

Implementing a global solution to managing  
a low emissions economy

# Policy on climate change

November 2009



ICMM's Council of CEOs is calling for "comprehensive and sustained global action... to reduce the scale of human-induced climate change and to adapt to its impact."

The International Council on Mining and Metals (ICMM) recognizes that comprehensive and sustained global action is required to reduce the scale of human-induced climate change and to adapt to its impact.

Over the past year, the ICMM Council, which consists of 19 Chief Executive Officers of some of the world's largest mining and metals companies, undertook a review of its current policy on climate change.

The result of this review was an updated ICMM statement on climate change, which is below.

The Council is calling for "comprehensive and sustained global action... to reduce the scale of human-induced climate change and to adapt to its impact."

Our members and ICMM as an organization will play our part in making possible the concerted global effort that is needed to address the climate change issue.



R. Anthony Hodge  
President, ICMM

## 1 A GLOBAL SOLUTION

**ICMM members are committed to making a contribution to developing and implementing a global solution to managing climate change that recognizes the need for a measured transition to a low emissions global economy reconciled with the imperative for energy security, global economic growth, and improved living standards and poverty alleviation.**

ICMM acknowledges the scientific view that urgent action is required to limit increases in global average surface temperatures.

## 2 A GLOBAL POLICY APPROACH

**As major consumers and producers of energy, ICMM members have direct equity in a global policy approach to managing climate change that:**

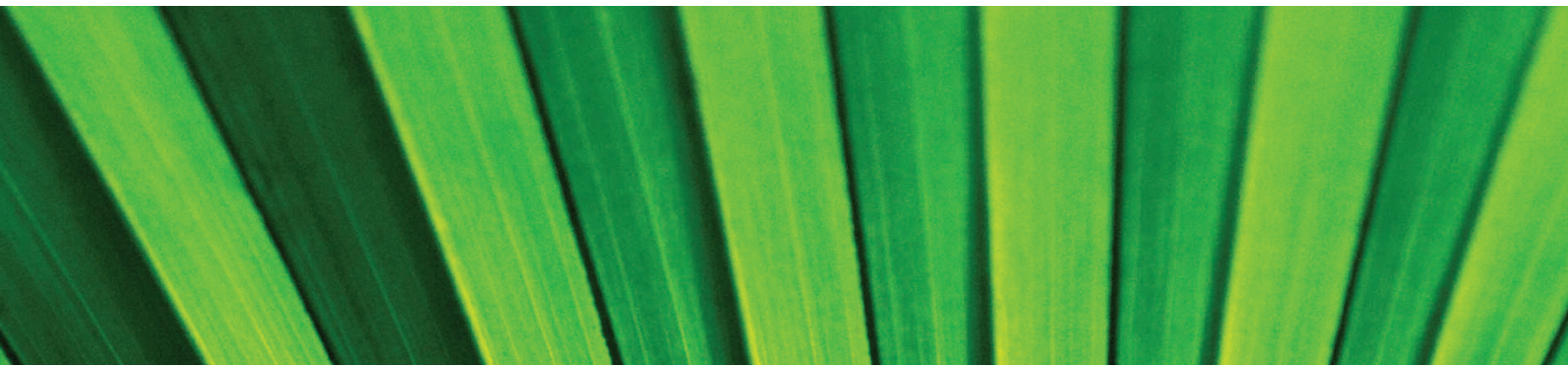
- encourages, rather than discourages, governments to act early to reduce greenhouse gas emissions
- provides governments with confidence that well targeted unilateral action within their own borders can be environmentally effective and socially acceptable without compromising the international trade-competitiveness of their industries
- minimizes any prospect of "carbon leakage" where industrial activity migrates to jurisdictions that do not impose comparable constraints on greenhouse gas emissions
- provides a long-term, equitable and stable regulatory framework, providing greater certainty for industry to invest in multi-decade operations and the development of new technologies
- encourages global collaboration and co-investment between industries and governments in the development and deployment of breakthrough low emissions technologies
- promotes the development and dissemination of technologies that build the capacity to adapt to climate change, particularly in developing countries.

## 3 ICMM MEMBER RESPONSIBILITY

**Within the industry, and in support of a global agreement, ICMM members accept their responsibility to:**

- reduce greenhouse gas emissions, measure progress and report results
- promote technical innovation and creativity in low greenhouse gas emissions technologies while enhancing energy and resource efficiency
- ensure efficient use of renewable and non-renewable natural resources
- develop appropriate adaptation strategies specific to our operations
- contribute to the sustainable development of local communities and societies in adapting to the impacts of climate change.





## 4 AN INTEGRATED POLICY PLATFORM

ICMM members support a comprehensive measured transition to a low greenhouse gas emissions global economy that requires the alignment of three key policy pillars:

- a global agreement for greenhouse gas emissions abatement that includes emissions reduction commitments from all major emitting nations recognizing common but differentiated responsibilities
- market-based policy measures that promote the abatement of greenhouse gas emissions at the lowest cost, while minimizing adverse social and economic impacts
- substantial additional government and industry investment in a broad range of existing and new low emissions technologies and adaptation measures.

## 5 A GLOBAL AGREEMENT

ICMM members support the development and implementation of a binding and effective global agreement based on the following principles:

- **comprehensiveness** – include commitments from all major national emitters and covering all greenhouse gases<sup>1</sup>, sources and sinks
- **policy flexibility** – allow a range of policy approaches that individual governments can adopt for greenhouse gas emissions abatement. A credible commitment to a common goal and pathway of lower emissions is more important than conformity of approach
- **recognition of national circumstances** – recognize differing national economic, environmental and social circumstances, and respect national sovereignty
- **alignment** – accommodate the simultaneous imperatives of economic development, energy security and environmental stewardship
- **fair play** – not disadvantage early movers, nor be trade or investment discriminatory as a disguised form of protectionism
- **simplicity** – minimize national compliance and administration costs.

<sup>1</sup> The six greenhouse gases identified under the United Nations Framework Convention on Climate Change

## 6 MARKET-BASED POLICY MEASURES

There are a range of measures that countries can adopt and deploy to reduce greenhouse gas emissions. A new international framework should recognize and harness this diversity rather than prescribe or favour certain approaches. Accordingly, ICMM members support the development of market-based policy measures that are based on the following principles:

- **clear, predictable and long-term** – provide clear, predictable and long-term incentives to invest in low emissions technologies and abatement measures
- **environmentally effective** – seek to achieve substantial emissions reductions at the lowest economic cost and be sustainable over the long-term
- **economically efficient and socially acceptable** – provide for a measured transition to a price on carbon so as to avoid adverse economic and social consequences and optimize the price signal effects in changing behaviour
- **sustainable development** – encourage resource use efficiency, and support sustainable economic, social and environmental goals and activities
- **international competitiveness** – be designed to incentivize emissions reductions without creating distortions in trade and investment flows or compromising the international trade competitiveness of industry
- **international linkages** – be designed to facilitate linkages across international borders, including international carbon markets and/or the development of offset markets which can reduce the cost of greenhouse gas emissions reductions while promoting low emissions technologies and carbon sinks, including forestry and land use practices in developing countries
- **global technology co-operation** – policy measures should encourage and reward sharing in the development and deployment of low emission technologies, especially to developing countries.

## 7 INVESTMENT AND CO-OPERATION IN LOW EMISSION TECHNOLOGIES AND ADAPTATION

ICMM members consider it is essential that governments and industries continue to co-operate in the development, deployment and funding of low emissions technologies in all energy sources, abatement related to land uses and in building collaborative efforts both within and between countries to build the capacity to adapt to the impact of climate change.

## ICMM

The International Council on Mining and Metals (ICMM) is a CEO-led industry group that addresses key priorities and emerging issues within the industry. It seeks to play a leading role within the industry in promoting good practice and improved performance, and encourages greater consistency of approach nationally and across different commodities through its association members and member companies.

ICMM's vision is for a respected mining and metals industry that is widely recognized as essential for society and as a key contributor to sustainable development.

### ICMM member companies

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

### ICMM member associations

Cámara Argentina de Empresarios Mineros  
Cámara Asomineros Andi - Colombia  
Cámara Minera de México  
Cámara Minera de Venezuela  
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  
International Lead Association  
International Molybdenum Association  
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  
National Mining Association - USA  
Nickel Institute  
Prospectors and Developers Association of Canada  
Sociedad Nacional de Minería - Chile  
Sociedad Nacional de Minería, Petróleo y Energía - Peru  
World Coal Institute  
World Gold Council

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