ENDURING **VALUE**

**The Australian minerals industry framework
for sustainable development**

2015 EDITION

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Definition of sustainable development

The Brundtland Commission's definition of sustainable development is 'development that meets the needs of the present without compromising the ability of future generations to meet their own needs'.
(*Our Common Future*, Brundtland 1987)

In the mining and metals sector, this means that investments in minerals projects should be financially profitable, technically appropriate, environmentally sound and socially responsible.

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History of Enduring Value

In 2003 International Council on Mining and Metals (ICMM) adopted 10 Principles for Sustainable Development. These principles represent the global industry's commitment to manage social, health, safety, environmental and economic issues to deliver sustainable shareholder value, improve performance and publicly report on the industry's progress.

Having been instrumental in the development of ICMM Principles, the Minerals Council of Australia (MCA) identified an important role at the regional level to extend the ICMM principles to a broader audience and facilitate site level implementation.

To achieve this, in 2005 the MCA launched *Enduring Value – the Australian minerals industry framework for sustainable development*.

Developed with the input of over 900 stakeholders, Enduring Value provided the framework within which the Australian minerals industry can operationalise its commitment to sustainable development. Enduring Value included a range of detailed guidance to support both site managers and corporate executives to implement sustainable development principles at all levels within the business.

Enduring Value articulates the industry's commitment to the Principles of Sustainable Development and translates these into practice to guide companies and facilitate site level implementation.

Since its adoption by MCA member companies it has been recognised internationally as a leading industry model.

Revision of Enduring Value

In 2012 the MCA Board of Directors initiated a review of Enduring Value. This provided an opportunity to bring the framework up-to-date with global initiatives in the areas of human rights and materials stewardship. It also allowed for the framework to be simplified, reflecting the extent to which the principles of sustainable development have been integrated into company practices.

Through the review process the MCA engaged with industry and external stakeholders to test the relevance, focus and approach of the Enduring Value framework. This affirmed its value as a tool for continuous improvement in sustainability over and above legislative requirements.

This revised version of the framework is the result of a wide-ranging review and ensures that Enduring Value remains relevant to minerals operations and the expectations of our stakeholders. The revised framework builds on that strength by providing clearer direction as to what constitutes effective implementation of the Enduring Value principles.

Key features of the revised Enduring Value framework

The revised Enduring Value:

- Continues to align with the ICMM's 10 Principles of Sustainable Development

- Translates each principle into defined actions

- Identifies a set of indicators for each principle that should be evident across companies that operate in accordance with Enduring Value

- Relies on verifiable outcomes rather than compliance with process to assess whether practices are consistent with the principles

- Supports continued excellence in public reporting on performance in the areas of health and safety, environment and community benefit

- Assists the industry to operate in a manner that is attuned to the expectations of the community.

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Enduring Value

The principles

Central to Enduring Value is the relationship between the mining industry and its many stakeholders – employees, shareholders, communities and governments. The Enduring Value principles recognise that these groups have rights and interests that need to be reflected in the ways that companies carry out their business.

The 10 principles encourage MCA members to consider how the decisions they make and the practices they implement align with these interests and broader sustainable development goals. The principles include the fundamentals of ethical governance, sound risk management and transparent engagement as well as individual principles relating to health and safety, employee rights, community development and environmental management.

Enduring Value is intended to sit above legislative requirements. It seeks to bridge the gap between legal requirements and community expectations.

Driving continuous improvement

The Enduring Value framework continues to drive improvement of the industry's performance on the social, safety and environmental aspects of its activities in three ways:

- It is a condition of membership of the MCA that companies accept the principles of Enduring Value

- It assists the industry to operate in a manner that is attuned to the expectations of the community and which seeks to maximise the long-term benefits to society that can be achieved through the effective management of Australia's natural resources

- It provides practical guidance to companies on how to translate the ten principles of Enduring Value into practices that support their sustainable development goals. It includes links to tools, standards and guidance to support company implementation.

Commitment to Enduring Value is also open to companies not members of the Minerals Council of Australia.

Alignment with other initiatives

Enduring Value seeks to align with a range of key industry initiatives. Specifically, Enduring Value is consistent with the industry's international activities, including the ICMM 10 principles. This is critical to the uptake of the framework and the successful implementation of sustainable development across the minerals sector.

Things to consider when applying Enduring Value

In applying Enduring Value, companies should consider their sphere of control (e.g. within the mine gate) and its relationship to their sphere of influence (e.g. within the supply chain). An understanding of a company's sphere of influence and the implications is critical step in setting boundaries and expectations around performance.

It is important to note that some elements contained in Enduring Value will be more relevant to the international context than they are to Australian conditions.

Companies are encouraged to publicly report their performance on the 10 principles as part of annual corporate reporting processes (e.g. sustainability reporting).

Enduring Value and the UN Sustainable Development Goals

The United Nations Sustainable Development Goals were adopted in 2016. The MCA has since undertaken a program of work which established clear linkages between the UN SDGs and Enduring Value. This work is summarised in *Sustainability in Action: Australian mining and the UN Sustainable Development Goals*. This work is ongoing.

Further information on Enduring Value can be found on the MCA website: www.minerals.org.au

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1

Implement and maintain ethical business practices and sound systems of corporate governance

Elements

1.1 Develop and implement company statements of ethical business principles and practices that management is committed to enforcing

1.2 Implement policies and practices that seek to prevent bribery and corruption

1.3 Comply with or exceed the requirements of host country laws and regulations.

1.4 Work with governments, industry and other stakeholders to achieve appropriate and effective public policy, laws, regulations and procedures that facilitate the mining, minerals and metals sector's contribution to sustainable development within national sustainable development strategies.

Verifiable outcomes

- Company policies detailing ethical business principles and practices are transparent and consistently implemented

- The company has strategies and protocols in place to ensure employees are able to recognise, manage, and disclose any potential issues relating to bribery or corruption and have them resolved using a defined company process

- A legal compliance register is maintained, responsibilities and accountabilities are assigned, non-compliances are documented and tracked and action plans to achieve compliance are actioned promptly

- The company participates openly, honestly and constructively in public policy development as appropriate.

Related elements 2.3–2.6, 3.6, 4.1–4.3, 6.1, 7.2, 7.3, 8.1–8.5

Reference documents

UN Global Compact

Attorney General's Department Foreign Bribery Information and Awareness Pack

2

Integrate sustainable development principles into company policies and practices

Elements

2.1 Integrate sustainable development principles into company policies and practices

2.2 Plan, design, operate and close operations in a manner that enhances sustainable development

2.3 Implement good practice and innovate to improve social, environmental and economic performance whilst enhancing shareholder value

2.4 Encourage customers, business partners and suppliers of goods and services to adopt principles and practices that are comparable to our own.

Verifiable outcomes

- Company policies detailing the approach to sustainable development are transparent and consistently implemented

- Exploration, operations and closure are planned to avoid and/or minimise negative impacts and maximise benefits on environmental, social and economic values

- The company has a defined process to identify and pursue sustainable development opportunities throughout the business and periodically benchmarks operations against good industry practice

- The company's procurement policy and its engagement with supply chain partners encourage sustainable business practices.

Related elements 3.3, 4.1- 4.3, 5.1, 5.2, 5.4, 6.1, 6.2, 7.3, 8.3, 8.4, 9.2, 9.3, 10.1–10.3

Reference documents

UN Global Compact

International Institute for Sustainable Development – Business and sustainable development tools and guides

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3

Uphold fundamental human rights and respect cultures, customs and values in dealings with employees and others who are affected by our activities

Elements

3.1 Ensure fair remuneration and work conditions for all employees and do not use forced, compulsory or child labour

3.2 Provide for the constructive engagement of employees on matters of mutual concern

3.3 Implement policies and practices designed to eliminate harassment and unfair discrimination in all aspects of our activities

3.4 Ensure that all relevant staff, including security personnel, are provided with appropriate cultural and human rights training and guidance

3.5 Minimise involuntary resettlement, and compensate fairly for adverse effects on the community where this cannot be avoided

3.6 Respect the culture and heritage of local communities, including Indigenous peoples.

Verifiable outcomes

- Company policies detailing employment and remuneration practices are transparent and consistently implemented

- The company has strategies in place to employ, engage and retain men and women, underpinned by engagement protocols on work conditions and a process to address work related concerns

- Employees and contractors are trained in cultural awareness and human rights relevant to their area of work and the operations' local cultural context

- The company has developed and implemented policies and practices designed to eliminate harassment and unfair discrimination in all aspects of its activities

- Company policies seek to minimise involuntary resettlement and, where this is not feasible, to structure compensation arrangements that maintain and/or improve the livelihoods of affected peoples

- Where a material risk exists, companies have an assurance process to verify the absence of compulsory child labour in their business, and to the extent possible, their supply chain

- The company has characterised the local cultural context, established a process to manage risks to culture and heritage and has strategies to effectively maintain and, where possible, enhance local culture and heritage through an ongoing and open dialogue.

Related elements 1.1, 1.2, 2.1, 4.1, 4.3, 5.2, 5.3, 5.5, 6.1, 8.1, 9.1–9.5, 10.3

Reference documents

IFC Performance Standards 1

UN Global Compact Principles

UN Voluntary Principles on Security and Human Rights

World Bank Resettlement Safeguards

Fair Work Commission Guides

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4

Implement risk management strategies based on valid data and sound science

Elements

4.1 Consult with interested and affected parties in the identification, assessment and management of all significant social, health, safety, environmental and economic impacts associated with our activities

4.2 Ensure regular review and updating of risk management systems

4.3 Inform potentially affected parties of significant risks from mining, minerals and metal operations and of the measures that will be taken to manage the potential risks effectively

4.4 Develop, maintain and test effective emergency response procedures in collaboration with potentially affected parties.

Verifiable outcomes

▪ Risk management systems and processes have the capacity to systematically and transparently identify, assess, monitor, and manage significant risks across the mining lifecycle

▪ Risk management systems are dynamic, have the capacity to respond to emerging and cumulative risks, and are subject to periodic review

▪ Risk communication strategies ensure relevant parties are engaged on significant risks in a culturally appropriate manner

▪ Emergency scenarios are identified as part of the risk identification process and are paired with effective emergency response training and procedures.

Related elements 1.1, 1.3, 2.1–2.3, 3.2, 3.3, 5.1–5.5, 6.1, 6.2, 6.4, 6.5, 8.1, 8.3, 9.1–9.5, 10.1–10.3

Reference documents

IFC Performance Standard 1 (req 5, 7 – 16, 20 - 36), 2 (req 23), 4 (req 11), 5 (req 10)

Leading Practice Sustainable Development Program for the Mining Industry – Risk Assessment and Management

International Council on Mining and Metals – Good Practice in Emergency Preparedness and Response

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Seek continual improvement of our health and safety performance

Elements

5.1 Implement a management system focused on continual improvement of all aspects of operations that could have a significant impact on the health and safety of our own employees, those of contractors and communities where we operate

5.2 Take all practical and reasonable measures to eliminate workplace fatalities, injuries and diseases among our employees and those of our contractors

5.3 Provide all employees with health and safety training, and require employees of contractors to have undergone such training

5.4 Implement health surveillance and risk-based monitoring of employees.

5.5 Rehabilitate and reintegrate employees into operations following illness or injury, where feasible.

Verifiable outcomes

- The company's management system incorporates an occupation and community health and safety policy; documented processes for hazard identification, risk assessment and risk management; identified responsibilities, accountabilities and competencies for personnel; and checking and corrective action for continuous improvement

- Establish and maintain measures to support safe work conditions, safe processes and safe behaviours and proactively manage changes that have the potential to impact on the safety and health of employees and contractors

- Based on a documented review of workplace OHS responsibilities, skills, knowledge and role requirements provide relevant general, area and task specific training for all employees and contractors

- Minimise employee exposure to harmful substances and conditions and conduct relevant risk-based medical surveillance to ensure employees are fit for their jobs and enable early detection of work-related health problems, including illness and disease

- Injury management systems supports rehabilitation to promote rapid recovery from work-related injury and early return to work.

Related elements 1.1, 2.1–2.3, 3.2, 4.1–4.4, 6.4, 8.1, 8.3

Reference documents

IFC Performance Standard 2 – Labour and Working Conditions

IFC Performance Standard 4 – Community health, safety and security

Workplace Health and Safety legislation and regulation for the jurisdictions/s in which the company is operating

ICMM Good Practice Guide on health impact assessment

ICMM Good Practice Guide on health and safety critical control management

6

Seek continual improvement of our environmental performance

Elements

6.1 Assess the positive, negative and indirect and the cumulative impacts of new projects – from exploration through closure

6.2 Implement an environmental management system focused on continual improvement to review, prevent, mitigate or ameliorate adverse environmental impacts

6.3 Rehabilitate land disturbed or occupied by operations in accordance with appropriate post-mining land uses

6.4 Provide for safe storage and disposal of residual wastes and process residues

6.5 Design and plan all operations so that adequate resources are available to meet the closure requirements of all operations.

Verifiable outcomes

- Significant risks to environmnetal receptors are identified and asessed over the life of the operation, including cumulative impacts which may involve other operations and industries, and are recorded on a risk register

- The company's management system incorporates an environmental policy; documented targets and objectives; identified responsibilities, accountabilities and competencies for personnel; and checking and corrective action for continuous improvement

- Environmental non-compliances are identified, and corrective actions implemented with follow-up monitoring, including remediation where appropriate.

- Waste and residual waste is stored and disposed of in an appropriate manner

- A costed closure plan with agreed post-closure land uses has been developed in conjunction with relevant stakeholders

- The closure plan is implemented to the extent practicable over the operating life of the mine and adequate financial provision exists to support full implementation at closure.

Related elements 1.3, 2.2, 2.3, 3.5, 3.7, 4.1–4.4, 5.1, 5.2, 5.4, 7.1–7.3, 8.1-8.5, 9.1–9.3, 10.3

Reference documents

IFC Performance Standard 1 (req 5 – 16, 22 – 36), 2 (req 23) 3 (req 6 – 17), 4 (req 3 – 17), 6 (req 6 – 8)

Environmental legislation and regulation for the jurisdictions/s in which the company is operating

Leading Practice Sustainable Development Program for the Mining Industry, Evaluating Performance: Monitoring and Auditing

ICMM Mine Closure Good Practice Guide

Leading Practice Sustainable Development Program for the Mining Industry – handbook series

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Contribute to conservation of biodiversity and integrated approaches to land use planning

Elements

7.1 Respect legally designated protected areas

7.2 Disseminate scientific data on and promote practices and experiences in biodiversity assessment and management

7.3 Support the development and implementation of scientifically sound, inclusive and transparent procedures for integrated approaches to land use planning, biodiversity conservation and mining.

Verifiable outcomes

- Exploration, operations and closure are planned to avoid and/or minimise impacts on ecological and cultural values of legally protected areas

- Scientific and technical information regarding biodiversity assessment and management is shared with parties involved in environmental planning, including academia and government

- Practices and experiences in optimising ecosystem integrity on a site and regional basis are developed and promoted in conjunction with relevant parties including landholders and integrated in mine planning, buffer zone management and rehabilitation/closure plans

- The company engages with state based planning authorities and landholders to optimise land use planning in a way that balances environmental, social and economic values.

Related elements 2.2–2.5, 4.1, 6.1–6.5, 8.1–8.5

Reference documents

IFC Performance Standard 6 (req 13 – 20, 24, 25)

Leading Practice Sustainable Development Program for the Mining Industry, Biodiversity Management

ICMM, Good Practice Guidance for Mining and Biodiversity

UN Global Compact Principle 8

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Facilitate and encourage responsible product design, use, re-use, recycling and disposal of our products

Elements

8.1 Advance understanding of the properties of metals and minerals and their life-cycle effects on human health and the environment

8.2 Conduct and support research and innovation that promotes the use of products and technologies that are safe and efficient in their use of energy, natural resources and other materials

8.3 Develop and promote the concept of integrated materials management through the metals and minerals value chain

8.4 Provide regulators and other stakeholders with scientifically sound data and analysis regarding our products and operations as a basis for regulatory decisions

8.5 Support the development of scientifically sound policies, regulations, product standards and material choice decisions that encourage the safe use of minerals products.

Verifiable outcomes

- Research is supported, where appropriate, to improve understanding of the lifecycle effects of minerals and metal products, by-products and processes on human and environmental health, and the eco-efficiency of production processes and products

- There is support within the supply chain for research and innovation to reduce waste through cleaner production processes, recycling and reuse of materials, to improve the safe and efficient use of resources

- Customers are informed about the safe and responsible use of mineral products and options for their reuse

- As appropriate, the company engages with regulators and the scientific community in research and development and demonstration programs to foster improved science and informed public policy.

Related elements 1.3, 1.4, 2.1, 2.4, 4.1, 6.1, 6.3, 6.4, 7.2, 7.3, 10.1–10.3

Reference documents

IFC Performance Standard 3 (req 6)

Leading Practice Sustainable Development Program for the Mining Industry, Stewardship

ICMM, Maximising Value – Guidance on Implementing Stewardship in the Minerals and Metals Value Chain

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Contribute to the social, economic and institutional development of the communities in which we operate

Elements

9.1 Engage at the earliest practical stage with likely affected parties to discuss and respond to issues and conflicts concerning the management of social impacts

9.2 Ensure that appropriate systems are in place for ongoing interaction with affected parties, making sure that minorities and other marginalised groups have equitable and culturally appropriate means of engagement

9.3 Contribute to community development from project development through closure in collaboration with host communities and their representatives

9.4 Encourage partnerships with governments and non-government organisations to ensure that programmes (such as community health, education, local business development) are well designed and effectively delivered

9.5 Enhance social and economic development by seeking opportunities to address poverty.

Verifiable outcomes

- An inclusive engagement strategy that supports the assessment of the social impacts and benefits of the operation and the development and implementation of management strategies over the life of the operation

- Marginalised groups are identified and strategies are implemented to address the special needs of individuals or groups in the community to ensure their effective participation

- Contributions to economic development are driven by recognition of the need to strengthen and diversify the local community while ensuring that strategies recognise the appropriate role of government investment and the need to ensure exit strategies are in place for all programs

- Social investment strategies account for community need; institutional governance and capability; longer term objectives, including post mining outcomes, are linked to the business strategy and are delivered in partnership with relevant organisations

- A plan that articulates the company's contribution to supporting the social and economic development of the host country, region and local communities is developed and implemented.

Related elements 1.2, 1.3, 2.2, 2.3, 3.2, 3.4, 3.6, 4.1, 4.3, 5.1, 5.4, 6.1, 7.3, 8.1, 8.3, 10.1–10.3

Reference documents

IFC Performance Standard 1 (req 25 – 36), 7 (req 10 – 14, 18 - 20), 7 (req 18 – 22), 8 (req 9)

ICMM, Community Development Toolkit

UN Guiding Principles on Business and Human Rights

UN Global Compact Principles

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10

Implement effective and transparent engagement, communications and independently verified reporting arrangements with stakeholders

Elements

10.1 Report on our economic, social and environmental performance and contribution to sustainable development

10.2 Provide information that is timely, accurate and relevant

10.3 Engage with and respond to stakeholders through open consultation processes.

Verifiable outcomes

- Health, safety, economic, environmental and social performance is publicly reported annually. This may be site specific or aggregated in a company report

- Appropriate data validation and verification processes are utilised to provide public confidence in the information being reported and information is provided within appropriate timeframes and contexts

- Transparent and consultative communication processes are used to engage key stakeholders and provide feedback on issues raised within defined periods.

Related elements 1.2, 1.3, 2.2, 3.2, 3.6, 3.8, 4.1, 4.3, 4.4, 5.2, 6.1, 6.2, 7.2, 7.3, 8.1–8.5, 9.1, 9.2

Reference documents

IFC Performance Standard 1 (req 25 - 36), 5 (req 10,11), 7 (req 10 – 12), 8 (req 9)

GRI Guidelines

EITI Framework for the jurisdiction/s in which the company is operating

Australasian Code for Reporting of Minerals Resources and Ore Reserves (the JORC Code)

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