALLENGES

CLIMATE CHANGE

Climate change is one of the most significant challenges the world currently faces. What can the metals and mining industry, a substantial contributor to greenhouse gas emissions, do to help mitigate the effects of this global phenomenon? Besides committing to meet or exceed government requirements relating to greenhouse gas

emissions, ICMM members are moving to address the energy and carbon challenge through actions such as increasing energy and carbon efficiency in current operations, new mine design solutions, choice of energy supply, carbon capture and storage, and the life cycle management of materials.



CHANGING LIVES

In 2008, ICMM published guides on disease management and chemicals management, and engaged with the UN on human rights issues.

In August 2008, ICMM launched its *Good Practice Guidance on HIV/AIDS, Tuberculosis and Malaria*. The guidance provides practical information for disease management, highlighting the benefits of an integrated approach. It describes a management system that is intended to encourage and assist companies, and is supported with practical and medical information on the three diseases.

The guidance recommends a partnership approach to health care and disease management, and provides valuable insights into improving the effectiveness of implementation through working with external groups, including communities, local and national health-care providers, international institutions, governments and NGOs.

Materials management – a change of emphasis

A responsible approach to mining must extend beyond mining operations to the processing of the materials extracted, their use in end products and their recycling.

The European Commission, for example, has through its new chemicals management policy – REACH – introduced a significant change in emphasis in terms of public safety. The burden of proof that the substances and materials

produced by the metals and mining industry are safe to market and use, no longer lies solely with governments and public policymakers, but increasingly with industry instead.

ICMM sees this responsibility as an opportunity to take the initiative, to establish risk management guidelines for metals and to find effective ways of demonstrating that our products are safe. In 2008, we published two documents that help with specific aspects of REACH. We are also extending the scope of our metals risk assessment guidance to include alloys – materials like stainless steel and brass.

Progressing the cause of human rights

Another area where we are committed to enhancing mining and metals companies' understanding is in the area of human rights. In April 2008, John Ruggie, the Special Representative of the UN Secretary General (SRSG) on Human Rights and Business, submitted his report to the UN Human Rights Council, which marked the end of his original mandate to try and give greater clarity to the contested and fractious area concerning the role of business and transnational corporations with respect to human rights.

The "Protect, Respect and Remedy" framework he developed was supported by ICMM and a broad spectrum of stakeholders, including business organizations, governments and NGOs.

The respect aspect of the framework is tied to the notion of due diligence, which Ruggie has identified as the route by which companies can



A responsible approach to mining must extend beyond mining operations

integrate human rights considerations into their business activities. The remedy part of the framework includes the concept of non-judicial grievance mechanisms through which companies and communities can resolve differences of opinion and disputes.

We are progressing with more detailed work on both fronts – due diligence and grievance mechanisms – and have, for example, already included a commitment to mechanisms for resolving disputes within our Position Statement on Mining and Indigenous Peoples .

GLOBAL CHALLENGES

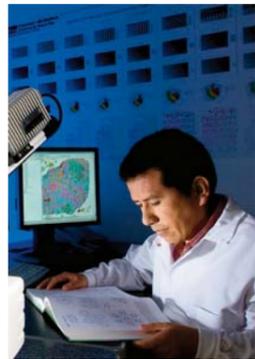
SAVING LIVES

Accidents devastate lives. The numbers of "near misses", serious injuries and fatalities that occur each year still present a significant challenge for the global mining industry. How can ICMM and its members make the industry a much safer environment for the people who work in and around it? We take

the issue of health and safety extremely seriously, promoting strong and consistent leadership, and the embedding of a company-wide safety culture towards zero harm, supported by visible line management, effective procedures and protocols, and an understanding of cultural differences.

ADDING VALUE

ICMM is helping to build a global consensus in the areas of sustainable consumption and production, and the reporting of mineral reserves and resources.



ICMM has a role in contributing to the emerging policy area of sustainable consumption and production. This theme covers sustainable resource management in the mining and metals life cycle, including value-chain management, resource productivity and material security.

A number of factors drive increased awareness of resource efficiency issues, including public perception of the scarcity of availability of resources; increasing consumption of resources by Brazil, Russia, China and India; and continued concerns about the environmental impact and burdens transferred between countries through trade in materials.

Governments and policymakers are looking for novel policymaking solutions to get more value from the materials we use, both in monetary terms and with respect to the benefits generated through their use. They are also building frameworks to help assess the efficiency of resources, both technical

A number of factors are contributing to increased awareness of resource efficiency issues

efficiency and efficiency in terms of minimizing the environmental and human health impacts of resources.

ICMM takes an active role in promoting resource efficiency. We participated in a joint United Nations Environmental Programme/OECD conference on resource efficiency, for example, giving a presentation on materials stewardship and taking part in panel discussions.

We are also an integral part of the OECD's activities on sustainable materials management and have taken part in meetings, contributed presentations and discussed with them the relationship between the OECD's approach to sustainable materials management and the concept of materials stewardship.

In August 2008, ICMM attended the SETAC (Society of Environmental Toxicology and Chemistry) World Congress in Sydney, highlighting the concept of materials stewardship as a means of optimizing the performance of the whole life cycle of the materials and products the industry creates.

Working towards common definitions

Mineral reserves and resources provide the economic basis on which sustainable development principles and responsible resource development can be based. ICMM is working towards ensuring that such reserves and resources are properly and transparently



reported globally, so that the users of such information can do so in reasonable confidence that the information is accurate, and that it is possible to make sound judgements based on that information.

ICMM, through the Committee for Mineral Reserves International Reporting Standards (CRIRSCO), is engaged in promoting convergence and comparability for international estimation, classification and reporting of mineral resources and reserves.

In October 2008, CRIRSCO took another significant step towards a more unified global system of reporting when it signed an agreement with the Russian State Commission on Mineral Reserves (GKZ) to align the international and Russian reporting systems. A handbook containing guidelines on conversion between the two systems will be jointly developed and published in 2009.

We are also working with the United Nations Economic Commission for Europe and other countries, including China and Mongolia, on further integration of the global reserves and resources reporting system.

ICMM is working towards ensuring reserves and resources are transparently reported globally

GLOBAL CHALLENGES

SUSTAINABLE PRODUCTS

Society is increasingly sensitive to the environmental and social performance of the products it utilizes and industry must respond appropriately. How can ICMM members help manufacturers develop products that make a positive contribution to society? It is recognized that

metals and minerals have a vital role to play; the challenge we face is to ensure that these materials are used responsibly, reused and recycled. Mining companies must work with all actors in the life cycle to ensure that society gains maximum value from our materials.



FRAMING A SUSTAINABLE FUTURE

The Sustainable Development Framework, which is central to ICMM's mandate, has been refined and reaffirmed by members this year.

At the heart of ICMM's work is the Sustainable Development Framework that comprises three interrelated elements: a set of 10 Principles that members are required to implement; a commitment to publicly report performance against the 10 Principles; and independent third-party assurance of reported performance.

In May 2008, ICMM's Council committed companies to report in line with the GRI G3 Sustainability Reporting Guidelines. The commitment updated an earlier requirement for members to report against the GRI G2 Guidelines, and a pilot GRI Mining and Metals Sector Supplement produced in 2005.

The CEOs of our member companies approved a revised procedure for external assurance of non-financial reports

In a similar vein, Council approved an upgrade to ICMM's 2006 pilot Assurance Procedure. The revised 2008 Assurance Procedure, which responds to changes in the practice of external assurance of non-financial reports and to the adoption of the G3 Guidelines, sets out how member companies can assure both performance against ICMM's 10 Principles as well as the GRI reporting requirements.

The Mining and Metals Sector Supplement
In addition to upgrading the commitment to G3 reporting, ICMM is also working collaboratively with GRI, in revising the Mining and Metals Sector Supplement.

ICMM catalyzed and was involved in the multi-stakeholder process that led to the development of the Mining and Metals Sector Supplement for the GRI G2 Guidelines. Since 2005, companies have been piloting the supplement and have found some indicators to be more "fit for purpose" than others. In the transition from the GRI G2 Guidelines to the G3 Guidelines, introduced at the end of 2006, some of the sector supplement indicators were incorporated within the mainstream reporting requirements.



The G3 Guidelines also have much greater specificity around the reporting requirements for each indicator; they have indicator protocols, describing how a company using the guidelines would actually report its performance. The objective is to ensure greater consistency of reporting across all reporting companies. As a result, the current Mining and Metals Sector Supplement is out of date.

Earlier this year, ICMM reached agreement with GRI on a process to move the pilot Mining and Metals Sector Supplement forward to a final version, through a GRI-led multi-stakeholder process. The final version will be available in mid-2009.

GLOBAL CHALLENGES

WATER

While access to, use of and quality of water resources are issues that can affect the viability of mining operations, obtaining a safe and reliable water supply is a constant concern for more than 1.1 billion people around the world. What can ICMM and its members offer to people who live near mining operations in water-stressed areas? By

understanding the role of water in the local culture, reusing and reducing waste water, greater fresh water efficiency, improving local water treatment facilities, providing filtration plants, enhancing water testing – these are just a few of the ways mining companies are combating the global water challenge.

CHAIRMAN'S STATEMENT



In 2008, I was appointed to the role of chairman, having served on the ICMM Council since May 2005. It was also the year in which the crisis in the financial sector led to a global financial slowdown.

The difficult business environment that we now are experiencing is having severe impacts on ICMM's members. These impacts will not deter the commitment of ICMM's members to operate their businesses in a responsible manner, nor will these impacts undermine the important progress that ICMM is making.

ICMM has contributed greatly to the performance of its member companies in the areas of health, safety, environmental and materials stewardship, socio-economic development and sustainable development in general. It is through the member companies' leadership in these critical areas, united by a set of common core values, that we can serve as an example for the mining and metals industry globally.

To achieve these goals, participation by the chief executives of member companies in the work of ICMM is essential. Interaction among my fellow Council members must continue to be straightforward and candid in providing leadership to address the complex issues facing the mining and metals industry.

Looking to 2009 and beyond, my goal is to ensure that ICMM through its members will continually strive to improve the mining industry at large, with emphasis on safety, health and environmental stewardship and on sustainable development. We will work to enable local communities to participate in and benefit from the economic development from mining and to ensure that mining and metals operations are conducted in a transparent manner.

We will achieve this through specific actions. One example is the continuation of the Resource Endowment initiative to study the effectiveness of our industry's impacts on regional economies and the well-being of local communities. The successful implementation of third-party assurance on member companies' commitment to ICMM's Sustainable Development Framework, and the development of processes and policies designed to reduce fatalities in the workplace are also core priorities in our current agenda.

“ICMM has contributed greatly to the performance of its member companies in the areas of health, safety, environmental and materials stewardship, socio-economic development and sustainable development in general.”

ICMM has made considerable progress over its seven-year history, but we are not a complacent organization satisfied with our accomplishments. We are conducting a strategic review to develop priorities as we move forward in challenging economic times so that we continue to enhance sustainable development practices; to communicate our successes and challenges to the broader industry, to governments and to others with interests in our industry; and to ensure that our programs and priorities evolve to meet the needs of a changing industry within an ever evolving society.

Richard Adkerson, Chairman

ICMM Council members – December 2008

- Klaus Kleinfeld**
Alcoa, President and Chief Executive Officer*
- Cynthia Carroll** (ICMM Treasurer)
- Anglo American, Chief Executive Officer
- Mark Cutifani**
AngloGold Ashanti, Chief Executive Officer
- Aaron Regent**
Barrick, President and Chief Executive Officer
- Marius Kloppers** (ICMM Deputy Chairman)
- BHP Billiton, Chief Executive Officer
- Guy Thiran**
Eurometaux, Secretary General
- Richard Adkerson** (ICMM Chairman)
- Freeport-McMoRan Copper & Gold, President and Chief Executive Officer
- Alan Wright**
Gold Fields, Chairman
- Anthony Hodge**
ICMM, President
- Arthur Hood**
Lihir Gold, Managing Director and Chief Executive Officer
- Ian Farmer**
Lonmin, Chief Executive Officer
- Mitchell Hooke**
Minerals Council of Australia, Chief Executive Officer
- Akihiko Ide**
Mitsubishi Materials, President
- Richard O'Brien**
Newmont, President and Chief Executive Officer
- Masanori Okada**
Nippon Mining & Metals, President and Chief Executive Officer
- Andrew Michelmore**
OZ Minerals, Chief Executive Officer
- Tom Albanese**
Rio Tinto, Chief Executive Officer
- Nobumasa Kemori**
Sumitomo Metal Mining, President
- Donald Lindsay**
Teck, President and Chief Executive Officer
- Roger Agnelli**
Vale, President and Chief Executive Officer
- Mick Davis**
Xstrata, Chief Executive Officer

*Alcoa's membership of ICMM ended on 31 December 2008, following its resignation in December 2007.

REACHING OUT

Strengthening engagement with all parties with an interest in the mining and metals industry is a core part of ICMM's mandate.

An important part of what we do at ICMM is communicating with and listening to all interests important to mining, including governments, NGOs, multilateral agencies (such as the World Bank and IMF) and intergovernmental bodies (such as UNCTAD), industry companies and associations, Indigenous Peoples, labour groups, investors and financiers, a broad range of consultants and service suppliers, CSR specialists, academics and the media.

To help make this task easier, ICMM's website was relaunched in May 2008. We improved the signposting of content, increased the website's visual richness and made the site more user-friendly. The result – a more effective and flexible way to reflect and highlight different aspects of our work.

The feedback has been overwhelmingly positive, and we believe the new website has helped us to create better links between ICMM and our member companies. It has also allowed us to demonstrate, through the use of case studies, the practical impact of our work on the ground.

Publications

We continue to produce a number of high quality, informative publications to support the dissemination of our work and the work itself.

Our most popular publication was the *Planning for Integrated Mine Closure: Toolkit* with over 4,000 downloads from the website.

One particular achievement in 2008 was Kathryn McPhail winning the Bronze Award for the International Finance Corporation/Financial Times essay competition, from 750 entries.

Her essay, entitled "Sustainable Development in the Mining and Minerals Sector: The Case for Partnership at Local, National and Global Levels", looked at the development role of mining, in particular at the findings and recommendations from ICMM's Resource Endowment initiative, and can be downloaded from ICMM's website.

Engagement and events

As usual, ICMM participated in a number of events during the year as part of its remit to engage with stakeholders, discuss its work and disseminate information: some key examples are illustrated below.

ICMM publications released in 2008



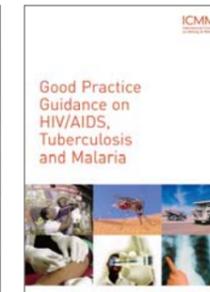
Good Practice Newsletter, Vol. 7 Issue 2 – Investing in a Better Future (December 2008)

Sustainable Development Framework brochure – (October 2008)

Resource Endowment initiative – Spotlight 13 – Taxing Challenges II (September 2008)

Resource Endowment initiative – Spotlight 12 – Peru (September 2008)

Good Practice Guidance on HIV/AIDS, Tuberculosis and Malaria (August 2008)



Planning for Integrated Mine Closure: Toolkit (August 2008)

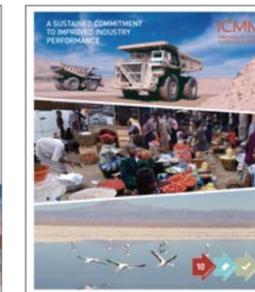
Ghana: Action Learning through Partnerships – Spotlight 11 (August 2008)

ICMM Assurance Procedure (July 2008)

REACH pre-registration requirements (July 2008)

REACH pre-registration and registration requirements for imported alloys (July 2008)

Resource Endowment initiative – Spotlight 5 – Resource Endowment Guide (June 2008)



Good Practice Newsletter, Vol. 7 Issue 1 – Business Drivers for Sustainability (June 2008)

The Case for Partnership at Local, National and Global Levels – an award winning essay (May 2008)

ICMM Position Statement on Mining and Indigenous Peoples (May 2008)

ICMM Annual Review 2007 (March 2008)

Highlights

ICEM Global Mining Congress – St. Petersburg, Russia

Kathryn McPhail was one of the few business representatives invited to speak at ICEM's quadrennial world congress on mining in July, which was attended by 41 national mining unions from 37 countries.

IUCN's 4th World Conservation Congress – Barcelona, Spain

ICMM emphasized the value of private sector participation in delivering conservation outcomes at the congress, which attracted over 8,000 participants from conservation groups, governments, NGOs and Indigenous Peoples groups.

African Union Conference of Ministers Responsible for Mineral Resources Development – Addis Ababa, Ethiopia

A delegation of ICMM members took part in a roundtable session on the contribution of mining to economic development and poverty reduction in Africa along with international donor organizations and the 35 governments represented.

Business for Social Responsibility (BSR) Conference – New York, USA

Aidan Davy took part in a panel session on business and human rights at BSR's 15th annual conference. Over 1,300 people from 50 countries gathered to engage with leading players in responsible business practice.

MEMBERS

At the heart of ICMM are its 17 member companies – some of the world's largest mining and metals companies – as well as 30 regional, national and global mining and commodity associations.

Our members include the largest producers of gold, platinum and iron ore in the world and the second largest zinc producer. They operate in over 60 countries, and provide employment for some 750,000 people. Eight members are in the top 15 mining companies by market capitalization.

Our 30 member associations – made up of 14 national and regional mining associations and 16 international commodity associations – play an essential role and, through their members, extend our reach to over 1,500 companies worldwide, some 35% of all producing mining companies.

Our member companies are leaders in the industry. Their actions, operations, the raw materials they produce, impact the lives of millions of people worldwide. However, with such a degree of influence comes responsibility.

This is a responsibility that is acknowledged by ICMM member companies through their commitment to our Sustainable Development Framework (see pp. 14–15 for details). Each has agreed to meet their reporting and assurance commitments for their 2010 sustainability reports (i.e. their reports for the financial year ending December 2009 or March 2010).

In moving towards this deadline, there has been significant progress. At the end of 2008, 16 of ICMM's member companies (from our 2009 member list, see right) reported in line with GRI Guidelines and 13 referred to the Mining and Metals Sector Supplement. In addition, 13 companies sought independent external assurance of their reported information. ICMM's Assurance Procedure requires that members' reports produced in 2010 meet the A+ Application Level of the GRI G3 Sustainability Reporting Guidelines and have been independently assured.

Companies

Anglo American
AngloGold Ashanti
Barrick
BHP Billiton
Freeport-McMoRan Copper & Gold
Gold Fields
Lihir Gold
Lonmin
Mitsubishi Materials
Newmont
Nippon Mining & Metals
OZ Minerals
Rio Tinto
Sumitomo Metal Mining
Teck
Vale
Xstrata

Associations

Cámara Argentina de Empresarios Mineros (CAEM)
Cámara Asomíneros Andí – Colombia
Cámara Minera de México
Cámara Minera de Venezuela (CAMIVEN)
Chamber of Mines of South Africa
China International Mining Group
Cobalt Development Institute
Consejo Minero de Chile A.G.
Eurometaux
Euromines
Federation of Indian Mineral Industries
Indonesian Mining Association
Instituto Brasileiro de Mineração
International Aluminium Institute
International Copper Association (ICA)
International Lead Association
International Molybdenum Association (IMOA)
International Wrought Copper Council
International Zinc Association
Japan Mining Industry Association
Minerals Council of Australia
Mining Association of Canada
Mining Industry Associations of Southern Africa (MIASA)
National Mining Association (NMA) – USA
Nickel Institute
Prospectors and Developers Association of Canada
Sociedad Nacional de Minería (SONAMI) – Chile
Sociedad Nacional de Minería, Petróleo y Energía (SNMPE) – Peru
World Coal Institute
World Gold Council

GOVERNANCE AND FINANCIALS

ICMM's principal governing body is a Council that is comprised of the chief executives of all 17 member companies, two elected representatives from the member associations and ICMM's president.

The Council meets twice a year and is responsible for setting the strategic direction of the organization, establishing its policies and priorities, and approving the business plan and budget. It must also respond to any alleged breaches of ICMM's standards by a member. Currently, the officers of the Council are its Chairman, Richard Adkerson, President and CEO of Freeport-McMoRan Copper & Gold; Deputy Chairman, Marius Kloppers, CEO of BHP Billiton; and Treasurer, Cynthia Carroll, CEO of Anglo American.

The Council is supported by an Executive Working Group (EWG) that is comprised of representatives from all member organizations. The EWG sets the annual work program and budget for approval by Council.

ICMM also includes an Associations Co-ordination Group and a permanent secretariat based in London. Members' task forces are established to address priorities and currently include environmental stewardship and biodiversity, community and social development, health and safety, materials stewardship, reserves and resources, and communications.

The EWG meets four times a year, while task forces and the Associations Co-ordination Group meet twice a year, normally in May and October in London, to advance the work program.

A breakdown of 2008 operational income and expenditure and 2009 forecast income and expenditure is shown on the facing page. The income and expenditure figures are broken down in the way illustrated to provide a transparent overview on the source of our income, and how we spend that money to achieve the outcomes described throughout this review.

ICMM Secretariat

Anthony Hodge
President

Sarah Stern
Executive Assistant

John Atherton
Senior Program Director

Kathryn McPhail
Senior Program Director

Christine Copley
Program Director

Aidan Davy
Program Director

Ben Peachey
Communications Director

Anne-Marie Fleury
Associate Program Director

Helen Atkinson
Finance Manager

Benjamin Davies
Senior Program Officer

Fernanda Diez
Senior Communications Officer

Nathalie Goad
Communications Officer

Sara Ovuike
Program Officer

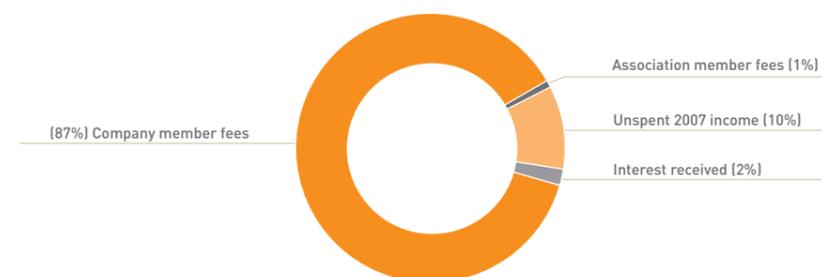
Claire White
Program Officer

Hanna Hindstrom
Communications Assistant

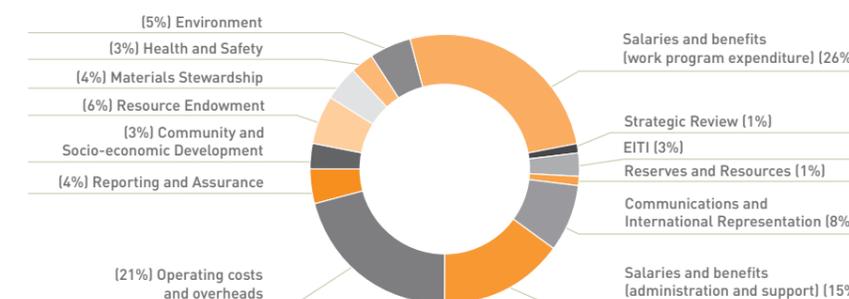
Gemma Lee
Team Support Officer

Chitalu Mulenga
Research Assistant

2008 income



2008 expenditure



Financials – income and expenditure

	2008 US\$m	2009 forecast US\$m
Company member fees	6.12	6.42
Association member fees	0.05	0.05
Unspent income (prior year)	0.73	0.44
Interest received	0.17	0.18
Total revenue	7.07	7.09

Work program expenditure

Reporting and Assurance	0.27	0.22
Community and Socio-economic Development	0.22	0.31
Resource Endowment	0.41	0.44
Materials Stewardship	0.29	0.43
Health and Safety	0.21	0.28
Environment	0.32	0.43
Communications and International Representation	0.50	0.51
Reserves and Resources	0.08	0.16
EITI	0.22	0.24
Strategic Review	0.05	0.24
Salaries and benefits (work program expenditure)	1.70	1.80
Sub-total	4.27	5.06

Secretariat expenditure

Operating costs and overheads	1.39	1.24
Salaries and benefits (administration and support)	0.97	0.82
Sub-total	2.36	2.06
Total expenditure	6.63	7.12
Balance (carried forward)	0.44	-0.03

Notes:

- ICMM operates its accounts in UKE – figures have been converted using an exchange rate of US\$1.4 as of 31 December 2008.
- The 2008 figures are based on unaudited accounts – audited figures are reviewed by ICMM's Council in May of each year and can be obtained from ICMM on request.
- Company member fees are distributed proportionately using a funding formula based on annual turnover and profit. Association members pay a flat membership fee of \$US1,750.
- The discrepancy between prior year unspent income of US\$0.73m and the figure reported in the 2007 Annual Review (US\$1.04m) is due to exchange rate fluctuation.
- Expenditure on salaries and benefits has been distributed between work program and secretariat expenditure proportionately in line with the job responsibilities of each ICMM staff member.
- Work program expenditure is split by the work program themes through which we manage the ICMM work program. To find illustrations of the work carried out within each theme in 2008, use the following page references:
Reporting and Assurance (Sustainable Development Framework) – pp. 14–15
Community and Socio-economic Development – pp. 6–7/10–11
Resource Endowment – pp. 4–5
Materials Stewardship – pp. 10–11/12–13
Health and Safety – pp. 10–11
Environment – pp. 6–7
Communications and International Representation – pp. 18–19
Reserves and Resources – pp. 12–13
EITI – ICMM makes an annual contribution to EITI on behalf of its members. Visit www.eitransparency.org for details of its work.
Strategic Review – pp. 2–3



Back cover picture: Antamina

The Antamina deposit is located 270 kilometres north of Lima in the Peruvian Andes at an elevation of 4,300 metres. It is the largest known copper–zinc skarn in the world. Economically recoverable minerals include copper, zinc, molybdenum and lead–silver–bismuth. The deposit sits at the bottom of a U-shaped glacial valley surrounded by limestone ridges some of which are exposed in the open pit walls shown in this photo.

The mine itself is one of the world’s largest copper–zinc mines and has an expected lifespan of around 20 years. It is a joint venture between three ICMM member companies – BHP Billiton (33.75%), Xstrata (33.75%), Teck (22.5 %) – and the Mitsubishi Corporation (10%).

Antamina employs 1,800 people directly and 3,500 indirectly. It began commercial production in October 2001 at a capital cost of US\$2.3 billion, the most significant investment in Peruvian mining history. It has an annual production capacity of approximately 275,000 tonnes of copper and 165,000 tonnes of zinc. The copper and zinc concentrates are transported by a 300-kilometre pipeline to the Pacific coast, where they are filtered for shipment to smelters.

The operating company – Compañía Minera Antamina – has set out a number of explicit sustainable development goals, including the provision of 100% access to basic services such as water and electricity for communities in the area of impact.

www.antamina.com

List of abbreviations and acronyms

CEO – Chief executive officer
CSR – Corporate social responsibility
EITI – Extractive Industries Transparency Initiative
GRI – Global Reporting Initiative
ICEM – International Federation of Chemical, Energy, Mine and General Workers’ Unions
IMF – International Monetary Fund
IUCN – World Conservation Union
NGO – Non-governmental organization
OECD – Organisation for Economic Co-operation and Development
REACH – Registration, Evaluation, Authorisation and Restriction of Chemicals
UN – United Nations
UNCTAD – United Nations Conference on Trade and Development

Photography credits

BHP Billiton; Freeport-McMoRan Copper & Gold; Lonmin; OZ Minerals; Teck; Xstrata.

The top left picture on p. 8 is provided courtesy of IFC CommDev.

Full details on all photography is available at www.icmm.com/annualreview.

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Online copies of this review can be downloaded from www.icmm.com

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