



Thinking Global, Acting Local

2010

# China Minmetals Corporation Sustainability Australian Report

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You may also read the PDF version of this Report in Chinese and English under "Sustainability" on the official website of

China Minmetals Corporation as well as other updates related to the social responsibility activities of the Corporation:

Website: <http://www.minmetals.com.cn/srm.jsp>



Environmental considerations in publication of this report

Paper: The report is printed on recycling paper.

Ink: 100% soy ink was used aiming to decrease air pollution.

# Notes to this Report

This report is the first sustainability report of China Minmetals Corporation for Australia. For the purpose of writing and reading, China Minmetals Corporation is also hereinafter referred to as China Minmetals, the Corporation, the Group and China Minmetals' enterprises in Australia is also hereinafter referred to as we/us.

This report has been prepared according to ISO26000: Guidance on Social Responsibility of the International Organization for Standardization, the Sustainability Reporting Guidelines 2006 of the Global Reporting Initiatives (GRI), the International Council on Mining and Metals (ICMM) 10 Principles, the Guiding Opinions on Performance of Social Responsibilities by State-Owned Enterprises under the Central Government released by the State-owned Assets Supervision and Administration Commission (SASAC) of the State Council, the UN Global Compact's Practical Guide for annual Communication on Progress (COP) and actual conditions of China Minmetals' enterprises in Australia.

This report mainly covers the year of 2010, and may also retrieve data from other milestone years in the history of China Minmetals' enterprises in Australia. This report covers the operations of four enterprises of China Minmetals in Australia: Minmetals Australia Pty. Ltd., Minerals and Metals Group (MMG), Sino Mining International Limited and Janfair Pty. Ltd. In addition, as China Minmetals took over the control of Hunan Nonferrous Metals Holding Group Co., Ltd. less than half a year in 2010, the relevant information regarding the enterprises of Hunan Nonferrous Metals Holding Group Co., Ltd. in Australia is non-comparable, and is not disclosed at this stage. This report truthfully reflects how China Minmetals' enterprises in Australia actively performed their economic, social and environment responsibilities for realizing comprehensive, coordinated and sustainable development in the year. All data contained herein are from formal documents, statistics reports and financial reports of the enterprises in Australia in connection with the sustainability practices of departments and entities of the Corporation, and have been kept, summarized and reviewed by the social responsibility management system of the Corporation. In terms of sustainable development policy and system, enterprises in Australia implement Corporation's regulations released in the sustainability report of Minmetals, MMG further develops relevant policies and systems in line with its own characteristics under the guidance of the Corporation, and promote the sustainable development of enterprises. As the enterprises except MMG are not involved in production in Australia, the data in connection with safety, health and environment from the enterprises except MMG is very little compared with MMG and we cannot calculate the data accurately according to current methods, so the contents in connection with safety, health and environment are mainly from MMG. Information about MMG includes MMG's operations in Australia, Laos, Canada and other international exploration projects that are managed by the MMG head office in Melbourne, Australia.

This report has been certified by Lloyd's Register Quality Assurance (LRQA) as an independent third party according to *the AA1000 Assurance Standard (2008)*. The certification statement is attached hereto as an appendix.

This report has both Chinese and English version. Please contact China Minmetals Corporation to request a copy of this report:

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## Description of the Logo



The logo of China Minmetals Corporation consists of a red sun above aluminum ingots and steel rods together with MINMETALS, the abbreviated name of the Corporation in English, while the letter M is taken as a main character element in the logo. The red sun symbolizes optimism, selflessness, integrity and magnificent presence, embodying the Group' spirit of "providing quality service, and striving for excellence". The aluminum ingots and steel rods imply the industry of the Group --- minerals and metals; and the gray steel rods extend endlessly in a perspective view, conveying the sustainability philosophy of the Group to "cherish limited resources and pursue sustainable development". The entire logo depicts a road under sunshine paved by our employees with their professionalism and wisdom extending endlessly in the direction of the rising sun. It manifests the magnificent openness and vision of the Group, and signifies the Group's bright future and creation of sustainable development.

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## Message from the President



President Zhou Zhongshu

China Minmetals Corporation was founded in 1950. As a mining and minerals corporation with international operations, the Corporation has followed the sustainability philosophy of “cherishing limited resources and pursuing sustainable development” and committed itself to quality services worldwide in the course of over 60 years’ development. In its international operations, China Minmetals puts into practice its philosophy of global operation — “thinking global, acting local” , takes ISO26000 Guidance on Social Responsibility as the guide, and actively fulfills its commitments as a member of the UN Global Compact LEAD Program. China Minmetals earnestly integrates social responsibility into its organizational management and strives to maximize values for its stakeholders through transparent operations.

In the early 1980s, China Minmetals upheld the principle of “friendly cooperation for mutual benefit and win-win” and actively carried out local operations in Australia in compliance with the relevant policies and regulations of the Australian government. As of the end of 2010, the Corporation had a total of four enterprises in Australia, with operations in trade, mineral development, real estate and other fields. In 2010, China Minmetals recorded a total of US\$1,001.48 million in its gross trade value with Australia, and its mineral product trade volume stood at 5.9202 million tonnes, while the total output of Zinc, Copper, Lead reached 845,636 tonnes and Gold and Silver reached 7,668,709 ounces contributing significantly to Australia’ s economic growth. Throughout our business operations, we have adhered to the principle of transparency, fairness and good faith, and carried out our work in compliance with market rules, laws and regulations. We respect our employee’ s diversified personal values and have formulated career development plans for them, ensuring the common development of both our employees and our organization.

China Minmetals’ enterprises in Australia aim to be in the top quartile of corporate sustainable development performance in the industry. In the operations, these enterprises always attach great importance to safety and health management over the whole value chain, and take “zero harm and fatality free” as the safety management goal, and regard the safety and health of employees and the community as the core value to be considered first. Meanwhile, we have effectively integrated the environmental protection philosophy into the whole lifecycle of the mining operations, ranging from exploration to feasibility study, construction, operations, closure and trade, in an effort to minimize the environmental footprints. All these enterprises have also actively supported social and economic development in local communities, and shared with them our development achievements. In 2010, China Minmetals’ enterprises in Australia invested a total of approximately US\$6.281 million in local community building, community and enterprise development, and education and training.

Though China and Australia are located in different hemispheres, the people of the two countries nevertheless have long established friendships between them, and the economies of the two countries complement each other well. The Chinese culture advocates the harmonious co-existence between people, between man and nature and between different civilizations, while Australia champions diversified cultures so that people of different races can live together in amity, accommodate each other and achieve harmony and common prosperity. The Chinese and Australian cultures are essentially inter-connected and share the same values. China Minmetals, as a witness to the cultures of the two countries, will energetically carry forward the fine traditions of the Chinese nation, actively promote social and economic development in Australia, disseminate Chinese civilization through various means and endeavor to make greater contributions to the continuous advancement of comprehensive partnership between China and Australia.

An Australian proverb says: people without dreams get lost. China Minmetals will continue towards the goal of “promoting social progress and advancing world harmony” , collaborate with its Australian stakeholders to achieve mutual benefit and win-win outcomes by continuously improving its ability to create sustainable values, and build its enterprises in Australia as models of global operations and fulfilling social responsibility.

President Zhou Zhongshu  
September 2011

## About Us

### (I) Profile of China Minmetals Corporation

China Minmetals Corporation, founded in 1950 with history of 61 years, is a global mining and minerals corporation. The Corporation is mainly engaged worldwide in exploration and development, refining and processing, trading and services for minerals and metals as well as finance, real estate and research and development in mining and metallurgical technology. With a global business presence in 26 countries and regions, the Corporation has a total staff of 168,000, and total assets of RMB 200 billion. In 2010, the Corporation recorded RMB 254.218 billion of operating revenues, and RMB 6.432 billion of profits. In the same year, the Corporation successfully completed its ownership system reform, and officially established the China Minmetals Co., Ltd., and defined the setup of six strategic business units of non-ferrous metals, ferrous mining, ferrous circulation, finance, real estate and science & technology. With the steady development of global operations, China Minmetals strives for contributions to the global and local economic development, and is committed to becoming a global minerals and metals enterprise providing quality services globally.

On the list of “Fortune 500” companies published by Fortune magazine in July 2011, China Minmetals Corporation soared to No. 228 from No. 332, up 104 in ranking, and rose to No. 6 from last year’s No. 8 among all the global metal companies.

As a member of the UN Global Compact, China Minmetals actively practices the UN Global Compact’s Ten Principles and persists in conducting responsible operation around the world. Continuing with the perception of “promoting social progress and world harmony”, the Corporation actively gets involved in community welfare and cultural heritage protection in Australia, Laos, Peru and Chile and strives to be a model of international corporate citizen. During the 11th Five-Year Plan period, China Minmetals contributed a total tax payment of RMB 23.3 billion, and made donations to education, disaster and poverty relief and other charity projects in an accumulative amount of more than RMB 100 million. China Minmetals continues to create diversified value to stakeholders and strives for common development between the Corporation and the stakeholders. In November 2010, at the invitation of the UN Global Compact (UNGC), China Minmetals joined the “Global Compact LEAD” program and became one of the important 55 members of the new leading platform for social responsibility of global enterprises. The “Global Compact LEAD” program was officially launched by UN Secretary-General Ban Ki-Moon on January 28, 2011 during the World Economic Forum Annual Meeting in Davos, Switzerland. Joining the said program will further help the Corporation establish its corporate image of a model of social responsibility in the international arena, and commit itself to promoting sustainable development of the global economy and society.

### (II) Profile of China Minmetals’ Enterprises in Australia

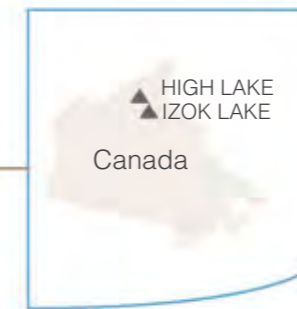
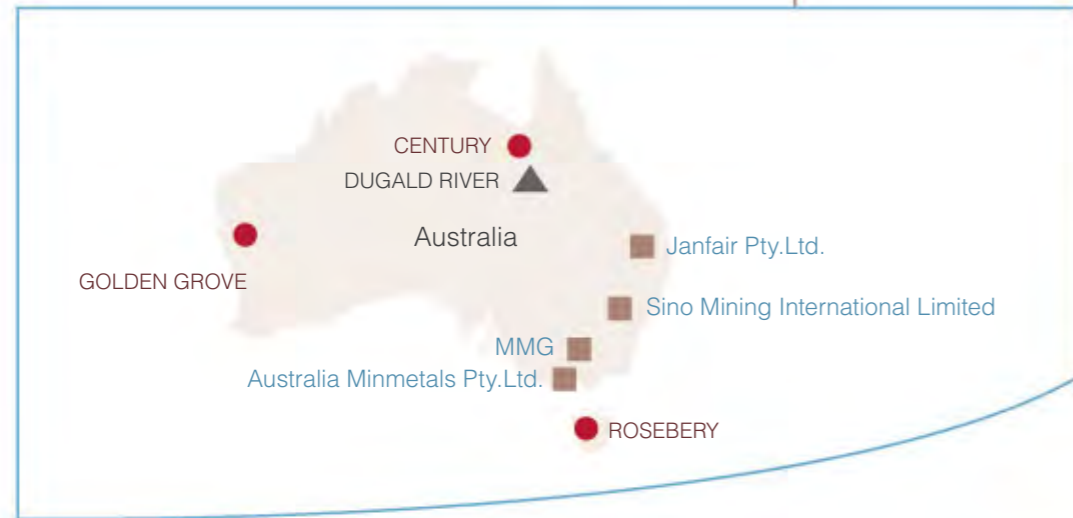
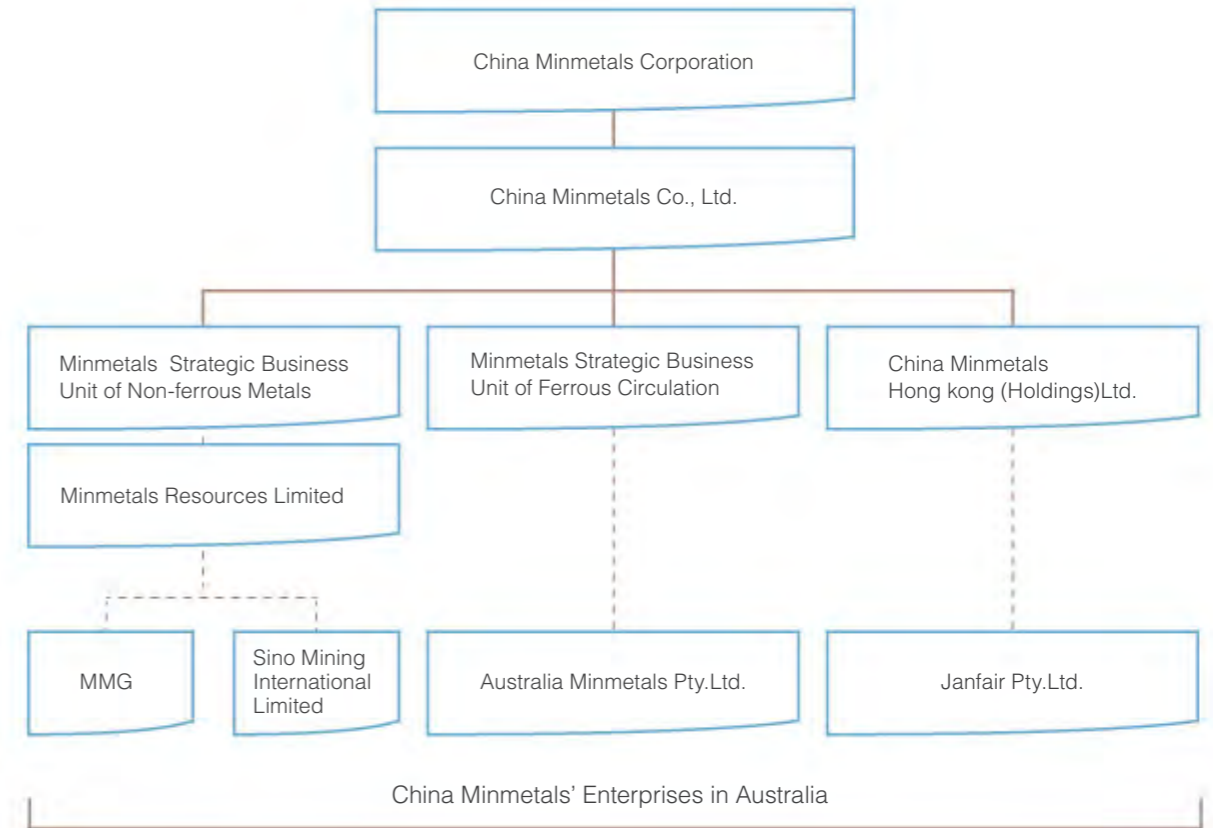
*Striving for the harmonious development of Minmetals with nature, environment and society*

As a large integrated global minerals and metals enterprise which ranks in No. 228th in Fortune 500, China Minmetals is adopting a global vision to examine and summarize its corporate management system, philosophy and operational performance to have its actions understood and supervised by more countries, enterprises and social organizations. The Corporation attaches great importance to the sustainable operations of its enterprises in Australia and has consistently upheld the Scientific Outlook on Development in its cooperation with people of all walks of life in Australia, striving to achieve both sound corporate performance and good social returns as well as corporate development and social harmony. All these efforts have not only enhanced China Minmetals’ exercise of its social responsibility in Australia but also created a favorable external environment for sustainable development in the country, continuously promoted common progress in corporate development and local economic growth, and pursued sustainable economic, environmental and social development in Australia.



— Zhang Shoulian, China Minmetals’ Chief Representative in Australia and New Zealand

China Minmetals Corporation has a long history of business activities in Australia. In the early 1980s, upholding the principle of “friendly cooperation for mutual benefit and win-win” , China Minmetals set up its branch company in Australia for import and export businesses. With the progress of corporate transformation, China Minmetals had done tremendous work in the exploration and development of mineral resources in Australia, including the ALCOA Project and the acquisition of OZ Minerals Ltd’ s main assets in 2009. As of the end of 2010, China Minmetals had a total of four enterprises in Australia: Minmetals Australia Pty. Ltd. ( “Minmetals Australia” ) and Minerals and Metals Group( “MMG” ) in Melbourne, Sino Mining International Limited in Sydney and Janfair Pty. Ltd. in Brisbane, engaged in trade, mineral development, real estate and other fields.



- ★ Headquarters of China Minmetals
- MMG Operation
- China Minmetals' Enterprises in Australia
- ▲ MMG Development Projects

## 1. Minmetals Australia Pty. Ltd.

### *Building a bridge of trade between China and Australia through responsibility*

In the 23 years since its founding, Minmetals Australia Pty. Ltd. has carried forward the philosophy of "equality, mutual benefit, honesty and transparency" and commits itself to becoming a qualified corporate citizen, promoting social and economic development in Australia, building a bridge of trade between China and Australia through responsibility, bearing witness to the deepening positive cooperation and progress of China-Australia relations.

We always regard responsibility as the conscience of enterprises. We are not only responsible for business growth and employees, but also for our partners, local communities and the environment. We therefore pursue business growth and strive to tap opportunities for the complementarity of advantages between China and Australia in the ferrous metal trade field. We take employees as a precious asset of our company, care about them and are loyal to them. We have cooperated, achieved win-win outcomes and progressed together with our business partners. We have co-existed and progressed with local communities in harmony.

We are full of confidence in the future of the company, and will continue to promote the sustainable development of Minmetals Australia Pty. Ltd. and Australia as we have always done in the past. We will work with our partners and open up a better future for China-Australia economic and trade relations.

— Liu Zhilong, General Manager, Minmetals Australia Pty. Ltd.



## 2. MMG

We have strong support from China Minmetals Corporation that is underpinned by a mutual desire for transparency in all business operations and a commitment to taking sustainability seriously.

Our approach to ensuring we develop a sustainable business is three-fold. We recognise that we must nurture our relationships with our stakeholders, focus on financial market awareness and aspire to achieving technical excellence so that we may act quickly and decisively in a competitive market.

To achieve these aims we have implemented sound systems of corporate governance and, as a member of the International Council on Mining and Metals (ICMM) are proud to be able to highlight our management approach and performance with respect to the ICMM's 10 Principles.

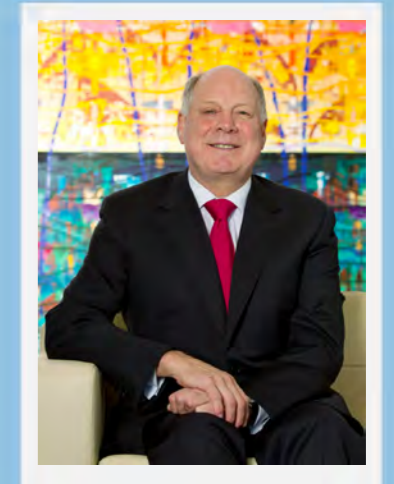
Further, we have introduced a business management system which now incorporates a risk management framework that has been modeled on the international risk management standard ISO 31000. This new framework will ensure risk management practices are continuously improved upon and robust controls are implemented to manage exposure and prevent unplanned events at all of our sites.

Our management team has worked concertedly to integrate health and safety into all aspects of our business activities and mining operations. I am pleased to report that in 2010 both the total recordable injury frequency rate (TRIFR) and the lost time injury frequency rate (LTIFR) were reduced. A zero harm policy is strongly endorsed at each of the Australian operations and all sites achieved ISO 14001 certification and top quartile performance against a sustainability index. While these results are promising, we will continue to strive for further improvements.

We remain committed to best practices in production standards, safety, operational excellence and environmental protection and as such, I would like to acknowledge that a particular focus of our efforts to manage environmental impacts has been to improve water management systems at our sites.

We look forward to continuing our close working relationship with CMC's subsidiaries. By continuing to share our knowledge, experience and insight we will be able to set future targets for sustainable development and work together to realize them.

— Andrew Michelmore, Chief Executive Officer, MMG



**MINMETALS  
AUSTRALIA Pty, Ltd.**

Founded in 1988, Minmetals Australia Pty. Ltd. ( "Minmetals Australia" ) is a trading company which mainly engages in international trade. It is a wholly-owned overseas subsidiary of China Minmetals Corporation. Leveraging the comprehensive strength of China Minmetals, Minmetals Australia primarily operates in the Australian and Chinese markets. Its products are also sold to New Zealand, South Africa, Chile and other countries and regions. Minmetals Australia's businesses mainly include: importing Chinese iron & steel products into the Australian market, exporting Chinese mine-used steel balls to South Africa and Chile, and exporting iron ore, coal and other mineral products to China. The company mainly trades in iron ore, mine-used steel balls, steel sheets, coal and other metal and mineral products.



In June 2009, China Minmetals successfully acquired, at a cost of US\$1.386 billion, the main assets (mainly including copper, lead, zinc and nickel ore assets) of OZ Minerals Ltd, then Australia's third largest polymetallic mining company and the world's second largest zinc producer, and created the new company Minerals and Metals Group (MMG) in Australia, which was fully incorporated into Hong Kong listed Minmetals Resources Limited in 2010.

MMG's mines include Century mine in Queensland; Golden Grove, a zinc, copper, lead and precious metals mine in Western Australia; Rosebery, a zinc, lead, copper and precious metals mine in Tasmania; the Sepon copper and gold operations located in Laos; the Dugald River deposit which is an undeveloped zinc, lead and silver resource in north western Queensland and the Avebury nickel project which is currently on care and maintenance. In the Nunavut Territories in Northern Canada, MMG is systematically exploring 2,000 square kilometres of granted tenements that surround the High Lake and Izok Lake projects.

### 3. Sino Mining International Limited

As the project company for Minmetals' Strategic Business Unit of Non-ferrous Metals overseas business, Sino Mining International Limited has successfully undertaken alumina procurement, outside of China sales and other agency businesses by actively leveraging its own advantages. Sino Mining International Limited adheres to good faith in carrying out operations by legal means, makes efforts to safeguard a fair, equitable and open market environment and strictly complies with the relevant laws and policies of Australia. Sino Mining International Limited governs its organization according to law, and takes effective precautions against legal risks, which has established a good image of Chinese enterprises on the international arena.

While achieving corporate growth, Sino Mining International Limited also focuses on the career development for its employees, and expands development space for employee by actively providing training opportunities for its employees to foster their personal career development, firmly committing to the common progress of the company and its employees.

Sino Mining International Limited attaches importance to its public image and has fulfilled its social responsibility. The company is enthusiastic about public welfare and has actively repaid society. Whenever major natural disasters occur in China or Australia, Sino Mining International Limited will mobilize all its employees to make donations, take part in disaster relief through various channels and readily fulfill their social responsibility. The company has long maintained close contact with the Chinese Embassy and the China Chamber of Commerce in Australia and actively participated in creating a harmonious environment for overseas Chinese communities, making the harmony and win-win outcomes of the enterprise and society an important part of its corporate mission.



— Li Liangang, President, Sino Mining International Limited



Set up in February 1995, Sino Mining International Limited was originally wholly owned by the former China National Non-ferrous Metals Industry Corporation. In 2000, Sino Mining International Ltd, together with China National Nonferrous Metals Industry Trading Corporation, was incorporated into China Minmetals. In 2005, its assets were incorporated to Minmetals Aluminum Co., Ltd and their capital together was injected into the Hong Kong Listed Company, Minmetals Resources Ltd.

Sino Mining International Ltd is a project investment and management company. The main business is an annual supply of 400,000 tons of alumina from ALCOA (NYSE listed), the world's biggest alumina producer, for a term of 30 years with 240 million US Dollars investment. The contract helps Sino Mining International Limited to avoid price fluctuations in the international alumina spot market. Sino Mining International Limited has been a pioneer in this contractual model of output buyout. It provides a new way of thinking for Chinese mining companies to carry out capital operations overseas while bringing considerable investment returns to Sino Mining International Limited.

### 4. Janfair Pty Ltd

In the past twenty years not only have we witnessed the rapid growth of Southeast Queensland but also been proud to be part of it by providing quality and diversified residential real estate products to the local community, in an effort to help people achieve the lifestyle they desire while creating values to our customers. Keeping in mind to contribute to our community, we promote public welfare activities by combining with our business operations. We believe that from little things big things grow. A stable and healthy business would allow us to do more in return.

We look forward to working with the local community to realize a harmony among our mother nature, society and our business. We are on our way to a sustainable future.



— Cai Kangli, Managing Director, Janfair Pty Ltd.



Incorporated in 1989 Janfair Pty Ltd is a subsidiary of China Minmetals Hong Kong (Holdings) Ltd operating in Australia. Since its establishment Janfair has been committed to real estate industry in southeast Queensland with sixteen projects completed so far from land subdivision to multi-unit dwellings. Janfair will continue its effort in providing quality products and services to the local community.

# Approach to Sustainability

## (I) Sustainable Development

### 1. Philosophy of Sustainable Development

Cherish Limited Resources and Pursue Sustainable Development

### 2. Vision of Sustainable Development

Building a responsible Minmetals and co-creating a bright future

### 3. Connotations of Sustainable Development

To better meet the expectations of its stakeholders, China Minmetals has been performing its social responsibility in every aspect of its global operation. The Corporation attaches great importance to environmental protection, cherish and use limited resources in a reasonable way, dedicating itself to the career of becoming a leading mineral resource supplier in China, a responsible global enterprise with optimized mineral resource allocation. By way of sustainable operations, China Minmetals focuses on safety and health of employees and suppliers, commits itself to environmental protection where it operates, respects human rights and labor, promotes harmony and win-win in the community, works shoulder to shoulder with stakeholders for the realization of the sustainable development vision of Building a Responsible Minmetals and Co-creating a Bright Future.

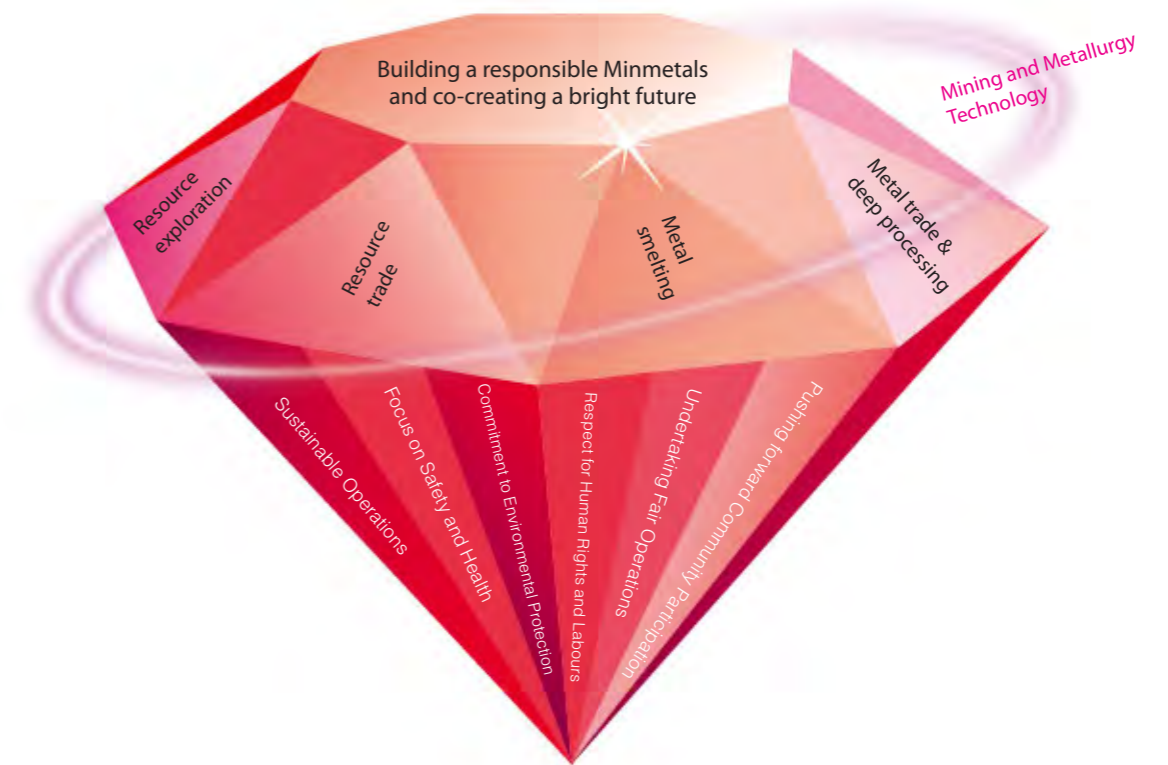
The concept of global sustainable development of China Minmetals can be vividly summarized in the Diamond Model as in next page.

### 4. Philosophy of Global Operation

"Thinking Global, Acting Local"



the Diamond Model of China Mimetals' Sustainable Development



<p><b>Sustainable Operations</b></p> <p>China Minmetals strives to carry out sustainable operations. The company provides products and services to meet an increasing demand for mineral resources whilst generating value for stakeholders.</p>	<p><b>Focus on Safety and Health</b></p> <p>Workplace health and safety is integrated into all aspects of our business activities and mining operations. It is a fundamental part of everyday business for our people. China Minmetals continues to strengthen the management of health and safety issues across the business, build and enforce a long term mechanism health and safety management and improve the health and safety performance.</p>	<p><b>Commitment to Environmental Protection</b></p> <p>China Minmetals is committed to protecting the environment where it operates and reducing its impact on the environment as far as possible.. The Corporation aims to use resources responsibly and comprehensively and provide a more green environment for sustainable development.</p>	<p><b>Respect for Human Rights and Labours</b></p> <p>China Minmetals respects human rights and labours,. China Minmetals supports the international code of human rights, creates an equitable employment environment, and endeavors to achieve the common sustainable development of the enterprise and its stakeholders, including all employees.</p>	<p><b>Undertaking Fair Operations</b></p> <p>China Minmetals persists in transparent, fair and honest operations, engages in equal and mutually beneficial cooperation with stakeholders, opposes all forms of corruption and bribery and strives to achieve harmony, win-win outcomes and common development with partners.</p>	<p><b>Pushing forward Community Participation</b></p> <p>China Minmetals carries forward the values of "honesty, responsibility, innovation and harmony" and strives to support sustainable community development, improve community residents' lives and promote social and economic development in local communities.</p>
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## (II) Sustainable Development Policies

As a responsible multinational company, China Minmetals is committed to operating responsibly. It strives to integrate into its global operations the seven major principles of social responsibility as set out in the international standard, ISO26000. These are accountability, transparency, ethical behavior, respect for stakeholder interests, respect for the rule of law, respect for international norms of behavior, and respect for human rights. China Minmetals has long been committed to providing superior products and services to customers worldwide and promoting the sustainable development of the global economy. Meanwhile, China Minmetals also strives to integrate into local communities and promote local economic development.



Since operated in 1980s, China Minmetals maintains legal registers to identify and manage our legal obligations with regards to applicable laws and regulations, in order to carry out operations in a way that shows responsibility towards the local economy, society and environment. The Corporation has promoted its integration and common progress with local communities in Australia, continues to work towards harmonious co-existence with local stakeholders and makes contributions to Australia' s sustainable development.

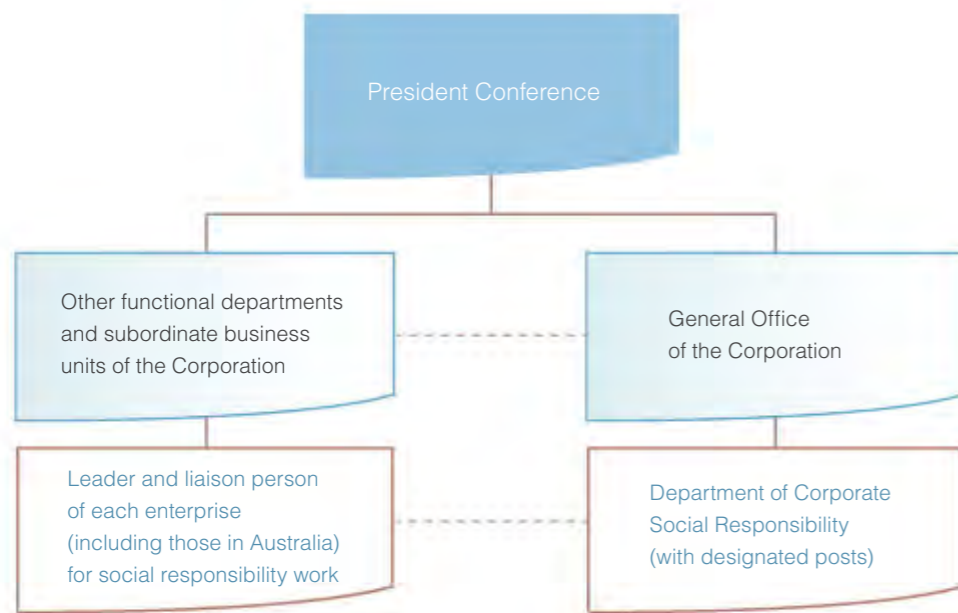
In accordance with the Corporation' s global sustainable development philosophy and with guidance and support from the concerned departments at its Headquarters, all of China Minmetals' enterprises in Australia have carried out sustainable operational activities.



### (III) Sustainable Development Management System

China Minmetals attaches great importance to corporate social responsibility. To ensure the orderly and efficient implementation of social responsibility work, the Corporation has established an organization for social responsibility management. The President Conference is in full charge of social responsibility work at the Corporation, and is responsible for examining and verifying major issues of concern to stakeholders. China Minmetals has also set up a corporate social responsibility work department to be responsible for the promotion and implementation of social responsibility work at the Corporation, and for the organization and coordination of social responsibility work in all functional departments and (major) subordinate business entities. All the functional departments and (major) subordinate business entities have strengthened a system of "leaders and liaison persons for corporate social responsibility for corporate social responsibility work", engaged in communication and cooperation with stakeholders in daily work and carried out relevant social responsibility activities.

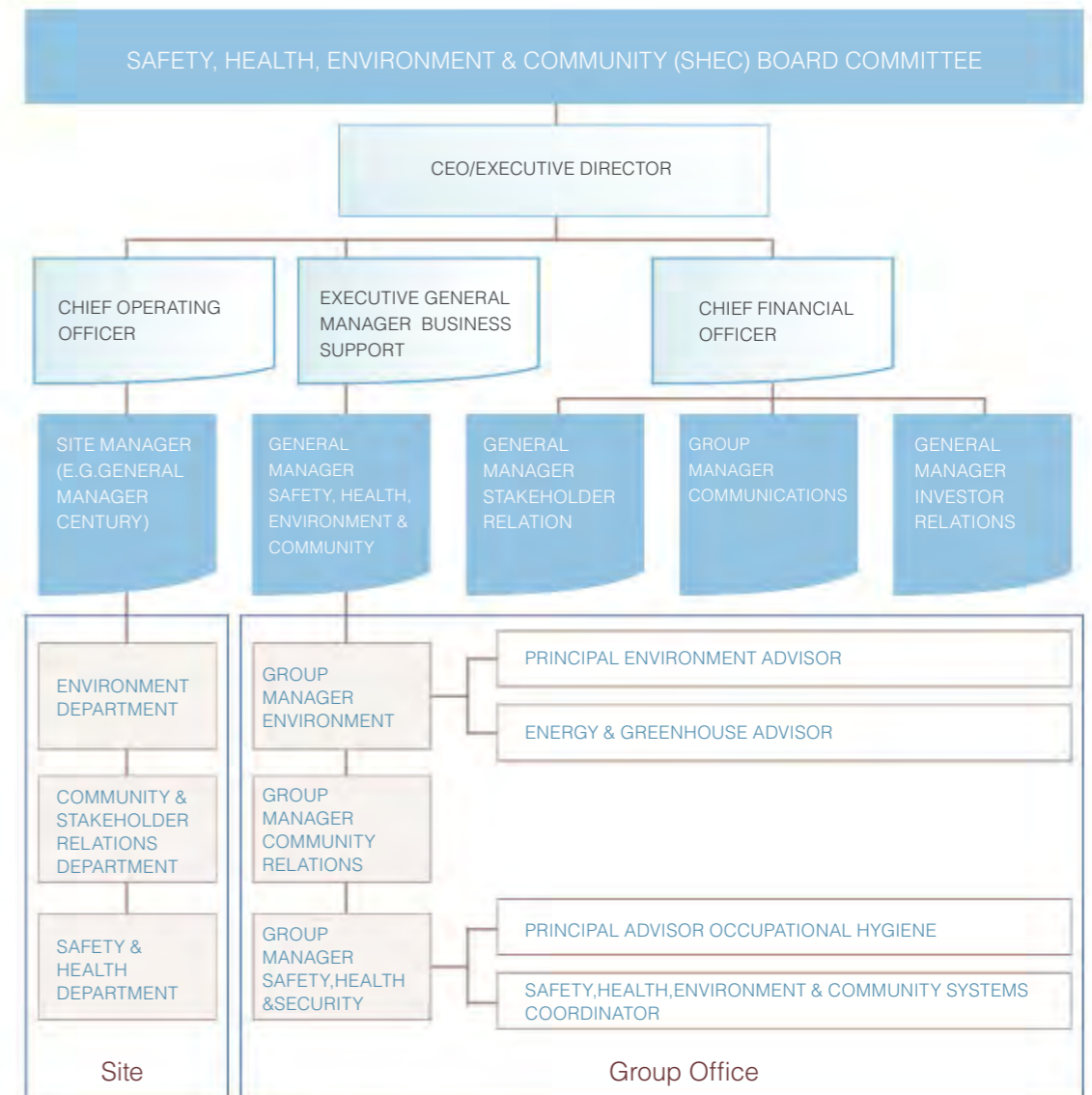
Organizational Chart of China Minmetals Corporation for Corporate Social Responsibility Management



China Minmetals' enterprises in Australia have a comprehensive support structure in place to ensure that sustainability is implemented throughout the business. Leaders and liaison persons are assigned with responsibilities for managing corporate social responsibility work.

In MMG, Board level committees provide direction and guidance on the management of sustainability issues at a senior management level. For example, the Board Safety, Health, Environment and Community (SHEC) Committee meets quarterly to review safety, health, environmental and community matters arising from MMG activities as they affect employees, contractors and the communities in which we operate. The Board SHEC Committee also focuses on improving the overall SHEC strategy, such as building corporate SHEC management systems based on international standards, such as ISO 14001 for environmental systems and OHSAS 18001 for occupational health and safety management systems. SHEC networks are also active, engaging SHEC professionals across operational, exploration and development activities. SHEC networks have monthly discussions and meet periodically at MMG sites to discuss company-wide SHEC performance, strategy and planning.

Organizational Structure to support the integration of sustainability across MMG












# Stakeholder Communication and Engagement

China Minmetals has realized that it is an important foundation of achieving sustainable development to properly manage its relationship with stakeholders. In its daily work, the Corporation has established stakeholder engagement mechanisms, smoothed out communication channels, guaranteed stakeholders' rights of information, supervision and participation and improved stakeholders' satisfaction to achieve the coordinated development of economy, society and environment and maximize the integrated value of the company.

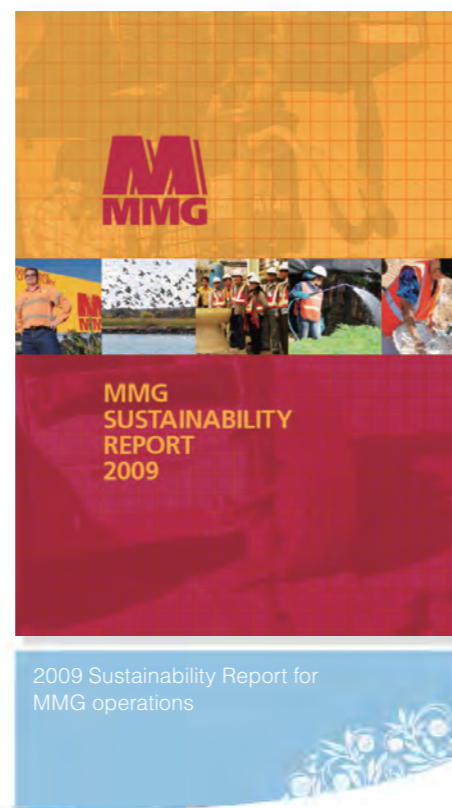
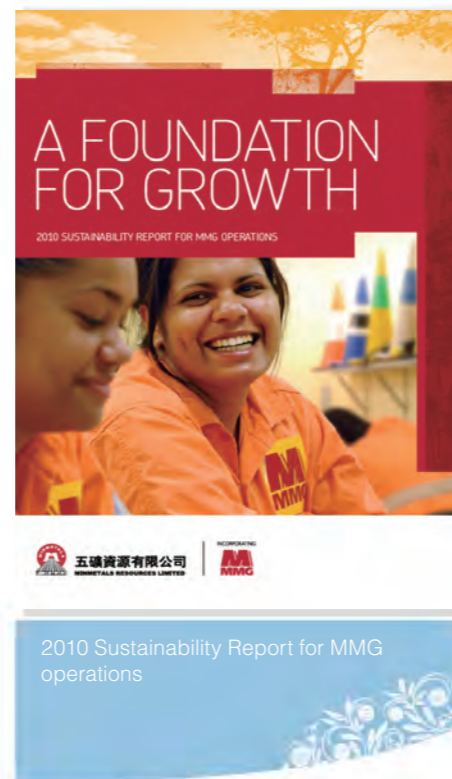
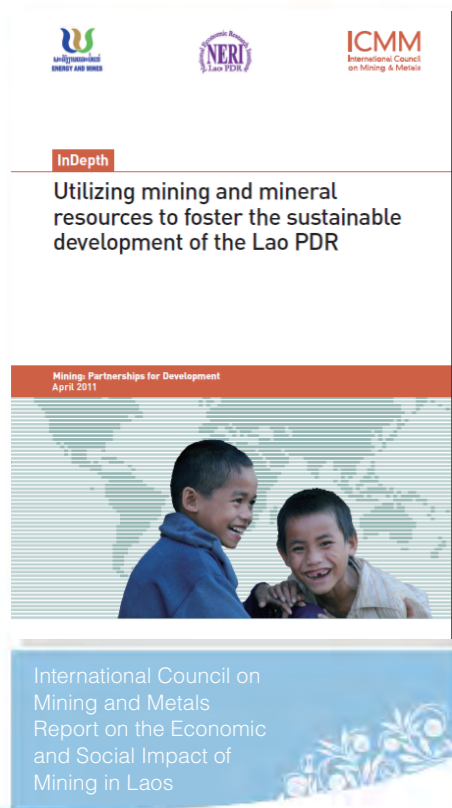
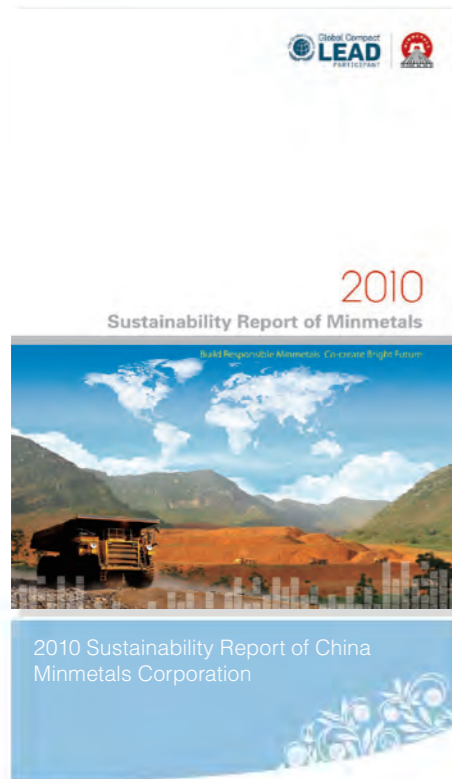
## (I) Stakeholder Engagement Mechanisms



## (II) Communication with Stakeholders

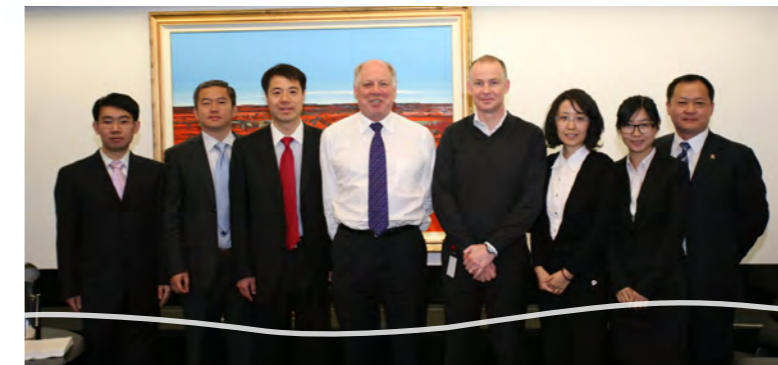
Stakeholders	Expectation and Requirements	Method of Engagement
 Governments	Promoting local economic development, attending to the society and livelihood, protecting the ecological environment, focusing on work safety, payment of taxes and royalties	Submitting reports, visiting government departments, working in close cooperation with the government, appointing a General Manager of Stakeholder Relations
 Employees	Protecting the rights and interests of the employees, providing equal job opportunities, improving the channels for career development of employees, caring for employees, providing a safe and healthy work environment	Employees perception survey, regular communication, internal reporting system, flexible working arrangements, training and development, quality training, development of an annual Safety and Health business plan
 Communities	Promoting the sustainable development of community, supporting public welfare programs, increasing employment opportunities for local communities	Holding seminars, community perception surveys, community publications, signing community agreements, appointing a "Cultural Protection Observer", establishing a "Community Trust Fund", community training
 Suppliers	Abiding by business ethics, laws and regulations, establishing long-term cooperation, realizing mutual benefit	Signing cooperative agreements, executive meetings, bidding activities, daily business communications, regular visits, ratings by vendors, satisfaction survey, responsible procurement
 Customers	Operating in good faith, working towards mutually beneficial outcomes, providing quality products, attending to customer's needs, improving service quality	Regularly visiting customers, day-to-day communication, customer satisfaction survey, ratings by customers
 Industry peers	Abiding by business ethics, laws and regulations, fair operation, win-win cooperation	Regular working conferences, signing cooperative agreements
 Environment	Abiding by environmental laws and regulations, operating in a transparent manner, water conservation, protecting biodiversity at mines, rehabilitating land, reducing GHG emissions, implementing sustainable mining	Conducting annual ISO14001 surveillance audits, drawing up company-wide environmental standards, implementing biodiversity management plans, submitting emission load of GHG and energy consumption, developing water balance models, holding the mine closure planning seminar, compiling the closure planning guideline
 Investors and Creditors	Increasing the value of the corporation, mitigating risks, operating on a stable basis, servicing debt on schedule, maximising shareholder return	Providing accurate and immediate information disclosure, conducting regular visits, producing annual, interim and quarterly reports, conducting meetings of shareholders
 NGOs and NPOs	Protecting the community environment, supporting social organizations, operating in a transparent manner, supporting environmental protection and other public welfare programs	Undertaking cooperative agreements with NGOs, organizing and attending activities of industry associations, participation in activities benefiting social development

By regularly releasing sustainability reports and other ways, China Minmetals Corporation and its enterprises in Australia actively communicate with stakeholders and achieve transparent operations.



Feature: Survey and Research in Australia

Understanding the expectations and demands of its stakeholders is a part of China Minmetals' regular work to promote its sustainable development. From June 11 to 25, 2011, China Minmetals' Social Responsibility Management Department and the Global Compact China Network Center jointly formed a survey and research team, which embarked on a trip to Australia to investigate the status of social responsibility fulfilled by China Minmetals' enterprises in Australia. The survey and research team visited Minmetals Australia Pty. Ltd., MMG, Sino Mining International Limited and Janfair Pty Ltd, and communicated with over 40 employees of these enterprises. Meanwhile, the survey and research team also conducted interviews with the external stakeholders of these enterprises, mainly including the Global Compact Australia Network, Bank of China Sydney Branch, Minerals Council of Australia, Museum of Chinese Australian History Inc and more than a dozen institutions. During the stay in Australia, the survey and research team members distributed 22 questionnaires and collected 21 of them. Through these interviews, the survey and research team gathered objective information on stakeholders' evaluation of social responsibility fulfilled by China Minmetals' enterprises in Australia as well as their expectations for future social responsibility fulfillment, and discussed core issues of sustainable development and measures and methods for improving stakeholder management.

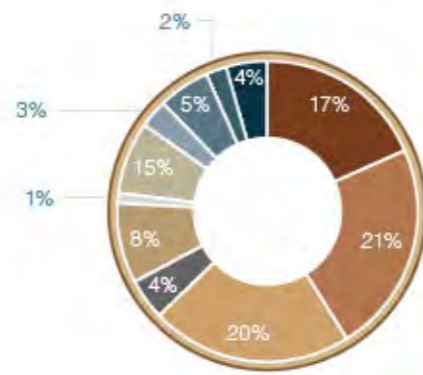
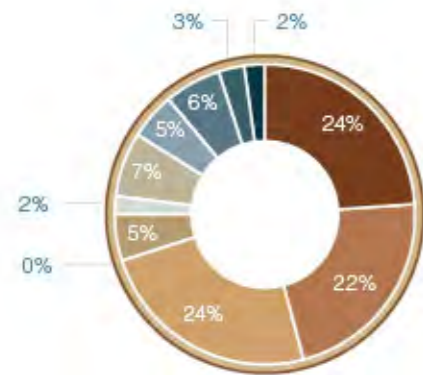


- |   |   |
|---|---|
| 1 | 2 |
| 3 | 4 |
1. Taking photos with staff of China Minmetals' enterprises in Australia
  2. Interviews with Australian local media and press representatives
  3. Video-conferencing with employees of Rosebery
  4. Discussions with external stakeholders, including the Global Compact Australia Network, Xstrata, Banarra, etc..

Through the questionnaires, we have learned:

Regarding the survey question “What kind of stakeholders expressed their CSR requirements to the company”, “Government”, “Employee” and “Local Community” received the largest number of selections by the correspondents. This shows that these stakeholders should receive more attention from China Minmetals’ enterprises in Australia. Regular visits should be made to learn about their needs and corresponding measures should be formulated to meet such needs.

Regarding the ranking of “Importance of stakeholders”, we listed the top 5 possible stakeholders. Survey results showed that “Employee”, “Local Community”, “Environment”, “Government” and “Suppliers” were considered the most important stakeholders by employees.



■ Government   
 ■ Local Community   
 ■ Suppliers   
 ■ Environment   
 ■ Media   
 ■ Client  
■ Employee   
 ■ Industry Peers   
 ■ Research Institute   
 ■ Financial Institute   
 ■ NGO



**Case: Minmetals Australia Actively Supporting Australia-China Chamber of Commerce**

Minmetals Australia has given continued support to the Australia-China Chamber of Commerce, by actively sponsoring and taking part in its activities to facilitate the development of Sino-Australian economic and trade relations, and exchanges between Chinese and Australian enterprises. General Manager Liu Zhilong of Minmetals Australia has been the executive director of the chamber since its establishment and was the vice president of the chamber and president of its Melbourne Branch.

General Manager Liu Zhilong of Minmetals Australia speaking at a meeting of the Chamber of Commerce

### (III) Memberships with Major Social Organizations

Name	Position
UN Global Compact	Member
Australia China Chamber of Commerce	Vice Chairman, which position is held by General Manager Liu Zhilong of Minmetals Australia and President Li Liangang of Sino Mining. And Liu Zhilong is also Chairman of ACCC Melbourne Branch.
Australia China Business Council	Member
Australasian Institute of Mining and Metallurgy (AusIMM)	Member
Business for Social Responsibility (BSR)	Member
Business Council of Australia (BCA)	Member through MMG CEO Andrew Michelmore. Andrew Michelmore is a BCA Board member and member of the BCA Global Engagement Taskforce.
Chinese Museum of Australia	Major sponsor
Clunies Ross Foundation	Member/sponsor
The Chamber of Minerals and Energy of Western Australia	Member
International Council of Mining and Metals	Member
International Zinc Association	Full member
Zinc Saves Kids (initiative of the International Zinc Association)	Sponsor
Melbourne Mining Club	Member/sponsor
Minerals Council of Australia	Member. MMG CEO Andrew Michelmore is a Board member and Chair of the Sustainable Development Committee.
Australia Iron and Steel Institute	Member
Queensland Resources Council	Member
Tasmania Mining Association	Member



Bank of China has cooperated with China Minmetals for many years. In its acquisition of Australian enterprises, China Minmetals has demonstrated the professionalism and global vision of an internationalized enterprise in terms of target selection, timing and handling of details. China Minmetals is a valuable and trusted partner.

—Calvin Fan,  
Head of Corporate Banking  
Department, Bank of China Limited  
Sydney Branch



China Minmetals’ enterprises in Australia operate in a transparent manner and fulfill their social responsibility in actions.

— Gavin Collery, Melbourne Mining Club



# Sustainable Operation



*Contributing to Local Economy*

*Responsible M&A*



Upholding the concept of "mutual benefit, common development" and following the guidance of "thinking global, acting local" in its global operations, China Minmetals Corporation promotes the sustainable development of the global economy by continuously enhancing its capability of sustainably creating value, supports the economic and social development of local communities actively, implements the requirements of the UN Millennium Development Goals and shares the fruits of development with the localities of its operations.



# I. Sustainable Operation

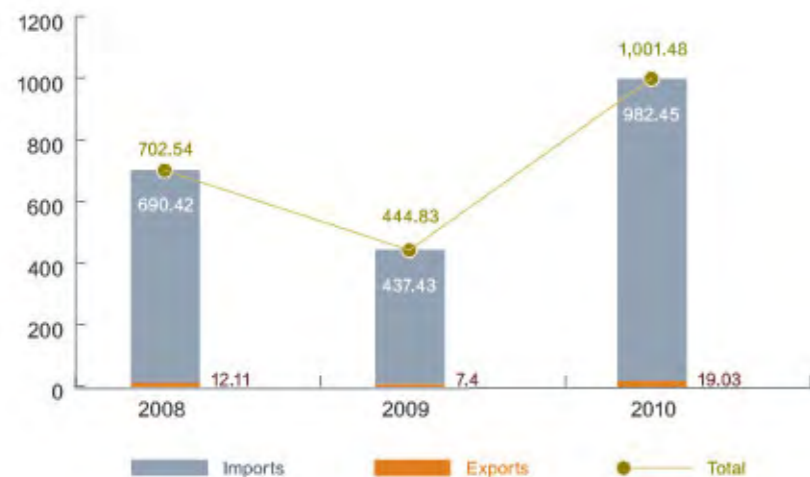
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## (I) Contributing to Local Economy

China Minmetals has operated in Australia for more than 20 years. Through the development and trade of basic minerals and metals, it has actively worked to strengthen bilateral economic and trade relations between China and Australia. In 2010, China Minmetals recorded a total of USD1,001.48 million dollars in its gross trade value with Australia, and its mineral product trade volume stood at 5.9202 million tonnes. In 2010, 845,636 tonnes of Zinc, Copper, Lead and 7,668,709 ounces of Gold and Silver were produced from its Australian operations, contributing significantly to Australia’s economic growth.

2008-2010 Import & Export Trade of China Minmetals with Australia (in million USD)



gross trade value (million dollars)

**1,001.48**

product trade volume (million tons)

**592.02**

Zinc, Copper, Lead (tonnes)

**845,636**

Gold and Silver (ounces)

**7,668,709**

Note1: Imports mean the trade value that China Minmetals imports goods from Australia to China.

Note2: Exports mean the trade value that China Minmetals exports goods from China to Australia.

Note3: In 2009, China Minmetals saw a decrease in its trade with Australia due to the impact of the global financial crisis.

Key Performance Indicators of China Minmetals' Enterprises in Australia (in million USD)		
Indicator	2009	2010
Business Revenues	1,261.25	2,456.64
Total Assets	2,520.7	2,832.73
Tax Payments	18.66	138.11
Total Profits	200.19	585.02
EBITDA	393.9	1,038.53
EBIT	227.34	735.39
NPIT	209.6	456.34



### Minmetals Australia

In the face of the global financial crisis and a changeable market in 2010, Minmetals Australia successfully followed China Minmetals' overall strategy as well as its own strategic plans, and adopted the guidelines of risk prevention, cautious operation, proactive thinking and tapping business opportunity to strengthen market research and forecast, look for new business opportunities in tremendous market changes, develop new commodities and expand business fields, over-fulfilling its pre-set business targets.



### MMG

Eighteen months after the acquisition, MMG is focused on the operations of the company and overcome the issues it faced during the global financial crisis. Seizing the opportunity of a fast rebound in metal prices, the company achieved outstanding production and operational results, maintaining its place among the world's top three zinc concentrate producers and retaining its status as a leading producer of copper, copper concentrate, lead concentrate and gold in the industry.



### Sino Mining

Sino Mining International Limited strives to perform well in all its operations, including alumina project value preservation, alumina project cost management, alumina trade agency and corporate cash management and has played its due role in helping Minmetals to maintain its position as China's largest alumina importer and distributor. Sino Mining International Limited has also made active contributions to meeting Chinese non-ferrous enterprises' raw material demand, stabilizing supply prices in the Chinese market and safeguarding alumina trade between China and Australia.



### Janfair Pty Ltd

Stillwater Condo project, which was developed by Janfair Pty Ltd, is located on Hope Island north of the Gold Coast and generally recognized as a high-end residential community in Australia, with a total building area of 22,041m<sup>2</sup>, 70% of which has been sold and delivered to the end of 2010.

 Case

According to a report of the Lao Economic and Social Daily, in the period 2003~2009, Sepon Mine operated by China Minmetals in Laos contributed about 8.2% of the GDP and 20% of the national budget of the country and paid \$430 million in taxes to the Lao Government.

In 2010, Sepon Mine contributed 5% of Lao GDP directly and 2% indirectly. The \$500 million in revenues it contributed to the Government enabled the Government to spend more on education and health. China Minmetals has blended the mining industry into the local economy, thereby giving it more value. Sepon Mine provides local commerce with opportunities such as food supply, traffic services and energy contracts, increasing the annual income per capita from \$60 in 2001 to \$500 today.



China Minmetals attaches great importance to providing its Australian-based enterprises with guidance and support in relation to sustainable development to enhance their capability in this regard. The head office guides these enterprises in strategic operations and provides timely support, including funds and personnel etc., to help them improve management in fields such as production, safety and environment. They are supported to carry out operation activities prudently, ward off risks effectively, intensify mutual cooperation and collaboration and continuously improve their ability to serve local economic and social development.

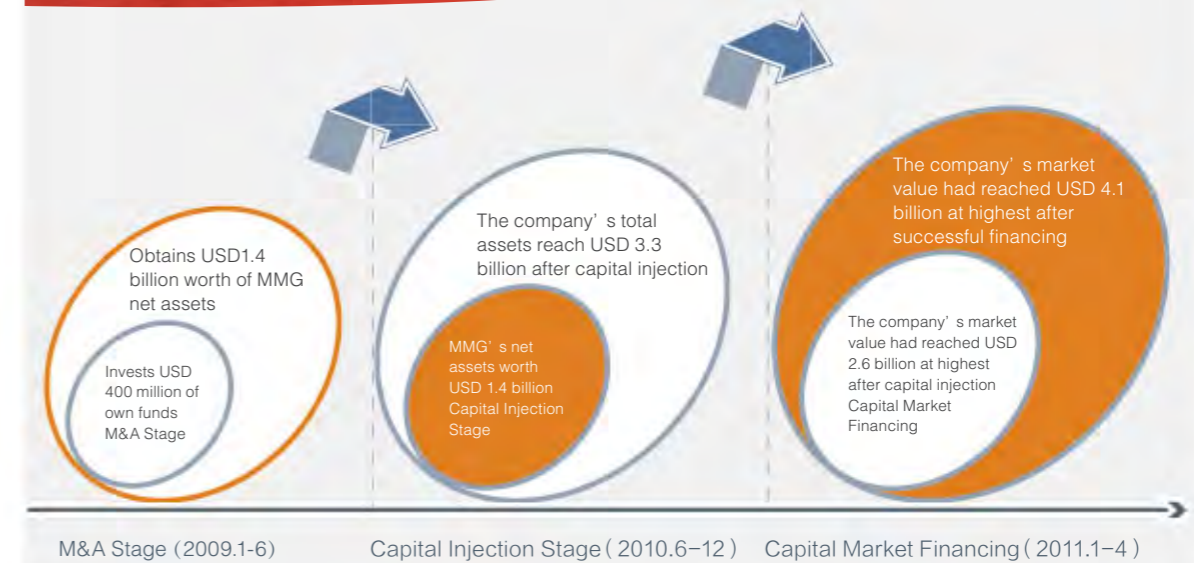
*China Minmetals invested all the profits made by MMG in 2009 into MMG's own business, showing its strong support for MMG.*

— Andrew Michelmore, CEO of MMG

 Case

On 31 December 2010, Minmetals Resources Co., Ltd., a subsidiary of China Minmetals listed in Hong Kong, successfully acquired MMG. The acquisition fulfilled China Minmetals' commitment to have the assets of MMG in a listed company once again and carve out space for the future development of MMG through the capital market.

More importantly, the activity has greatly enhanced China Minmetals' impact and overall image on the international mining market and capital market, generated a new platform for international resources development and financing and created the potential for sustainable development.



*Capital growth effect following the formation of MMG by the Group*

**CMN's acquisition of MMG set several records:**

- Was large scale - The object of transaction reached US\$1.846 billion;
- Involved complexity - Assets are distributed in Asia, Australia and North America, involving examination and approval in multiple localities, e.g. Beijing, Hong Kong, Australia and Singapore;
- Had a wide range of team members - China Minmetals, China Minmetals Nonferrous Metals Co., Ltd. ("CMN"), Minmetals Resources Co., Ltd. and MMG;
- Involved a large number of institutional investors - More than 100 international investors distributed all over the world;
- Held an extensive road show - Nearly 80 road show activities were held in ten cities in Asia, Europe, North America and the Middle East in a period of just eight days

Case

Minmetals Australia Taking Part in Local Seawater Desalination Project

In August 2009, the Australian Government decided to build a seawater desalination plant near Melbourne, which is expected to be commissioned in 2011. Minmetals Australia has followed the progress of the project ever since its initiation and finally succeeded in having Benxi Steel Group Corporation included in the list of raw materials suppliers, where it is to supply 11,000 tons of products. In strict alignment with the progress of the project, Minmetals Australia completed the shipment of all products on schedule in three batches from October 2009 to the end of March 2010 according to the standard for quality and quantity. Minmetals Australia then provided careful follow-up services during the subsequent processing, use and installation of the products, winning the praise of TYCO and the project owner.



Site of water pipes



Aluminum Oxide  
Transportation – through  
Minmetals Aluminium and Sino  
Mining International



Stillwater overview

Guided by the overall development strategy of China Minmetals, the Australian-based enterprises have strengthened business collaboration among themselves and with the other enterprises of China Minmetals. For example, Minmetals Australia became the supplier of the raw and auxiliary materials for the mining production of MMG. This stepped-up bilateral cooperation has produced a win-win result.



Minmetals Australia signing a cooperation agreement with MMG

Case

Minmetals Australia has always cooperated closely with the former Minmetals Steel company and China Minerals under China Minmetals on the import of raw materials and the export of steel, and has organized the trips made by groups of foreign businessmen to Yingkou Medium Plates, Changshu Sing Tao and other enterprises for technical exchanges to promote the export of relevant products.

(II) Responsible M&A

*History of Acquisitions*

- 2010**  
As of the end of December, MMG has been successfully operating for 18 months, with its production capacity having restored to the peak level of former OZ Minerals Ltd. It has successfully maintained its position as one of the world's leading producers of such key metals as copper, lead, zinc, gold and silver.
- 2009**  
In June 2009, MMG was officially established, which becomes a wholly owned subsidiary of China Minmetals Non-Ferrous Metals Co., Ltd., marking the final closing of China Minmetals acquisition of partial assets of Australia's OZ Minerals Ltd.
- 2008**  
Former OZ Minerals Ltd encountered financial difficulties and its market value drop. In December 2008, China Minmetals expressed its intent to acquire OZ Minerals Ltd.
- Before 2008**  
China Minmetals established a strategic partnership with former OZ Minerals Ltd.



1. Mergers & Acquisitions




In June 2009, China Minmetals acquired the majority of assets of OZ Minerals Ltd in Australia. During the process, China Minmetals emphasized the idea of mutual benefits, identified the advantages of OZ Minerals Ltd's resources and its own advantages in fund channels. The Corporation worked hard to build an internationalized platform from which it could carry out global development in the mining industry, whilst achieving mutual complementation and a win-win result for both parties.

China Minmetals made a number of undertakings to the Australian government regarding completion of the asset acquisition, all of which continue to be honored and included:

*China Minmetals is highly supportive of MMG management in its work and has great trust in us.*

— Andrew Michelmore, CEO, MMG

- The acquired assets operate independently against commercial objectives;
- The mining assets are operated through companies that are established, headquartered and managed in Australia, with management teams composed of local operations;
- Set up a management team that is headquartered in Australia and follow international benchmark prices and market rules
- Maintain or increase employment at the Golden Grove, Century and Rosebery mines in Australia
- Observe the relevant laws on Australian industrial relations and labor rights;
- Maintain and increase local employment; respect agreements with local communities.


## 2. Responsible Post Merger Integration Activities

After being established by China Minmetals, MMG's local operations have been guided by the idea of "integration with responsibility". Management and operation teams have been aligned so that the business operations of MMG have quickly established a reliable track record and played a role in promoting employment and economic development in Australia.



Based on its overall development strategy, China Minmetals wants MMG to develop into a company of diversified nonferrous metals and minerals that occupies a leading position in the world and acts as a platform of China Minmetals for overseas investment in nonferrous metals.

— China Minmetals President Zhou Zhongshu



Celebrating the first anniversary of MMG in June 2010

Much has changed since the formation of MMG in June 2009. The global economy and appetite for the commodities we produce has rebounded and continues to grow, driven by rapid urbanization in China.

Our operations have stabilized, our safety performance is improving, our environmental commitment has strengthened and we are now part of a Hong Kong Stock Exchange listed company Minmetals Resources.

Over the past two years we have built a solid foundation for growth, with the support of China Minmetals, a partner with a long term outlook and commitment.

We've achieved some significant milestones so far this year:




- Century achieved its best safety performance during the March 2011 quarter, and in November last year, the mine maintenance team recorded 1095 days without a Lost Time Injury.
- Golden Grove celebrated 20 years of operation; the Open Copper Pit project was approved and the Scuddles mine restarted.
- Rosebery celebrated 75 years of continuous mining and milling.
- Sepon's copper output was ramped up with the completion of the Copper Expansion Project.

—Letter of Congratulation from MMG CEO Andrew Michelmore to employees celebrating the second anniversary of MMG


### (1) Integration of Business

The process of the integration of China Minmetals and MMG was informed by a commitment to responsibility in communications. During the integration, China Minmetals adopted the model of "delegation and empowerment" for MMG and continued supporting of the work of MMG CEO Andrew Michelmore and his management team. China Minmetals provided MMG with a growth mandate, tailor made strategy and formulated a series of promotional measures to mobilize China Minmetals' resources in trade channels, production and processing. China Minmetals has also conducted all-round and in-depth internal business collaboration with MMG and achieved effective alignment with MMG in important management and control functions, such as the financial management system, the investment activity management system and the Safety, Health, Environment and Community (SHEC) management system. The integration has enabled MMG to realize 1+1>2 in business. MMG has continued to deliver strong production results and progress on its exploration and development portfolio. In 2010 MMG produced 845,636 tonnes of Zinc, Copper, Lead and 7,668,709 ounces of Gold and Silver.



Post Merger Integration Important Management and Control Functions	
Functional Field	Specific Measures
 <p>Financial Management System</p>	<ul style="list-style-type: none"> <li><b>Budget Management System</b> Screen, integrate and simplify the budget statements to be completed as required by China Minmetals, suggest ways for MMG to improve its budget management, draw on the best practices of MMG and gradually deepen the understanding and connection with the operation of MMG.</li> <li><b>Accounting and Statement System</b> In light of the differences in the accounting policies of China and Australia and the realities and requirements of overseas mine operations, MMG has formed accounting policies accepted by both parties, rationalized the relations between the investment and debt replacement of MMG and set up the financial reporting system for the new company.</li> </ul>
 <p>Investment Management System</p>	<ul style="list-style-type: none"> <li>Reviewed presentation materials relating to the investment management system of China Minmetals and answered questions from MMG which provided an adequate understanding of China Minmetals' investment management system and requirements.</li> <li>Carried out widespread exchanges and mutual learning in a wide range of aspects, including investment strategy and planning, investment types and characteristics as well as the investment budget and principles for compilation, internal project demonstration, review and decision-making processes, implementation management and after-implementation evaluation, internal control of investment and accountability.</li> <li>CMN set up a joint working mechanism with MMG in respect of large M&amp;A projects and new construction projects.</li> <li>The "Proposal for Optimizing the Examination and Approval Procedure of MMG Investment Projects" was made to take into account both China Minmetals' management requirements and the practices of the international mining industry, greatly improving the examination and approval efficiency of MMG investment projects and promoting the efficient implementation of MMG investment activities.</li> </ul>
 <p>Post merger Integration of Other Management and Control Tasks</p>	<p>The post merger integration also includes strategic reports, business risk management, submission of statistical statements, etc. The post merger integration was ensured through the efforts made to clarify the management needs of China Minmetals, fortify the foundation of data management and rationalize the workflow.</p>






## Case

### M-CUBE Project

Since the establishment of MMG, CMC has conducted a number of exchanges with MMG. In early 2010, CMN kicked off the M-CUBE Project, which stands for Minmetals, MMG and Management. The integration of the three "M" s can lead to further enhancement of our management. The project selected six management functions of MMG including employee training, strategic planning, financial management, risk management, work safety management and supervision of new engineering projects. The project team consisted of employees from related functional departments. Regarding it as an opportunity for learning and exchange, MMG has provided strong support and active cooperation for the project. The senior executives from MMG' s Business Support department took part in the entire process, while specially-designated persons were put in charge of different topic areas.

Closely revolving around the development strategy of CMN, the M-CUBE project team carried out rounds of exchanges of various forms with MMG early in the year and sent a delegation to Melbourne in mid July for onsite exchanges and systematic study of the advanced management experience and mechanism of MMG. The team has identified 11 aspects for continued focus including strategic representations, reporting system, risk assessment, project audit, security system, cost management, authorization management and training.






six management functions

- employee training
- strategic planning
- financial management
- risk management
- work safety management
- supervision of new engineering projects

3M


**(2) Integration of Personnel**

China Minmetals adheres to the culture of “people-oriented harmony and inclusion” that has taken shape over a long period of time. During the acquisition of OZ Minerals Ltd, China Minmetals maintained good communications with the board and executives of OZ Minerals Ltd under the principle of mutual respect and win-win cooperation, receiving strong support from them. After establishing MMG, China Minmetals retained the existing management team and employees under their pre-existing employment arrangements, terms and conditions. As for the ordinary employees of OZ, CMC thought about things from their perspective and protected their rights and interests. For example, CMC continued to employ them, stabilized frontline production and operations and resolved their concerns; for the managerial staff and core technicians, CMC drew up medium and long-term incentive mechanisms according to the market principles to increase their enthusiasm. Meanwhile, it also absorbs local aborigines into its workforce.

*China Minmetals' acquisition of OZ Minerals Ltd is like a marriage. The most important thing for marriage is understanding and trust.*

— David Lamont, Executive Director and CFO of MMG

*External comments: The Australian Government welcomes these practices of China Minmetals with regard to local employees. Wayne Swan, Australian Deputy Prime Minister and Treasurer, said: “By acquiring OZ Minerals Ltd, China Minmetals kept the jobs of nearly 2,000 Australians, which meets our principle of national interests.”*



**Case**

After China Minmetals' acquisition of OZ was announced, the employees of OZ in Laos misread the transaction information, believing that 1,000 low-cost Chinese workers would be sent to the mine to take their places. China Minmetals immediately sent its people to join Andrew Michelmore in communicating with the local employees of the Lao mine, repudiating the rumor and promising no layoffs.

**(3) HSE Integration**



China Minmetals actively pursues HSE integration. In the process of HSE reporting, the Corporation has explained its reporting system to MMG so that MMG is able to report its performance to the overall management system of China Minmetals. CMN compared notes with MMG in respect of HSE efforts by stages and in various ways to provide safeguards for the sustainable development of business. Meanwhile, through communications and exchanges, the best practices of MMG in SHE have been understood and popularized throughout China Minmetals, thereby enhancing China Minmetals' HSE management and achieving the mutual complementation of advantages.

China Minmetals always persists in green development and is committed to fulfillment of its responsibility for environmental protection. After the establishment of MMG, China Minmetals has implemented green integration and continues to enforce the strict standards of the former OZ for environmental protection, extending the focus of environmental protection to other mines outside Australia. For example, in Lao mines, China Minmetals conducts the monitoring of environmental protection performance for sewage and atmosphere according to Lao national standards and the principle generally accepted throughout the world, and has gradually established procedures of licenses for emission, land use and interruption. It devotes itself to developing a green mining industry and continuous land reclamation in the mines or the use of vegetation to stabilize the landform.




Green Sepon mine

**(4) Integration of Culture**


China Minmetals actively worked with MMG to explore ways for better integration on corporate culture and promptly disclosed information on the major activities of the Company on the MMG intranet. It has set up a mechanism for dialogue with employees to help them eliminate their doubts and concerns that may have arisen as a result of the transformation of the Company. China Minmetals carried out a number of exchange activities with MMG to strengthen mutual understanding. MMG invited Chinese employees of China Minmetals to Australia for training and seminar events and China Minmetals, continues to send selected young people with identified management potential to Australia for six months of experience as management interns. At the same time, MMG employees were invited to Beijing for the celebrations of the corporation's 60th anniversary and annual conferences. In 2010, China Minmetals launched a new project for personnel exchanges with Australia which have cemented the mutual trust between China Minmetals and MMG, enhanced communication, promoted the integration of culture and laid a solid foundation for the integration of employees, the business and its strategies.

MMG invited the Melbourne Confucius Institute to provide Melbourne based employees with a better understanding of Chinese culture with an understanding of Chinese language, history, culture and rituals. The half-day session available allowed employees to gain a proper knowledge of China and its culture and encouraged cross cultural awareness amongst employees. By increasing the exchange and integration of corporate cultures, China Minmetals has managed to express its own culture of “people-oriented harmony and inclusion” and achieve the effect of “1+1=1” in culture.



Confucius Institute at The University of Melbourne

Language Business Culture



MMG invited the Melbourne Confucius Institute to provide its Melbourne-based employees with an overview of Chinese language and culture.



MMG CEO Andrew Michelmore at the Spring Festival Gala of CMN

# 2

## Focus on Safety and Health



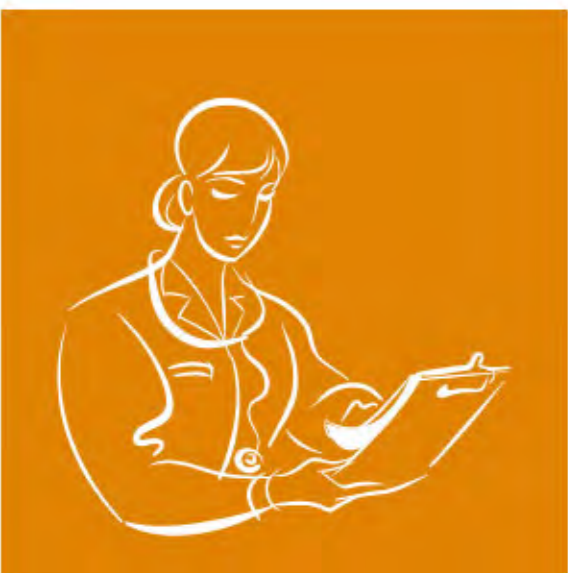
Policy and Objectives

Safety and Health Management System

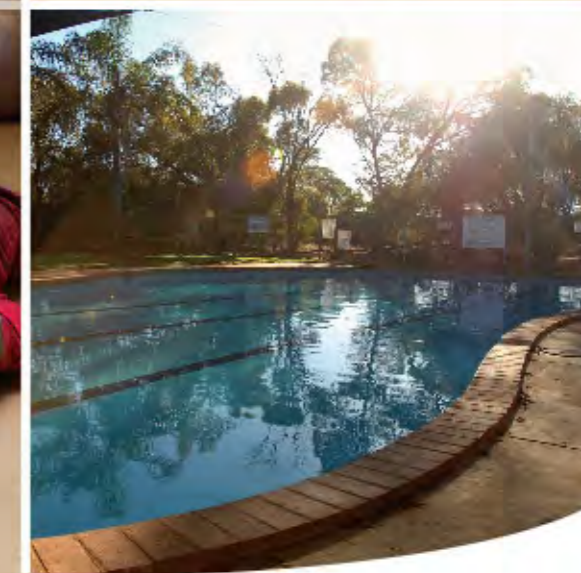
Safety Management Measures

Health Management Measures

Safety and Health Training



Work safety and the health of employees constitute the foundation for the development of an enterprise. Enhancing the level of safety and health of employees is an important guarantee for an enterprise to achieve sustainable and coordinated development side by side with the society. Adhering to the idea of "working safely, creating value and protecting our future", China Minmetals' enterprises in Australia earnestly implement China Minmetals' Provisional Regulations on Work Safety Management of Overseas Enterprises. We focus on the safety and health management of the entire value chain, regard the safety and health of employees and the community as the core value to be considered first, and infuse workplace safety and health into business activities and the operations of the mines. With a commitment to a "zero harm and fatality free" workplace as the goal of safety management, the enterprises work to improve the performance of safety management through a complete management system and effective safety training.



## II. Focus on Safety and Health

Work safety and the health of employees constitute the foundation for the development of an enterprise. Enhancing the level of safety and health of employees is an important guarantee for an enterprise to achieve sustainable and coordinated development side by side with the society. Adhering to the idea of "working safely, creating value and protecting our future", China Minmetals' enterprises in Australia earnestly implement China Minmetals' *Provisional Regulations on Work Safety Management of Overseas Enterprises*. We focus on the safety and health management of the entire value chain, regard the safety and health of employees and the community as the core value to be considered first, and infuse workplace safety and health into business activities and the operations of the mines. With a commitment to a "zero harm and fatality free" workplace as the goal of safety management, the enterprises work to improve the performance of safety management through a complete management system and effective safety training.



Safety display

### Safety and Health Culture Aims

- Empowering people to hold safety as a core value
- Reducing and eliminating unsafe acts
- Minimizing and removing unsafe conditions
- Seeking continuous improvement of safety management systems

### 3. Safety and Health Performance

In 2010, the overall injury performance of China Minmetals' enterprises in Australia has been consistent with industry peers, while the operations in Australia have continued to demonstrate performance well above the industry average. In the year, zero fatal accidents, 12 high fatality potential incidents and 86 significant safety incidents were recorded in the Australian enterprises in 2010. Mobile equipment incidents made up 57% of all significant safety/high fatality potential incidents.

The figures in the safety and health include employees from China Minmetals' enterprises in Australia and contractors.

### (I) Policy and Objectives

#### 1. Safety and Health Strategy

- Implement the guideline of "safety first, prevention foremost, comprehensive treatment" and promote work safety according to the principle of "investor leadership, investor responsibility";
- Require contractors to implement the same safety and health standards as those of China Minmetals' enterprises in Australia;
- Enhance risk control through business improvement and capital investment, and establish standards that address major risks;
- Maintain a unified understanding of safety and health endeavors and maintain excellent safety performance;
- Advocate a healthy working mode to blend health into the process of risk management and pay attention to off-the-job safety;
- Strengthen communication on safety culture and make sure that employees receive prompt and accurate feedback on safety issues;
- Exercise leadership, actively respond to safety and health challenges and implement zero harm management.

#### 2. Injury Prevention Principles

We have developed a set of Injury Prevention Principles to help guide thoughts, behaviours and decisions. They are:

- All incidents, injuries, fatalities and occupational exposures are preventable
- No task is so important that it cannot be done safely
- Management is responsible for creating and maintaining a safe work environment
- We are all responsible for preventing injuries to ourselves and others
- Everyone is empowered to stop unsafe behaviour
- We will promote off-the-job safety for our people



Safety and Health staff

#### (1) Total Recordable Injury Frequency Rate (TRIFR)

In 2010, there were 98 recordable injuries across the Australian enterprises, recording a reduction in the TRIFR from 6.3 injuries per million hours worked in 2009 to 4.8 in 2010.

6.3  
4.8



#### (2) Lost Time Injury Frequency Rate (LTIFR)

The average number of days lost per lost time injury also decreased during 2010, from a high of 52 days late in the final quarter of 2009 down to 8 days in the final quarter of 2010. The LTIFR was reduced from 1.0 in 2009 to 0.3 injuries per million hours worked in 2010.

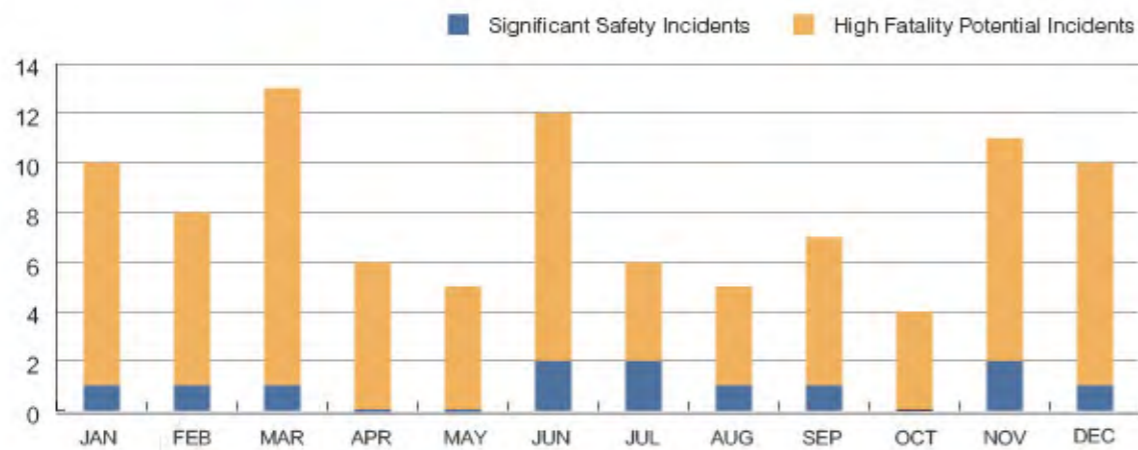
52 days  
8 days  
1.0  
0.3





(3) Number of Significant Safety Incidents and High Fatality Potential Incidents

Number of Significant Safety Incidents and High Fatality Potential Incidents in 2010



(II) Safety and Health Management System

1. Safety and Health System



2. Safety and Health Management System on Mine Sites

China Minmetals' enterprises in Australia have developed a complete set of safety and health standards to infuse safety and health into the decision-making process and operations through the implementation of an OHSAS18001-based comprehensive on-site safety and health management system for its mine sites.

4-Level Safety and Health Management System of Century's Mine



Key elements of the safety and health system of Century's mine

- **Communication and consultation:** Information about injuries and incidents readily available on noticeboards, intranet and in publications; Area and site safety committees used to identify safety issues and resolutions; Pre-shift and toolbox team meetings available for communication on injury and incident prevention; Our people receive timely and accurate feedback on safety issues;
- **Training and competency:** Actions Employees Can Take (AECT) training; Visible Leadership Training; Visitor, general and work area inductions; regular training opportunities;
- **Hazard and risk assessment:** Near Miss and Hazard reporting; Risk Assessments, including Job Safety Analysis (JSAs); Safety Observations; Take 5;
- **Reporting and data control:** Reporting and data management carried out in accordance with legislative requirements; Capturing of Events and Hazards in RIMS; Procedures, SWI and other documents recorded in the Document Management System (DMS);
- **Incident management, investigation and action:** Onsite medical assistance; Employee rehabilitation; Thorough incident investigations, which include Incident Cause Analysis Method (ICAM), 5 Whys and other investigative techniques; Significant Incident Briefs and Injury Alerts;
- **Emergency preparedness and response:** Onsite Emergency Response Team (ERT); Training and drills to prepare the ERT and broader site for emergency situations; Emergency Response competitions to practice rescue skills; Desktop emergency response training and scenarios.

Case

The MMG Century Safety and Health Department has identified the key safety and health risks for the organization through a continuous program of inspections, analysis of incident data and consultation with employees and stakeholders through the safety and health committees. On the basis of the key risks identified, the Safety and Health Department has developed standards and procedures on how to manage specific safety and health risks, such as confined spaces, contractor safety, ergonomics, hazardous substances, manual handling, and plant safety, and field work at height, high voltage electricity, explosives and radiation safety.





### (III) Safety Management Measures

#### 1. Orientation Safety Training

Before starting any task on a mine site, the employees will complete a pre-start. Where work is not standardized, covered by an existing safe work procedure, or where the circumstances call for a new risk assessment, an employee will complete a job-safety analysis which identifies specific safety equipment needed before starting work. This may include Personal Protective Equipment (PPE), guarding, signage etc.

**Case**

An operator working with a drilling tool must wear a safety helmet, earplugs, safety glasses (transparent), dustproof mask, safety boots and raincoat.



Operation of a tool

#### Exploration take 5:

Stop, think and plan a task prior to commencement or if conditions change.

**MMG TAKE 5 AND HAZARD REPORT**

This booklet contains safety information, Take 5 checklists to identify hazards; and hazard forms to report hazards.

For all tasks I will put myself in a safe position, and **STOP + THINK** to identify hazards and potential injuries.

**PREVENTING INJURIES**

**INJURY PREVENTION PRINCIPLE**  
No task is so important that it cannot be done safely.



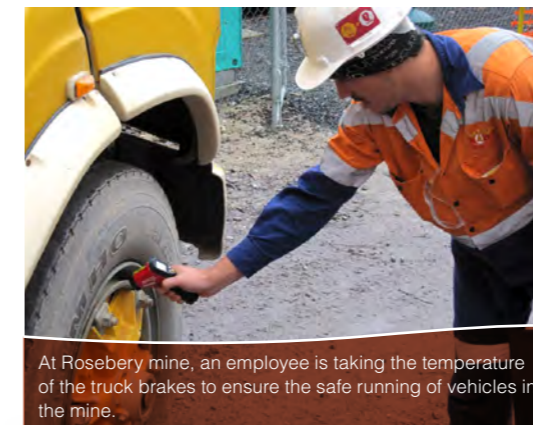

#### 2. Raise the Level of Safety

China Minmetals' enterprises in Australia put safety at the core of their operation activities. This enables them to raise the level of safety through innovations and draw up plans to address any safety problems that arise for the effective elimination of latent safety loopholes.

**Case**

**Safety innovation**

Heavy vehicle machinery at Century mine has been involved with a number of safety incidents. The Windrow Delineator, a device that improves safety by improving visibility on the mine's in-pit roads, was developed after discussions with operators and tyre experts about how to improve safety and reduce tyre damage on mine roads. The innovation was recognized as one of best in the industry at the Queensland Mining Industry Health and Safety Conference in August 2010.



At Rosebery mine, an employee is taking the temperature of the truck brakes to ensure the safe running of vehicles in the mine.



China Minmetals leaders visit Golden Grove mine and communicate with the staff.

**Case**




**Mine clearance in Sepon**

Past wars left many unexploded mines in the Sepon mining site. To ensure work safety at the mine, local employees engage in mine detection and removal after receiving relevant safety training.



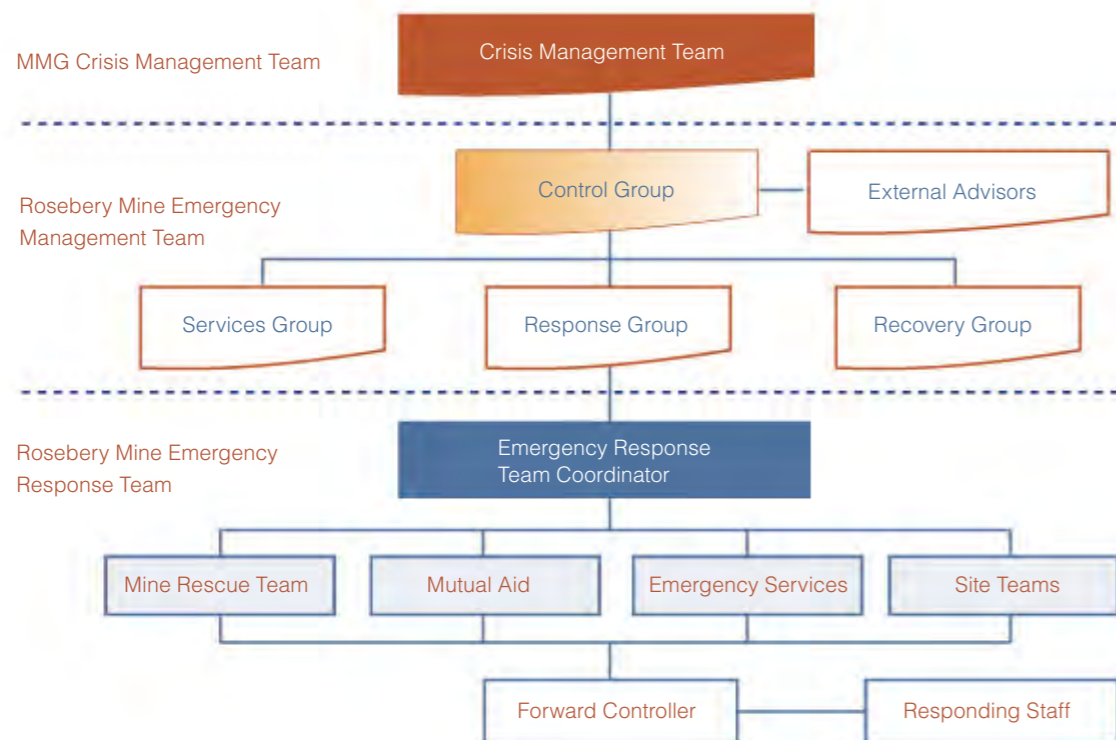
Local employees engage in UXO detection at the mine



### 3. Emergency Management at Mines

All mining sites of China Minmetals' enterprises in Australia have identified potential emergency scenarios and have developed emergency response plans and training packages for all personnel. Every mining site has an emergency response team, which is fully qualified and equipped to deal with site emergencies. All mining activities have identified safe haven locations for employees to relocate to in the event of an emergency.

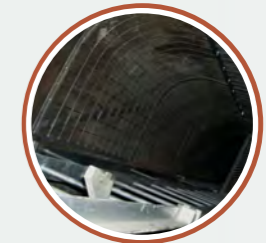
#### 3-Level Emergency Management Framework of Rosebery Mine



### Case

#### Emergency rescue at Rosebery mine

Rosebery mine has developed a complete set of emergency rescue guidelines and set up safe havens. To prevent earthquakes caused naturally, it has built an underground escape shaft tailored to the characteristics of the mine that leads from the bottom of the underground mine directly to the ground surface to help miners respond effectively in the event of a crisis. The emergency rescue team members of the mine hold class-III certificates in mine emergency response and rescue. In its work, the team has drawn up many emergency rescue plans specific to the characteristics of the mine and received relevant training.



1. Emergency rescue drill at Rosebery mine
2. Rescue team at Rosebery mine
3. Underground escape shaft at Rosebery mine
4. Safe haven at Rosebery mine
5. The Rosebery mine rescue team was awarded a Best Event Australia Day award for hosting and winning the Tasmania Mine Rescue Competition.

Case

Open day at the Rosebery mine

On 19 February 2011, Rosebery mine opened its doors for the public. During the day, there were guided tours to view the environment works at Bobadil dam, and a tour of old mine workings and the preparation for a new mining area. The visitors viewed the equipment in the site gym, looked at the display in the geology area, and the new drill rig and truck equipment on display in the car park, and learned about the mine's health programs. The Open Day helped close the gap between the community and the mine, and received favourable response from the residents.



Visitors check out the mine rescue breathing apparatus with a mine rescue captain



Our goal to become Australia's Safest Mine is not about winning a game or claiming a prize – it is more about a way of life that sets our mine apart from all others.

— John Lamb, Rosebery Mine General Manager



Emergency rescue centre of Sepon mine



Fire evacuation drill at MMG Group Office in Melbourne



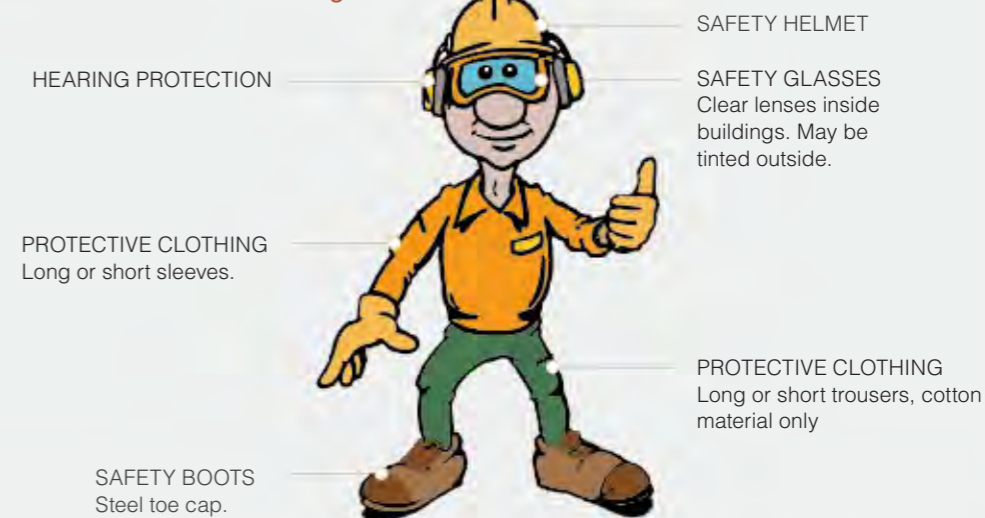
Rescue training at Century mine

4. Safety Training for Visitors

External visitors to offices and mining sites need to be trained in safety. For a visit to a mining site, they must complete a site induction, wear the essential safety equipment according to specific working conditions, e.g. long-sleeved shirt, long trousers, safety boots or safety helmet.

Case

Dress code for visitors to a drilling site





### (IV) Health Management Measures

Health at work is an important component of the safety management and injury prevention efforts of the enterprises in Australia, including standards for the use of drugs and alcohol in workplaces, fatigue management and general health. These enterprises provide employees with regular medical check ups, monitor the incidence of occupational exposures and illnesses on mining sites and encourage all employees to exercise self-management of their health through initiatives such as a personal fatigue management plan and promoting a healthy life style, and providing membership of a fitness center and a 24-hour employee assistance plan.

**Case**

**Drug and alcohol testing**

China Minmetals' enterprises in Australia perform random drug and alcohol testing across all sites and offices. Positive drug results are subject to a site-based review process that may include validation testing of the initial test result, personal interviews or counseling and a review against the Code of Conduct (with options to warn, stand down or terminate the offending employee based on investigation outcomes).



Employee receiving treatment at Golden Grove



Employee fitness center at Century mine

**Case**

**Skin cancer checks**

To address the elevated risk of skin cancer caused by the extended hours of sunlight exposure during summer months in Australia, MMG held a 15-minute skin cancer check and education seminar for Group Office employees in Melbourne. Employees received a skin examination and participated in the training on skin cancer, its early warning signs and self-examination, enhancing their health awareness. Skin cancer checks were also undertaken at both Century and Golden Grove mines.

### (V) Safety and Health Training

Raising awareness and providing safety and health training is a priority to help effectively manage risks. In July 2009, China Minmetals' enterprises in Australia engaged DuPont in an assessment of safety culture and programs across all the sites in order to identify opportunities for safety improvement and propose measures to upgrade safety culture. The enterprises commenced implementation of a two-stage Safety Leadership Program in 2010. Safety leadership training was delivered to more than 450 operational leaders. A total of 351 employees and contractors attended a Visible Safety Leadership Program entitled "Actions Employees Can Take". These trainings have helped develop the value of "no compromise on Safety and Health" among the employees in China Minmetals' enterprises in Australia.



DuPont visible safety leadership training

**Case**

**Focus on driving safety**

Safety at Rosebery has been firmly placed in the focus of the community and tourists within the region. In order to highlight the need for driving safely, particularly during the busy festive and holiday season, Rosebery mine placed a crashed vehicle on the corner of a main road in Rosebery. The project was developed with the full approval of the West Coast Council, Rosebery Police and the community Liaison Office.



# 3

## Commitment to Environmental Protection



- Policy and Objectives*
- Environmental Management System*
- Water Management*
- Response to Climate Change*
- Land and Biodiversity Management*
- Closure Planning*
- Environmental Management and Compliance*



Environmental protection is an important global issue, which underpins our approach to operating. China Minmetals' enterprises in Australia are committed to incorporating the idea of environmental protection into the entire life cycle of mine operation, including exploration, feasibility study, construction, operation, closure and trade. We aim to minimize the environmental impact caused by our operations, and as part of encouraging rigour and consistency across our operational and exploration sites and offices, we operate and manage risks under the international standard for environmental management system (EMS), ISO 14001.



# III. Commitment to Environmental Protection

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## (I) Policy and Objectives

- No incidents with major environmental impact; no non-compliances with license conditions; incident classification and reporting process aligned across the company.
- Mines should strengthen the requirements for safety, health, environment and community; mines should develop plans and set key performance indicators to measure their safety, health, environment and community performance, they should be audited against relevant standards; and after the completion of mining, mines should close in line with their closure plans.
- Draw up management plans for Acid Rock Drainage, Water Management, Energy and Greenhouse Gas Management; implement energy efficiency improvement projects.

## (II) Environmental Management System

### 1. Vision

Environmental protection is a behavior and responsibility we assume on a voluntary basis, and will also become our advantage in business operation.

### 2. Mission

Support the successful delivery of the business strategy by knowing and actively managing environment risks.

### 3. Key Environment Priorities

- Water: Implementing programs for water conservation and responsible management of water resources
- Energy & Greenhouse: Changing our operations to become more energy efficient
- Closure: Designing operations with closure in mind and developing integrated plans with life of mine
- Waste: Responsibly managing mineral and industrial wastes from our operations
- Biodiversity: Protecting and preserving biodiversity in our land holdings
- Environmental management and compliance

## (III) Water Management

Water is a precious natural resource and corporation recognizes the importance of minimising the impacts of our operations on natural water flows and biotic systems. China Minmetals' enterprises in Australia have applied the management of water resources to the entire life cycle of mine operation, including mine exploration, feasibility study, construction, operation and closure. Water management is therefore considered to be one of our most important sustainability issues.

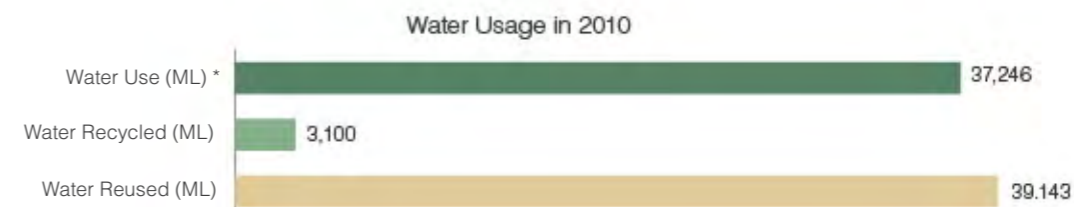
Issue description of water

Efficient use of water and responsible management, treatment and disposal of waste water, including tailings and acid rock drainage (ARD).

### 1. Water use

Water is critical to our operations as it is primarily used to process ore into concentrate. In addition, water is used for dust suppression, road watering, potable water supply and mine site accommodation and rehabilitation.

China Minmetals enterprises in Australia have measured water usage and have recycled and reused as much water as possible, where practicable. We will now develop formal site-level water balance models and plans to support future increases in water efficiency, to reduce the reliance on fresh water usage and to ensure long-term reliable water supplies. Existing site water management systems have aimed to efficiently collect and store water on site to minimize external supply inputs and supplement supply during periods of high consumption.



\*: Water use includes surface water, groundwater, stormwater and municipal water supplies

### Case

#### Enhancing water resource management systems

In late 2009, Century mine carried out remediation works along the first 3.5 kilometres of Page Creek to remove the soil contaminated by wastewater discharged from the mine. The cumulative investment in the project exceeded \$12.4 million. The following measures were taken:

- Expanding sediment dams 3, 8 and 10;
- Increasing the capacity of the pumping network to increase the rate at which water can be moved between dams. This is important during the wet season, as it allows water to be spread between dams, maximizing available storage and reducing the potential for overflow.
- Progressing the rehabilitation of the South West Waste Rock Dump, thereby limiting the generation of contaminated water;
- Installing a pipeline between the Darimah Village sewage treatment plant and Century's Tailings Storage Facility (TSF). This means that the effluent can be transported to the TSF for disposal rather than relying on evaporation.
- The results of subsequent water impact assessments indicate that there has been a significant improvement in the ecological condition of Page Creek following this remediation work. The results also indicate that Page Creek is in its best condition since 2005.

No.10 sediment control dam of Century mine



An aerial of Century mine



Personnel monitoring water quality at Sepon mine

## 2. Wastewater discharges

China Minmetals enterprises in Australia aim to protect clean water systems from contamination by minimising discharges wherever possible. When wastewater needs to be discharged, we aim to minimise pollutant loads through the efficient operation of effective wastewater management systems and controls at our operations.

Stringent legislative requirements have required China Minmetals enterprises in Australia to effectively recover pollutants from wastewater streams. The possible operational, environmental and reputational risks associated with non-compliant wastewater discharges from sites represents an ongoing material sustainability issue for us.

Water Discharge Volume in 2010						
Index	Century	Golden Grove	Rosebery	Sepon	Exploration	Total
Water Discharge Volume (ML)	3,215	145	206	11,871	-	15,437.37
Water Discharge Treatment	BOD reduction, pH adjustment, solids removal (settlement)	Primary (pH adjustment) and secondary (settlement ponds) treatment	Lime dosing	pH adjustment and sediment removal		
Water Quality (Total Metal Loads, KGS)						
Lead	46	2	279	0	-	327
Zinc	37,986	22	2,318	0	-	40,326
Arsenic	9	1	15	0	-	25
Copper	6	1	95	0	-	102
Cadmium	45	0	6	0	-	51
Mercury	0.1	-	0.2	0	-	0.3
Manganese	75,636	-	15,677	0	-	91,313
Water Discharge Destination	Norman River, Page Creek, Coglan Creek, Bullridge Creek, Nth Mitton Creek	Lake Wownaminya	Lake Pieman	Namkok River		

### Case

Golden Grove cadmium exceedences at Lake Wownaminya

Golden Grove recorded a number of exceedences of the wastewater discharge limit for cadmium in Lake Wownaminya during 2009. These exceedences represented non-compliances with the site operating licence. Golden Grove combined team efforts of the Mining, Processing, Engineering and Environmental Departments, and implemented an Interim Cadmium Action Plan. The team redesigned the evaporation tank to increase the precipitation time and regularly cleared the precipitates of the wastewater treatment system to reduce precipitation in the evaporation pool. The implementation of the plan improved the water treatment system of the mine and returned the cadmium content in the wastewater to within the discharge limit.



Wastewater treatment site at Sepon mine

## (IV) Response to Climate Change

The impact of energy use on the environment through climate change is a material sustainability issue for China Minmetals. In 2010, China Minmetals signed the UN "Caring for Climate Initiative" and joined the world's largest-scale commercial response to climate change. China Minmetals' enterprises in Australia are committed to minimising the impacts of our operations on the environment through responsible and effective energy and GHG emissions or carbon management. With a focus on reducing energy use and GHG emissions through improved efficiency and innovation, we hope to understand and manage our total carbon footprint.

### Issue description of greenhouse gas and energy use

Efficient use of energy in mine operations, offices and transportation thus minimizing greenhouse gas emission.

### 1. Policy

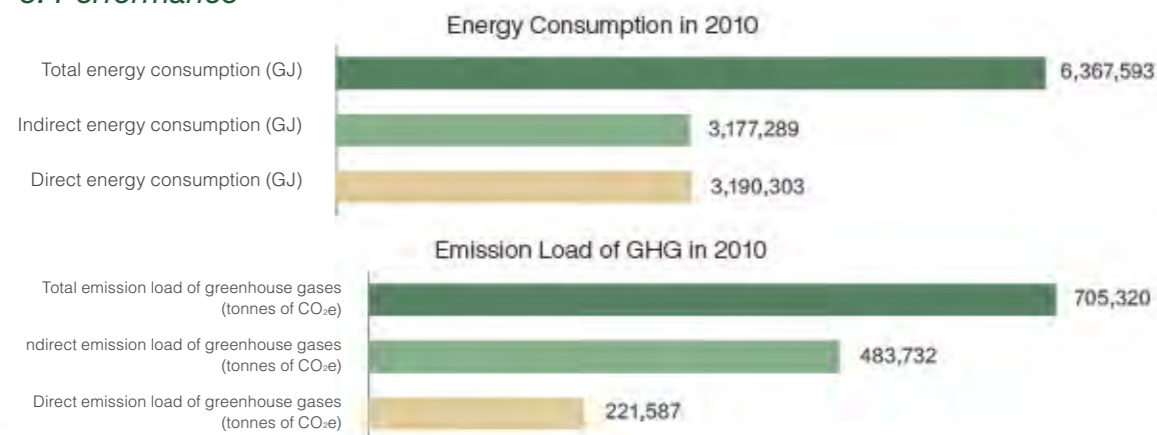
China Minmetals enterprises in Australia are committed to addressing major challenges such as that presented by climate change. As a major energy user, the Corporation has a significant role to play in minimising greenhouse gas emissions. China Minmetals enterprises in Australia will:

- Factor the estimated cost of carbon into future decision making processes, including budget compilation, project development and acquisitions.
- Continue to ensure energy efficiency is an ongoing focus of business improvement programs and options for initiatives with 1~2 year paybacks fully explored.
- The Energy and Climate Change Steering Committee is responsible for overseeing climate change risk assessment and mitigation.
- Continue to engage stakeholders on climate change issues through relevant industry associations such as MCA and ICMM.

### 2. Areas of Focus

- Fully characterizing the energy and greenhouse inventory in the operations of the enterprises in Australia.
- Assessing the opportunities for reducing greenhouse gas emission and delivering business value through improved energy efficiency.
- Monitoring the potential business impact of climate change regulation, including the implementation in Australia of an emissions trading scheme.

### 3. Performance



## 4. Practice

China Minmetals' enterprises in Australia set up the Energy and Climate Change Steering Committee. This committee aims to promote innovation and identify opportunities to reduce energy usage and the emission of GHGs, thus minimizing the environmental impact of our operations.

In 2010, in accordance with the Australian Government's National Greenhouse and Energy Reporting Act 2007 (the NGER Act), MMG was required to report energy and GHG emissions data for Australian activities for 2009/10. Also in 2010, in accordance with the Australian Government's Energy Efficiency Opportunities Act, MMG submitted a schedule for energy assessment covering the subsequent three years, according to which it will carry out energy research and find opportunities for enhancing energy efficiency through the assessment.

### Case

MMG committed to low-carbon development

In its development strategy, MMG actively plans the use of renewable energy such as solar energy. An energy efficient building was selected as its head office site in Melbourne and principles of energy efficiency and recycling were incorporated in its interior design, thereby turning its office environment into one of the most energy-saving sites in Australia.

Meanwhile, MMG's products are highly recyclable, including copper and lead, both of which are 100% recyclable; and zinc which is 80% recyclable.



Employee office area at MMG's Group Office in Melbourne

Employee leisure space at MMG's Group Office in Melbourne





Case

Low carbon and environmental protection

In the development of real estate projects, Janfair Pty Ltd actively advocates the ideas of low carbon and environmental protection. On the balconies of Stillwater Marina Apartment, high-quality movable shutters were installed to allow full enjoyment of natural light and expand living space, while at the same time obstructing sunlight in summer, reducing the use of air conditioners and lowering the emission of greenhouse gases, creating good environmental protection effect.



Lighting plant auto start system

Century mine developed a Lighting Plant Auto Start System, which automated the starting of the 45 lighting plants. The innovation won the Queensland Mining Industry Health and Safety Award and became the first innovation ever to win both the Judges and People's Choice Awards.

The project has delivered significant financial and environmental benefits, including the following annual savings:

- \$3,077 per lighting plant;
- \$138,465 net annual saving;
- 64,250 liters of diesel worth \$93,375;
- 1,460 hours of daily start-up labor (at a cost of \$90 per hour);
- In total, an saving of \$131,400 is made, and running time is reduced by 16,060 hours annually;
- Century's carbon emissions were reduced by 173,475kg per year.



Innovation designer David McGrory with the Lighting Plant Auto Start System



David McGrory being presented with the Judges and People's Choice Awards

Utilization of renewable energy

Namtheun II Hydropower Station was commissioned with a capacity of 1 GW. In addition, two small hydroelectricity generation plants were established, at 40 MW capacity each. These plants came on line during September to November 2010. Power Purchase Agreements were finalized alongside maintenance and operating agreements between Sepon and three hydropower stations, effectively improving the energy security of the mine. Via mass balance calculation, the mine site established that usage of renewable hydroelectricity reached a level of approximately 95% of total energy use in November 2010 and approximately 99% by December 2010.



Almost all of Sepon's power requirements can now be met through renewable hydroelectricity



A bird's-eye view of Sepon mine

## (V) Land and Biodiversity Management

### 1. Purpose

China Minmetals' enterprises in Australia are committed to reducing their impact on biodiversity, preserving and rehabilitating land, conserving and improving biodiversity through the effective implementation of Biodiversity Management Plans and establishing appropriate biodiversity offsets.

### 2. Performance

In 2010, China Minmetals' enterprises in Australia were responsible for 1,449,310 hectares of land and 61.9 hectares of land were newly rehabilitated to the agreed end use.

In the preservation of biodiversity, the enterprises have made active efforts to protect the rare species of mammals, birds, reptiles, amphibians and fishes in the mine sites, preserving a precious heritage for humanity.

#### Issue description of biodiversity

Identifying, monitoring and preserving species, protected areas and areas of high biodiversity value, alongside offset programs.

Total Land Areas Rehabilitated in 2010					
Index	Century	Golden Grove	Rosebery	Sepon	Exploration
Total Land Disturbed and not yet Rehabilitated "Opening Balance" (HA)	2,835	975.2	2.4	1,054	11.3
Total Amount of Land Newly Disturbed within the Reporting Period (HA)	0	23.6	0	237.4	44.1
Total Amount of Land Newly Rehabilitated within the Reporting Period to the Agreed End Use (HA)	0	6.0	0	10.3	45.6
Total Land Disturbed and not yet Rehabilitated (HA)	2,835	992.8	2.4	1,281.1	32.7

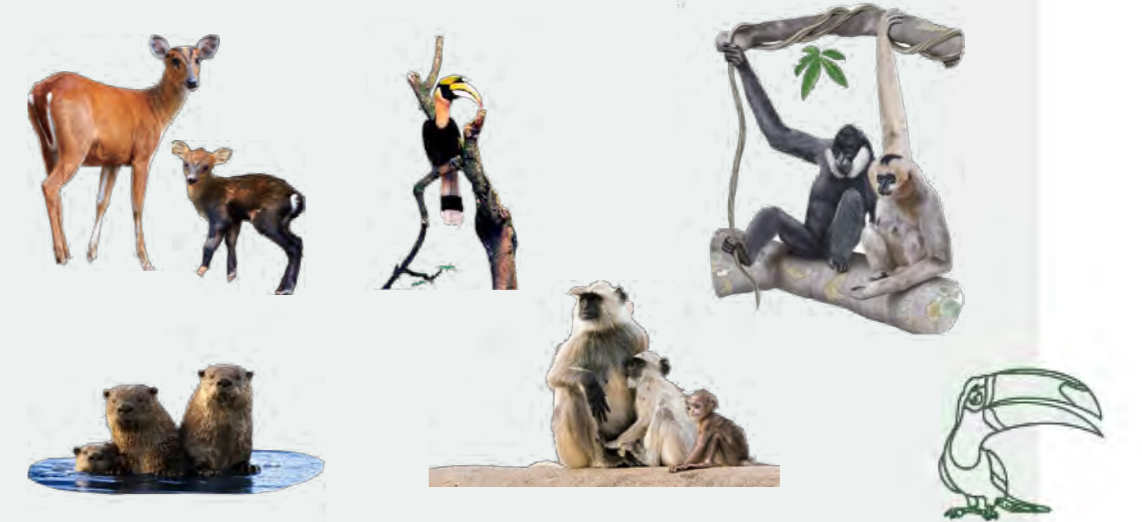
### 3. Practice

Some of China Minmetals enterprises in Australia operate in ecologically sensitive areas and in regions of high biological value. The mines are committed to reducing their operational impact on biodiversity through effective land use plans and biodiversity management.

## Case

### Biodiversity preservation in Sepon mine

Sepon mine has actively implemented biodiversity management. Following investigations made in the Namkok Headwaters, it identified the endangered species on the IUCN list and developed the biodiversity implementation plan jointly with the Wildlife Conservation Society to protect local rare species, including saola, otters, leaf monkeys, muntjacks and gibbons.



### South Hercules mine

High on the slopes of Mount Hamilton, just outside Rosebery, excavators and graders constructed a new 1.8 kilometre access road and amenities area for a feasibility trial of the potential South Hercules mine. Approximately seven kilometers of the Mount Road Road was also upgraded. This is the first of a series of activities that will potentially open up the South Hercules deposit for mining, if the trial is favourable.

South Hercules is located in a sensitive alpine environment above the snow line that receives up to four metres of rain each year. It is close to the Lake Johnstone Reserve and there are numerous development restrictions in place. Therefore, the entire mine design and planning process will revolve around the need to minimize the operation's environmental impact and allow for full rehabilitation of the area once mining has finished. Work involved the first known attempt at translocation of the threatened species Grooved Cheeseberry (*Planocarpa sulcata*); drainage and clean-up work along the track and building causeways across Ring River and Bakers Creek. A high level of environmental awareness was demonstrated in mine's approach to the above work.



Aerial view of South Hercules



Portable water treatment plant at South Hercules



An employee rehabilitating waste rock dump at Sepon mine

After completing explorations, a mining enterprise is required to restore the natural vegetation in all disturbed areas, in line with government approvals. Before the start of any exploration, China Minmetals' enterprises in Australia develop rehabilitation plans and made pre-exploration digital photographic records of all areas to provide reference during the efforts to restore the exploration sites to their original state as far as practically possible. Before land rehabilitation, waste is cleared away including solid waste in the soil, lubricants, hydraulic oil and diesel leaked around the drill pads, contaminated soil and other refuse. When land is rehabilitated, the documented plan is followed in order to minimize the effects of land disturbance caused by the explorations and to ensure the requirements of all stakeholders are adhered to.



Drilling site in Australia before rehabilitation

Drilling site in Australia after rehabilitation



Golden Grove mine

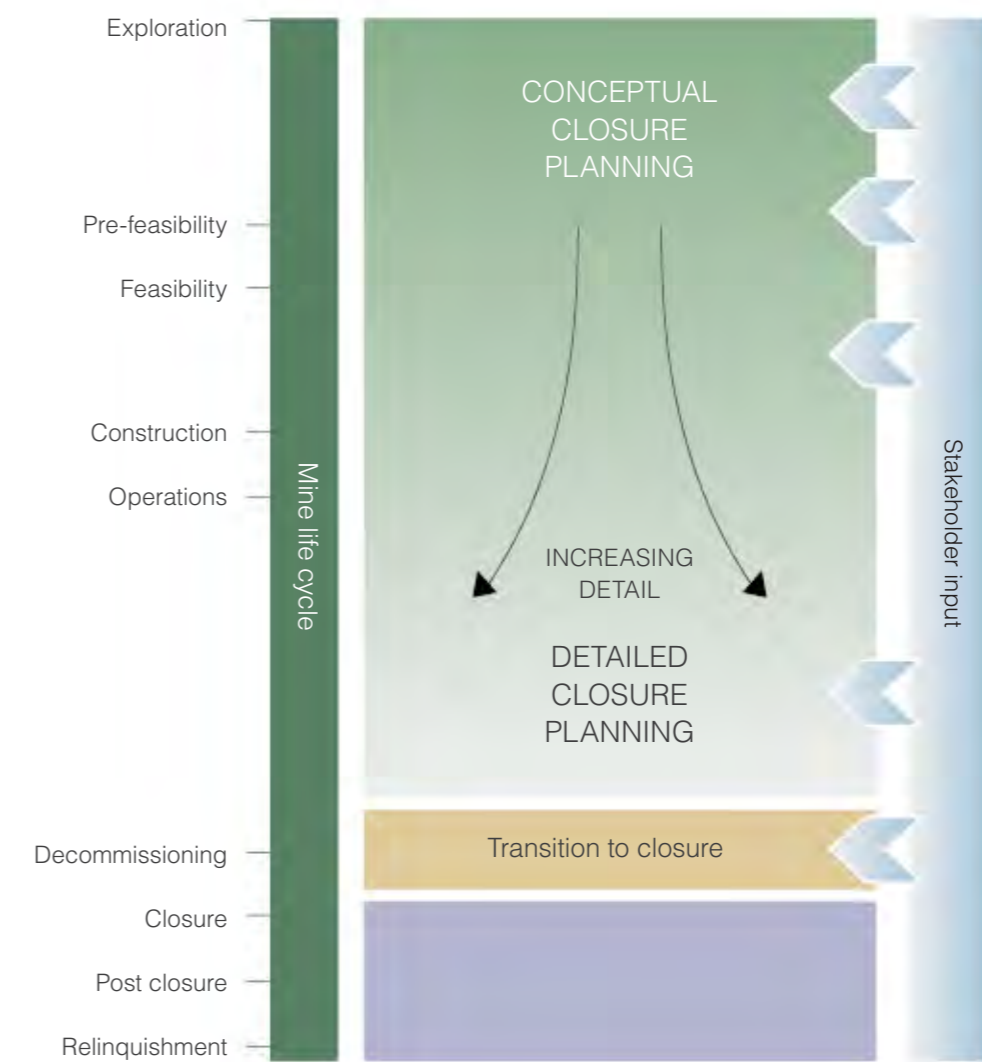
## (VI) Closure Planning

China Minmetals' enterprises in Australia attach great importance to the needs of the environment and the community surrounding the closure of mines. They have developed mine closure plans on the mining sites, which they reviewed periodically to find the best solutions. In 2010, they compiled the Closure Planning Guideline, which defines closure planning requirements for all stages of mining activity, including exploration, development and operation, and has improved the consistency of approach and integration with life of mine planning.

### Issue description of closure

Landform design and rehabilitation alongside community partnerships, for environmentally, economically and socially sustainable land-use and local community activities post operations.

### Mine closure planning procedures



The enterprises actively promote the implementation of the mine closure plans. Century convened a Closure Planning Workshop, appointed a Closure Planning Superintendent and developed methods for post-closure remediation; Sepon undertook an internal closure provision review; Golden Grove undertook the requisite three-yearly review of its Site Closure Plan; Rosebery commenced discussions around a conceptual Closure Plan for the proposed South Hercules operation.



Case

Mine closure planning seminar

On 8 November, 2010, Sepon held a Mine Closure Planning Seminar attended by local government officials, representatives from environmental protection organizations, representatives of residents in local communities and the Sepon Senior Management Team. Although closure of Sepon mine is still some 10 years away, the attendees discussed the application of a certain standard in mine development to ensure long-term sustainable mining and the employment of the residents of the area, raise their standard of living, protect the environment, the security of the community and its cultural legacy, and benefit the Lao Government and the local community in the mine development.



A photo of participants



A glimpse of Rosebery mine

**(VII) Environmental Management and Compliance**

China Minmetals' enterprises in Australia operated and managed risks through the ISO14001 environmental management. In 2010, the enterprises conducted the annual ISO14001 surveillance audits at Golden Grove, Sepon and Rosebery with all sites achieving re-certification. Century is working toward ISO 14001 certification in 2011.

Issue description of environmental management and compliance

Minimizing environmental impact, ensuring compliance with legislation and reducing our legacies through continuous improvement.

Performance in 2010



Case

Environment network meeting

China Minmetals' enterprises in Australia regularly convene for environment network meetings. This provides an opportunity for sharing knowledge and understanding of environmental requirements for business activities in all mines and office sites, ultimately enhancing environmental performance.



Environment network meeting attendees discussing waste rock management and closure planning at Century

Exceedance of limit for lead in dust emission

There are stringent controls on dust emissions for the range of products shipped through Geraldton, including lead sulphide. New air monitors were recently placed at the port as part of new licence conditions applied to the Geraldton Port Authority (GPA). Dust emission limits were also included in the new licence conditions.

In November 2010, Golden Grove detected exceedance of the 24-hour ambient concentration limit for lead in dust emission during the loading of a ship with high precious metal (HPM) concentrates at Geraldton Port. It voluntarily deferred further shipment of the HPM concentrates, revised loading protocols and procedures and took the following measures:

- Install a wind alarm to ensure that loading is stopped in strong wind conditions;
- Perform loading operations only during offshore winds to ensure that local Geraldton community is not impacted;
- Place loading events under strict supervision and monitoring;
- Use foam dust suppressants on conveyors and loading equipment.

On the basis of the above measures, the mine has also committed to an independent monitoring program involving the placement of air samplers at the port and in a number of locations in the community. It has also initiated a series of scientific studies to understand the potential impact of its concentrate products, lead sulphide, copper and zinc on the surrounding environment and community. It has also consulted extensively with the Geraldton community and will continue to do so until the matter has been resolved.



Sepon mine holding a publicity & education activity on 5 June, 2010 - World Environment Day



# 4

## Respecting Human Rights and Labour Practices



Policy

Rights and Interests of Employees

Employee Development



China Minmetals' enterprises in Australia support and respect the human rights norms generally recognized internationally, and respect diversified personal values. They have established procedures for employment and promotion to standardize employment management, improve working environments and conditions, value employees' views and proposals, protect human rights from being violated in systems and practices, and achieve the common development of employees and enterprises.



# IV. Respecting Human Rights and Labour Practices

China Minmetals' enterprises in Australia support and respect the human rights norms generally recognized internationally, and respect diversified personal values. They have established procedures for employment and promotion to standardize employment management, improve working environments and conditions, value employees' views and proposals, protect human rights from being violated in systems and practices, and achieve the common development of employees and enterprises.

By the end of 2010, China Minmetals' enterprises in Australia had 7,289 formal employees, including 7,273 local employees, accounting for 99.78% of the total, and 1,249 female employees, accounting for about 17.1% of the total.

## (I) Policy

China Minmetals' enterprises in Australia deem the standard of "respecting human rights and workers" as the foundation of their activities. They support international human rights norms, respect the political, economic, social and cultural rights of individuals, create a fair employment environment, and respect the work/life balance of employees. The enterprises ensure that an atmosphere of "working hard for a better life" is achieved, ensure the common sustainable development of both the enterprises and the employees and promote the building of an equal and harmonious society.

## (II) Rights and Interests of Employees

### 1. Protecting the Rights of Employees

China Minmetals' enterprises in Australia support international human rights standards and endeavor to meet all relevant Australian laws and regulations in relation to the rights of employees. They have established an employment system that meets the relevant legal requirements of Australia, persists in providing equal job opportunities and reasonable labor remuneration, never uses child laborers or those without work permits, or opposes any form of forced labor.

China Minmetals' enterprises in Australia are committed to providing a workplace free of discrimination, harassment and bullying.



local employees



female employees



## 2. Encouraging Employee Engagement

China Minmetals' enterprises in Australia are committed to communication with their employees regularly to foster mutually beneficial relationships. China Minmetals recognizes the rights of their employees to join and participate in trade union activities.

## 3. Assisting Employees in Achieving the Goal of "Working for Life"

China Minmetals' enterprises in Australia are committed to providing employees with a safe and healthy working environment. We ensure that private information of employees is kept confidential. We also ensures employees are treated fairly and actively and promote a work/life balance.



### Case

MMG implementing a flexible working hours system

MMG understands that the personal needs of employees may conflict with traditional work schedules and has implemented a system of flexible working hours to maintain a work/life balance for employees in the office. This can promote productivity while meeting the personal needs of employees.



Employees at Century mine in Queensland play volleyball in their spare time



The Golden Grove mine provides its employees with a pool and gym facilities

**Case**

**Suit Up and Ride**

In 2010 MMG was a proud associate sponsor of Suit Up and Ride - a team cycling event with a twist. The proceeds of the Suit Up and Ride event were used to fund Orygen Youth Health's "Headsmart" program. Headsmart is a contemporary, purpose-built program designed to increase young people's knowledge of stress, anxiety and depression and assist with building necessary skills to combat youth depression.



MMG employees participate in the Suit Up and Ride event at the Docklands in Melbourne



MMG Easter Family Fun Day



**Case**

China Minmetals' enterprises in Australia comply with the National Employment Standards under which employees are entitled to four weeks paid leave and ten days sick leave annually.

**(III) Employee Development**

Upholding the approaches of being "people-oriented" and "bringing out the best in people" in employee development, China Minmetals' enterprises in Australia value the training of employees and have established an all-round employee training system and launched the mutual training of Chinese and Australian employees. They listen to what the employees have to say and help them draw up the career development plan that suits their own conditions.

**Case**

**Chinese-Australian employee exchange program**

In 2009, China Minmetals launched an employee exchange program with MMG. Young Chinese employees with management potential were sent to MMG for half-year secondments to better understand the way the MMG business is run and to strengthen working relationships between China Minmetals and MMG. The trainees spent the first three months obtaining a systematic understanding of different departments and operating sites of MMG and spent their remaining three months learning about their own department and field. Due to the programs' success, China Minmetals continued this exchange program in 2010.



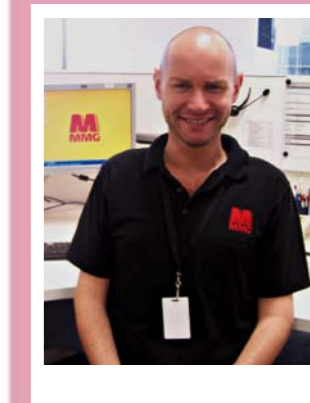
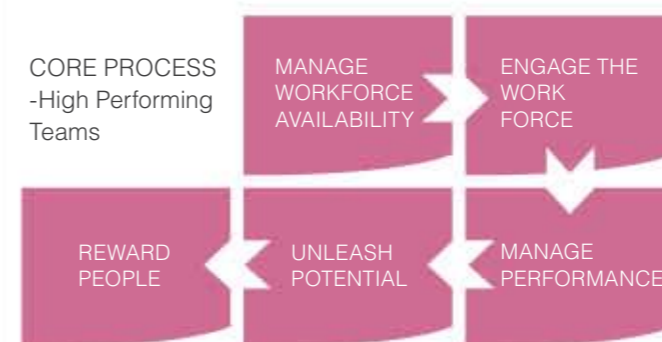
A China Minmetals employee undertaking the Chinese-Australian employee exchange program participates in a cooking activity

**Case**

**MMG's all-round promotion of employee development**

"High performing teams" – ensuring the development of our people

MMG believes that it will meet its strategic objectives through the application of the "High Performing Teams" process. The process ensures MMG's global and mobile workforce are engaged with their respective roles and possess the right skills to do their job. MMG also believes that we need to reward and recognise our people and the job they do while also tapping into and unleashing their potential so that they can contribute to MMG's growth strategy.



"The thing that originally drew me to work at MMG was the challenge of supporting recruitment for a burgeoning brand – MMG. What keeps me here is working toward the company's strategic vision of ultimately becoming a leading company in the global mining community"

-- Corey Leuders, Senior Recruitment Advisor, Group Office, MMG

Training systems to support employee performance		
Type of Training	Item of Training	Objects of Training
Comprehensive performance enhancement	My Performance program	All employees
Professional enhancement	Training in mine safety Training in the operation of special equipment Lao apprentice training plan using Lao techniques and TAFE standard Training in state-certified metalliferous mine operations	Frontline workers in mines
Management training	Seminars and work team training related to stock management, project management, factory management and carbon emission management Training of supervisors and managers to improve their supervision capability and leadership	Medium and high-level managers
Other	Training in cultural awareness Team building training	All employees

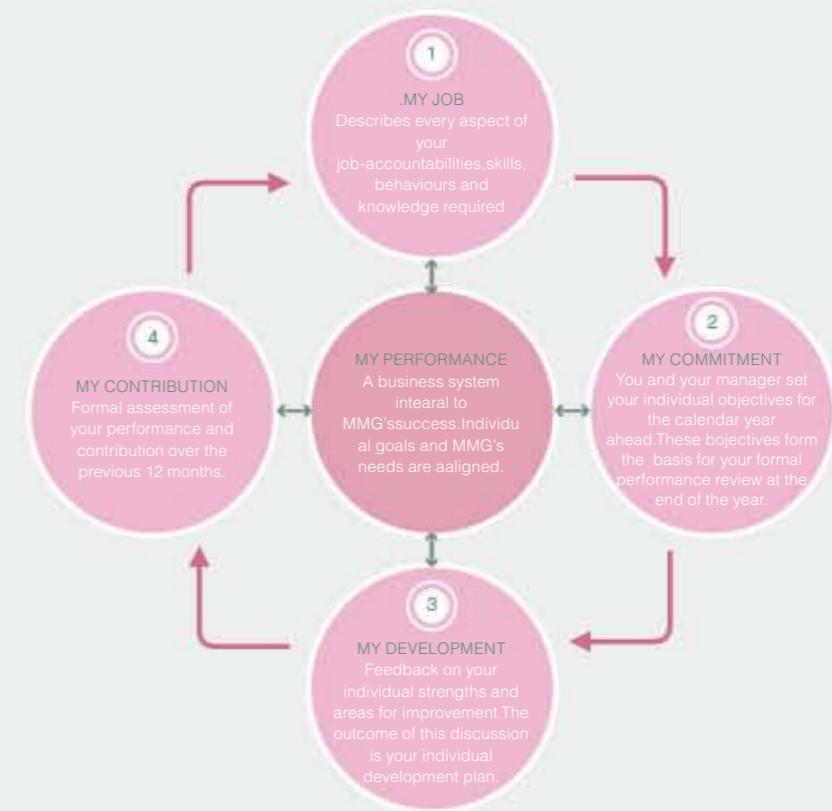
“My Performance” respects employees’ needs for development

“My performance” is an important program of MMG to improve the competency of the employees. MMG cares for the enhancement of our employees’ personal capabilities and interests. MMG developed the “My Performance” program and uses it as the basis for promoting employee development. The program helps employees gain a clear understanding of their personal objectives and provides development opportunities to meet the needs of both the employees and the business.



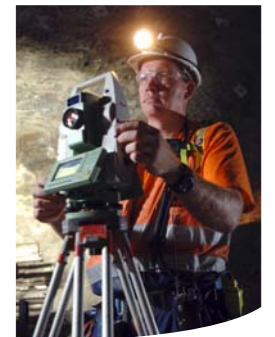
*The things that originally drew me to work for LXML Sepon were the good terms and conditions for employment, being close to my family's village and the new experiences I would gain working for a mining company.*

— Douangdala,  
HR Officer,  
LXML Sepon



“STEP” - Awakening the development potential of employees

As one of the key subjects of MMG's training program, “Success Through Every Person” (“STEP”) is a four day training session that uses world-class commercial training materials to help office employees further understand business models and processes. After the training, employees learn knowledge and application skills to improve their work efficiency. On the course, employees work in teams, which promotes positive exchanges between employees and creates a good foundation for teamwork which supports MMG's philosophy of high performing teams.



**Case**

Sino Mining International Limited active in employee training

According to its business development needs, Sino Mining International Limited sets out employee training with the aim of enhancing their professionalism and building an employee contingent that meets job needs. It provides professional training courses that can enhance the level of work in light of job requirements, e.g. the open study classes launched for Marketing, practical computer skills and interpretation of taxation matters. Meanwhile, Sino Mining International Limited holds seminars on market analysis to increase employees' business acumen and command of the market.



# 5

## Carrying Out Fair Operating Practices



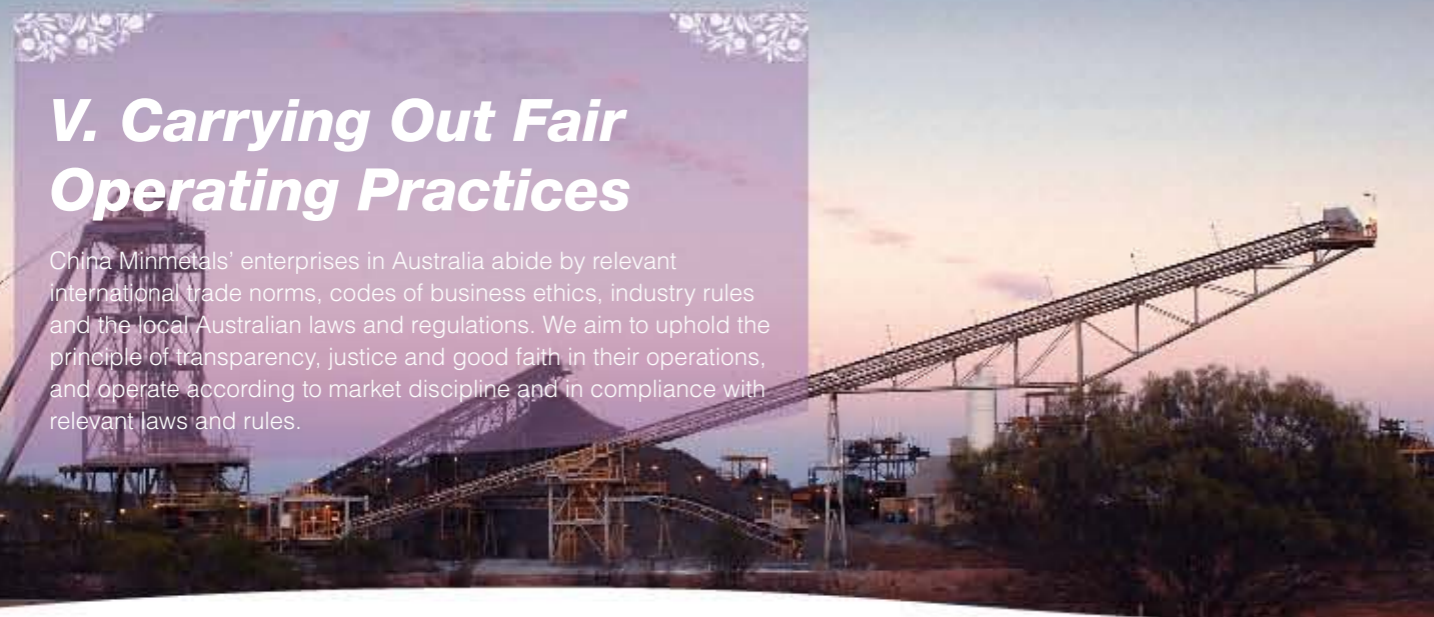
Policy

Fair Operating Practices



China Minmetals' enterprises in Australia abide by relevant international trade norms, codes of business ethics, industry rules and the local Australian laws and regulations. We aim to uphold the principle of transparency, justice and good faith in their operations, and operate according to market discipline and in compliance with relevant laws and rules.





## V. Carrying Out Fair Operating Practices

China Minmetals' enterprises in Australia abide by relevant international trade norms, codes of business ethics, industry rules and the local Australian laws and regulations. We aim to uphold the principle of transparency, justice and good faith in their operations, and operate according to market discipline and in compliance with relevant laws and rules.

### (I) Policy

China Minmetals' enterprises in Australia work in cooperation with stakeholders to develop mutual benefits, strengthen the management of relations with stakeholders, and have effective communications and cooperation with the Australian Government. We strive to improve customer service, create a responsible supply chain, and promote the development of their counterparts and the industry. The enterprises support local community organizations, conduct transparent, fair and good-faith operations, oppose corruption and bribery, and work hard to achieve harmony and win-win outcomes with their partners.

### (II) Fair Operating Practices

#### 1. Cooperation with the Government

China Minmetals' enterprises in Australia endeavor to meet all local laws and regulations, work and communicate with local governments, have a good relationship with the Australian Federal Government, show concern for local social issues, help to jointly protect local environments and boost local industrial and social development.



Lao government officials meeting with Andrew Michelmore, MMG CEO

## 2. Customer Service

During operation, the Corporation has advanced the implementation of the (Trail) Administrative Measures of the Corporation for Customers and Suppliers, and has been led by a mission for "Providing Quality Service and Striving for Excellence", between company and customers. We believe that this mission should be the cornerstone for the development of the company, and that it will strengthen global marketing services by innovating service models, driving transformation of business models, enhancing comprehensive service capability and endeavoring to provide high-quality services for customers.


Case

**Minmetals Australia supplies MMG grinding media contract**


The four mines operated by MMG need approximately 10, 000 tons of wearable steel balls each year. In March 2010, MMG invited bids for the supply of wearable steel balls in 2011~2012. Minmetals Australia was the successful bidder due to its preferential price and satisfactory quality warranty. Minmetals Australia signed the annual supply contract in the fourth quarter of 2010. The first batch of goods was delivered to MMG's Golden Grove mine at the end of 2010. The goods has now been in use for more than half a year, and the mine expressed satisfaction at the time of delivery and during follow-up services.

**Janfair opening space for exchanges with owners to improve customer service**

Janfair sponsored a community monthly publication and opened a column to share information on the latest market dynamics and sales progress. The monthly provides owners with a platform for daily exchanges and invites owners to comment on the routine management and maintenance of the community. Janfair will make open responses and suggest solutions. For issues that require investment to be made by the Body Corporate, but where the success of the investment cannot be predicted, e.g. treatment of external walls and deodorization of the garbage room, Janfair will sponsor an initial test to allow promotion of the solution only after success is achieved in order to meet the needs of customers.



Sample of the community monthly sponsored by Janfair



We live in the Stillwater and we really like this place and we decide this is where we want to be.

— Peter Fairbrother, Stillwater Marina Apartments Resident

Panoramic view of Janfair Community

### 3. Responsible Procurement Policy

#### Responsible Procurement Policy of China Minmetals

- Examination of suppliers: Suppliers are examined once a year for classification into the 4 grades of Excellent, Good, Average, Below Average. A supplier that disrupts the market and interferes with the normal proceeding of tendering through improper practices will be punished.
- Content of examination: Legal qualifications; capability, experience and prestige in providing products on time and ensuring quality; operation of products in the enterprise; price, time of delivery, after-sale service and technical support capability; SH&E records of production.
- Rights of suppliers: A supplier has the right to challenge the bid evaluation result and contract performance assessment and complain in writing to China Minmetals; every visiting supplier will be classified and registered to ensure that no information is lost.
- Communications with suppliers: Hold meetings regularly with suppliers for timely communication.

Minmetals Australia, Sino Metals and Janfair follow the China Minmetals responsible procurement policy to conduct responsible procurement and safeguard the rights and interests of suppliers, support the development of local suppliers and strengthen the examination of and communications with suppliers to achieve honest, transparent and responsible procurement.

#### Procurement by Some China Minmetals Enterprises in Australia in 2010



### 4. Cooperation with Industry Peers

China Minmetals' enterprises in Australia continuously deepen their strategic cooperation and communicate actively with their industry peers and industry associations, work hard to create a healthy environment for development of the industry and uphold equality and mutual benefits to promote the progress of the industry.


Case

China Minmetals' Enterprises in Australia taking an active role in the activities of the industry

The International Council on Mining and Metals ( "ICMM" ) is an industrial group led by the CEOs of 20 leading enterprises in the global mining and metals fields to address crucial affairs and new issues in the sustainable development of the industry. MMG was founded in June 2009 and joined ICMM in October of the same year, when it promised to commit itself to achieving the sustainable development of the mineral resources enterprises in the capacity of an ICMM member.

Each year, ICMM holds a forum in one of the member countries across the world to discuss how to develop global resources and maintain community building. In July 2011, MMG had the honor of hosting the forum, inviting ICMM to set the venue in Beijing, China for the first time.

In this forum, China Minmetals made in-depth and systematic presentations about its ideas about fulfilling social responsibility in the fields of metals and minerals and seeking sustainable development, and the results it had achieved. China Minmetals expressed its confidence in achieving sustainable development which elicited praise within the industry.



The ICMM Forum hosted by MMG in Beijing

*Being part of ICMM is being part of a worldwide commitment, together with other mining companies, to sustainable development.*

*— Andrew Michelmore,  
CEO, MMG*

*Thank you indeed for both Chairing the ICMM briefing session as well as giving us Minmetal' s views on sustainable mining through responsibility...Your able Chairing allowed many different points to be discussed and aired.*

*— R. Anthony Hodge,  
President of ICMM*



On the evening of 19 August, 2010, China Minmetals executives attended a dinner hosted by the Melbourne Mining Club in celebration of the Shanghai World Expo. The Melbourne Mining Club is a not-for-profit organization in Australia that is committed to promoting the minerals industry in Australia. This was the debut of the Melbourne Mining Club in China. As one of the guest speakers, China Minmetals President Zhou Zhongshu delivered a speech on the results achieved in the transparent, open and sustainable development of China Minmetals, which contributed to the communications and exchanges between Chinese and foreign mining enterprises.



President Zhou Zhongshu speaking at a function held by the Melbourne Mining Club



President Zhou Zhongshu in an interview with Australian media after the dinner party

The Minerals Council of Australia (MCA) is one of the Australian association that represents Australia's exploration, mining and minerals processing industry nationally and internationally. MCA member companies produce more than 85% of Australia's annual mineral output.

MMG has a long and close partnership with MCA and strives to enhance the capability of the Australian mining enterprises in work safety, profitability and satisfaction of community needs and expectations. Its Chief Executive Officer, Andrew Michelmore, is now chairman of the Sustainable Development Committee of MCA.

*MMG is in a position to serve in all the most important conversations in public policy in AU. It is a very trustworthy, very constructive contributor.*

— Melanie Stutsel, Policy Official, MCA SHEC

Case

Sino Mining International Limited Increasing Cooperation with Alcoa

In October 1996, the Mining International and Alcoa signed a 30-year alumina contract, and was formally implemented in July 1997. As the actual conditions changed constantly during the long contract term, Sino Mining International Limited set up an Alcoa Cost Analysis Team to strengthen the management of the cost process and cash costs, obtain the best cooperation results and realize a win-win cooperation yielding mutual benefits. It also held regular working conferences and stepped up communication with Alcoa through specially designated contacts. This cooperation was once included in the courses of business school.

### 5. Anti-corruption and Anti-bribery

China Minmetals' enterprises in Australia operate in accordance with all relevant laws and regulations governing corruption and bribery, constantly enhance the building of anti-corruption structure, improve the supervision and management mechanism, specify rules for clean and honest practices, understand the importance of ethical behavior and implement and persist in enforcing anti-corruption and anti-bribery system, policies and practices of China Minmetals. They work to strengthen employees', contractors' and suppliers' awareness of corruption and the methods of resisting corruption to ensure the responsible operation of the companies in Australia by means of anti-corruption education and training, establishing a responsibility registration system and other methods.

The enterprises also take an active part in the internal control audit of China Minmetals, and give play to the role of audit in preventing, exposing and mitigating risks by promoting audit implementation and reform to improve their management. In 2010, there were no identified incidents of corruption or violation of corruption or bribery laws involving China Minmetals' enterprises in Australia.

Case

MMG anti-corruption and anti-bribery efforts

MMG is committed to operating in compliance with all applicable laws and regulations. MMG operations are developing a Legal Obligations Register to understand their legal requirements and monitor potential changes to these. There were no identified incidents of corruption or concluded legal cases regarding MMG or its employees during the reporting period.

# 6

## Promoting Community Involvement



China Minmetals' enterprises in Australia have set up relations of positive collaboration and common development with local communities. They provide open and transparent information, solicit the views of the communities, develop their development potentials and provide them with training and job opportunities with a view to achieving the sustainable development of the local economies, societies and the environment.

*Policy*

*Contributing to Community  
Development*

*Development of Local Indigenous  
People and Cultural Protection*

## VI. Promoting Community Involvement

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### (I) Policy

- To promote local operation, implement local procurement and drive local economic development;
- To actively promote community development plans, and contribute to the continuous improvement of residents' lives;
- To protect the ecological environment and cultural heritage in the community;
- To be passionate about philanthropy, commit to poverty reduction, and promote and regulate donation activities in the long-term;
- To respect local culture, strengthen community involvement and build harmonious community relationships.

*All China Minmetals' projects in Australia have contributed to the local communities and enabled community residents to experience the benefits brought by economic growth. This is the mutual-benefit and win-win principle that we have always upheld!*

— Zhou Zhongshu,  
President,  
China Minmetals

### (II) Contributing to Community Development

With the accelerated advance of globalization, China Minmetals has extended its assumption of social responsibility throughout the world. China Minmetals' enterprises in Australia endeavor to comply with relevant Australian laws and regulations, continuously increase investment in the communities, actively communicate with stakeholders, serve local communities, enhance the self-development capability of the community and contribute positively to local economic development and social prosperity. In 2010, MMG spent over US\$6.281 million on community building, development of community enterprises, education and training in Australia,

#### 1. Strengthening Communication with Communities

China Minmetals' enterprises in Australia take the initiative to find out about the needs and priorities of local communities through consultations, surveys and workshops. When deciding social investment and community development activities, they first ask the representative groups of the communities for opinions in order to align their development with the development needs of the communities.

### Case

MMG conducts community survey

To better understand the needs of the communities where the mines are located and design more projects that meet the development requirements of the communities Century, Rosebery and Golden Grove employees conducted research in their local communities.

The research involved one-on-one interviews with 12 key stakeholders in the communities located near the three mines and telephone calls were made to 1,200 residents of the communities.

#### 2. Community's Self-Development Capability

China Minmetals' enterprises believe that the enhancement of their own development capability is the foundation for building communities. They strengthen the infrastructure construction in the local communities, develop local potential for self-development, improve local life and encourage the common development of the local economy and society.

### Case

"Community Trust Fund" launched by Sepon to enhance local self-development capability

Sepon Mine in Laos established the "Community Trust Fund" to manage the development projects of the local community. Since 2003, MMG (the former OZ) has provided the Lao Government with \$500,000 in assistance each year, reaching \$2.9 million so far, which has been used for community construction, including provision of electricity to villages, building schools, provision of equipment for hospitals, provision of electricity to villages, work on roads, tourism, the manufacturing industry and the Lao Women's Federation. To date, 73 villages have been benefited by the fund.

Starting from 2006, the Fund also provides local high school students with 6-year apprenticeship courses. 43 apprentices have been enrolled so far. MMG also cooperates with the Melbourne Royal Children's Hospital and some non-profit institutions to provide training courses for the pediatric professionals in Laos.

The "Community Trust Fund" of Sepon Mine has not only provided the residents with more education opportunities and better infrastructure, but also reduced their excessive reliance on natural resources, enhanced the capability for self-development, increased their income and realized long-term development.



The electric power facilities built by Sepon for a local village

Sepon uses local factory to make work clothing, thereby driving the development of the local manufacturing industry

 Case

MoU signed by Golden Grove with local community

In January 2011, Golden Grove signed a Memorandum of Understanding (MoU) with the Shire of Yalgoo to provide an annual financial contribution to the Shire, which is designed to help finance infrastructure in the community, support the community's basic education needs, improve the living standard of its residents, and drive the development of the local economy. The agreement formalises a long-standing relationship between the mine and local community.

In 2010, Golden Grove contributed over US\$165,000, which was used to reseal and repair highways and support the local plan for development of a healthy community project intended to facilitate community economic development. About 130 residents of Yalgoo benefited from the contribution.



Golden Grove mine employees and representatives from the Shire of Yalgoo sign a Memorandum of Understanding



3. Boosting Community Employment

China Minmetals' enterprises in Australia adhere to the principle of "international company, local staff" and have drawn up effective measures in light of the actual conditions of the enterprises to ensure job opportunities are in place to provide employment and business opportunities to local stakeholders (including Indigenous people), realize a rational localization rate of overseas employees, effectively promote employment in the local communities of operations and boost local economic and social development. In 2010, the local employment rate of these enterprises reached 99.78%.

the local employment rate



 Case

China Minmetals continuing to use local employees after acquisition of OZ Minerals Ltd

China Minmetals has honored its undertaking and continues to employ many of the former employees and management team of the OZ Minerals Ltd. including employees performing exploration, production, management, operations and sales roles.



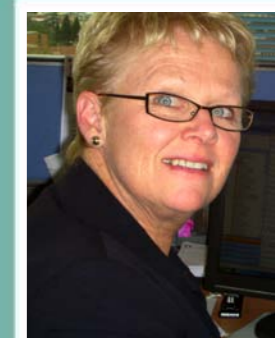
MMG's Australian operations are unique in that they are managed and operated entirely by the local Australian based management team and employees.

— Zhou Zhongshu, President, China Minmetals

MMG has approximately 5,000 \* employees and contractors, of which approximately 80% are from the former OZ Minerals Ltd.

— Andrew Michelmores, CEO, MMG

\* figure in Jan.2010



Working for Minmetals Australia for the Past 17 years I have seen a vast change in the ease of dealing with Mills in China and the acceptance of Chinese products, I have gained valuable knowledge working with my colleagues and the Long term dealings with many Chinese Mills this has been mutually beneficial and rewarding to both parties, and I continue to enjoy working here.

— Carol Ferrari, Minmetals Australia



Soon after moving to Australia 6 years ago I became a member of the Minmetals team which I have enjoyed to this day.

— Stephen Treharne, Senior Trader, Minmetals Australia

	Minmetals Australia	MMG	Sino Mining International Limited	Janfair Pty Ltd
Number of Workers from China Minmetals	9	1	4	2
Number of Local Employees	12	7252	8	1



\* At Sepon, 87% of our employees are Lao nationals

#### 4. Assisting Communication Education

China Minmetals' enterprises in MMG attach great importance to education and training both internally and externally. Local residents participate with training to increase their mining knowledge, community education programs are supported, and training and education programs have been implemented internally.

#### Case

New trainees in the "Two year Traineeship Program" at Rosebery mine

Faced with the challenge of an ageing workforce, Rosebery mine management crafted a plan for a five-year traineeship program that would provide local young people with training opportunities at Rosebery which would also support and expand the route and scope of the recruitment of new employees. On 24, January 2011, the mine welcomed 12 new trainees from the local Tasmanian community, who will enter a two year training program at Rosebery to enhance their mining-related professionalism and capability.



*The support you receive from co-workers while learning a process conducted on site and having the opportunity to put new skills into practice.*

— Nick Poznik, participant of MMG's Graduate Internship Program at Rosebery

#### Case

Rosebery mine employees popularizing mining knowledge among local pupils

Spreyton Primary School is located near Rosebery mine in Tasmania. In May 2011, 19 pupils from Spreyton Primary School visited the mine and watched a presentation on rock samples given by a geologist in the community office. They also visited the mine cars for underground use. During this activity, the children asked many questions about ores and mining site work which were answered by Rosebery mine employees.



*The plan for the company to expand and grow is very exciting as it will provide me with opportunities to develop my career. MMG provides a great opportunity to increase my training and skills, ensuring I can be the best geologist possible.*

— Luke Williams, Graduate Student of Geology, a participant of MMG's Graduate Program at Rosebery mine

#### 5. Boosting the Exchange of Diversified Cultures

China Minmetals' enterprises in Australia seek to actively promote the exchange of diversified cultures as an integral part of their own development. They sponsor and take part in the cultural activities of the communities, promote regional vitality and create the atmosphere for harmonious development.



The China Minmetals Australian Survey Team and two MMG employees visiting the Australia-China History Museum located in Melbourne for more understanding of the cultures of both countries




Century employees engaging with members from the local community



Lots of Chinese elements were incorporated in the first anniversary celebration of MMG

### 6. Disaster Relief

When natural disasters occur in the areas surround China Minmetals' enterprises in Australia operations, the operations will often support disaster relief and recovery efforts within the local community, which may include donation of cash and goods to the disaster-stricken area.

 **Case**

MMG supports the Queensland Premier's flood relief appeal

The Century mine is located in northwest Queensland, and it has a strong connection with local community. In 2011, the torrential downpours affected more than 200,000 Queenslanders, with thousands made homeless. It has taken considerable time for communities to rebuild. On 10 January, 2011 MMG made a contribution of A\$ 80,000 to the Queensland Premier's Flood Relief Appeal to support the recovery of communities affected by the widespread flooding in Queensland.

 **Case**


Janfair Pty Ltd devoted to public good in local community

In February 2009, a Victoria bushfire caused heavy casualties and property losses. Janfair donated to the disaster area in support of the reconstruction efforts.

### 7. Participating in Community Activities


China Minmetals' enterprises in Australia voluntarily take part in community activities and seek opportunities to cooperate with community organizations.



 **Case**

Rosebery mine supporting local festival celebrations

Rosebery mine has supported the Preparing Committee of "Rosebery Festival" over the years. In February 2011, the mine celebrated its 75th anniversary with a "Rosebery Festival" and hosted a series of activities including an art show, pet exhibition and artistic performance for local community members.

 Exhibition held during Rosebery Festival

*The 2010 Rosebery Festival was a great success. Under the help of MMG, we managed to better show the charm of Rosebery to the other areas of Tasmania.*

— Christine McDermott,  
Member of  
Preparing Committee of  
Rosebery Festival




Activity held during Rosebery Festival

 **Case**

Golden Grove supports Midwest Life Education (MWLE) Program

Golden Grove has committed to a two-year sponsorship arrangement with the MWLE that will enable rural and regional children to access Life Education sessions which incorporate learnings about maintaining a healthy lifestyle, dietary nutrition, and life skills. In August 2010, the program was undertaken at Meekatharra High School, Cue Primary School and Yalgoo Primary School.

### (III) Development of Local Indigenous People and Cultural Protection

China Minmetals' enterprises in Australia have many operation sites that are located in the communities of Indigenous people. The operations work to protect the cultural relics of Indigenous people, respect their rights and interests, work to understand the development needs of Indigenous communities in the areas in which they operate while also providing economic, education and training opportunities.

**Case**

BMA learning from Century in promoting employment of Indigenous people

Century has a successful Indigenous training and employment program. In 2010, two representatives from BMA (BHPB Mining Alliance) Brisbane Office visited Century to meet with important stakeholders within the community and learn about the Century "Pre-employment Training Program" recruitment procedures and other policies supporting staff development at the Century mine.

GCA signed by Century with local government and indigenous community

The Gulf Communities Agreement is a tripartite agreement signed by Century Mine, Queensland Government and four Native Title Groups to provide education, training and employment opportunities for the people of the lower Gulf region, as well as cultural and environmental assurances.

The spirit and intent of the Gulf Communities Agreement and the desired outcomes of the Native Title groups were to:

- Remove their people and other members of their communities from welfare dependency and, to the greatest extent possible, promote economic self-sufficiency
- Participate as fully as possible in the mine and related ventures.
- Be able to live on their traditional lands.
- Protect fully the natural environment and its resources.
- Identify and protect sites of cultural significance.
- Ensure that the material benefits gained do not corrupt Indigenous cultures, but enable people to reaffirm their beliefs and enhance the lifestyles of the people of the Gulf through community and cultural development initiatives.
- Ensure that the standard of health, employment rates, education opportunities and other social indices of the people of the Gulf are comparable to ordinary Australian standards.



### 1. Training and Employment of Indigenous People

China Minmetals' enterprises in MMG provide education and training to improve the skills of local Indigenous people and enable them to pursue continued development after mine closure. They also recruit Indigenous employees from surrounding Indigenous communities to provide local job opportunities and support the development of local communities. As at 31 December 2010, 21% of the workforce at Century mine were Indigenous people, and at Golden Grove, 2.5% of the workforce were Indigenous people.

**Case**

Century mine supporting indigenous development

As at June 2011, 25% of the employees of Century (about 240) were sourced from the local indigenous community.

To promote the training and development of indigenous employees Century has implemented a number of initiatives to recruit, train and retain local people including a Pre-vocational program to help young people from the lower Gulf region transition into traineeships and apprenticeships.

To date, Century has employed over 70 Indigenous people who have completed the "Pre-employment Training Program", and 30 who have completed the Century "Up-skilling Program".



Previous indigenous employees receiving training in Century

 Case

Troy Kumsing is a local indigenous employee who commenced employment at Century mine ten years ago as a Tyre Technician. He has since pursued a mature-aged apprenticeship in diesel fitting, under the support of the mine, and successfully became a finalist in the Queensland Mining Skills Centre's Apprentice of the Year Awards in 2010. Troy completed his apprenticeship last year and is now employed as a Diesel Fitter onsite. Today, Troy is one of the most capable mechanics in Century's Mine Maintenance Workshop (MMW).



*I wanted to try something new while moving forward with my career so starting an apprenticeship seemed like the next step. It's been a good decision as I really enjoy what I do and being part of the heavy vehicle workshop team.... As a local Indigenous person, I often talk to people on site, and within my community, about my life at the mine, what study is involved and the support that has been provided to me and other apprentices over the years....I want to be a positive role model by showing younger generations that given the opportunity and the right attitude that you can achieve anything.*

— Century mine diesel fitter Troy Kumsing

2. Protection and Exchange of Indigenous Culture

China Minmetals' enterprises in MMG have taken effective measures to minimize the impact on indigenous culture, focus on preserving natural scenery in local communities and made arrangements for their employees to take part in training related to indigenous culture to better understand the customs of the indigenous residents and communicate effectively with the local communities.

 Case

Century mine protecting indigenous culture

To protect local culture from the impact of Century's mine operations, the mine employs a number of "Cultural Protection Observers" who have profound understanding of local culture and customs. They supervise the impact that may be caused by the mining operations upon the culture and landform of the community and make suggestions on improvement.

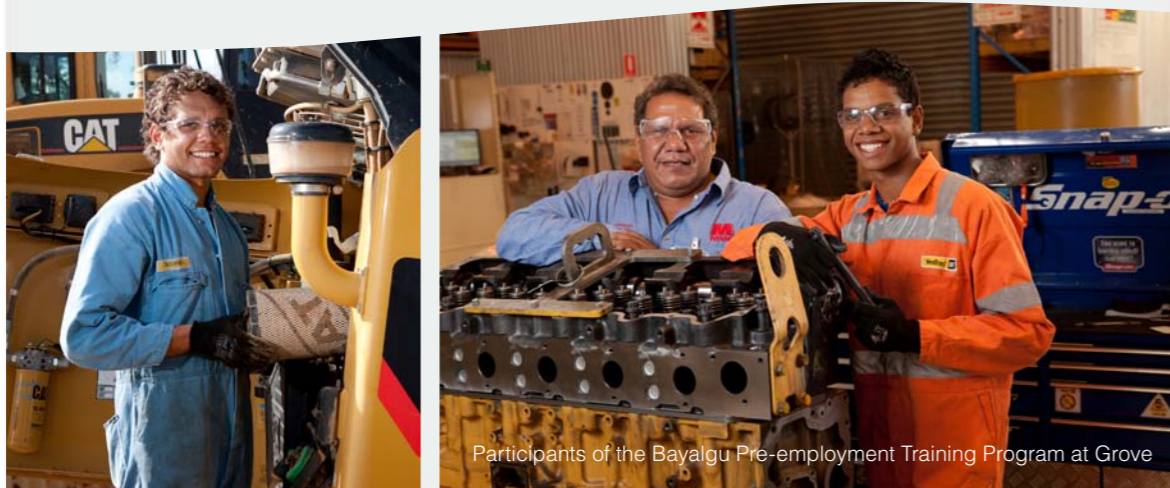


 Case

Golden Grove increasing job opportunities for indigenous people

Golden Grove mine implemented the Bayalgu Pre-employment Training Program which seeks to improve Indigenous representation in employment in Western Australia's Mid West region, while addressing projected skills shortages and resource industry growth.

The ten week training program is open to 18-25 year old Indigenous Australians. It features a number of training activities leading to a Certificate II in Resource and Infrastructure, and forklift and elevated work platform licenses. The first intake for 2010 included four females and three males.



Participants of the Bayalgu Pre-employment Training Program at Grove

 Case

Golden Grove carries out a "Cross-Cultural Awareness" program

Golden Grove Mine understands that its own operations may produce some impact on the economy, life and culture of the local community. To minimize this impact, it recognizes the need to strengthen exchanges and communication with the indigenous community to increase employees' understanding of local culture and life. In 2010, the mine launched the "Cross-Cultural Awareness" program, which involved the participation of 148 employees who visited the cultural heritage sites of indigenous people, provided medical care for the indigenous community and contributed to the development and spreading of the indigenous art.



Site of the "Cross-Cultural Awareness" Program of Golden Grove



Case

Sepon mine respecting the indigenous culture of Laos

Sepon admits that the development of resources will cause some impact on local indigenous culture. Therefore, it has taken measures voluntarily to protect local culture. In 2007, Sepon signed a Memorandum of Understanding with the National Heritage Department and the Ministry of Information & Culture of the Lao Government, which was amended in August 2010.

In the MoU, Sepon commits itself to identification and protection of the indigenous culture in Vilabouly where its operations are located for the promotion of cultural development.



While today's mine is considered to have begun operating in a remote jungle-covered border district, Sepon's investigations have revealed that use of copper and associated exchanges of metals may have made Vilabouly District an important place of trade more than 2,000 years ago. Sepon is also known for the discovery of a magnificent Heger I bronze ceremonial drum in 2008, which is currently displayed at the National Museum of Laos in Vientiane, the capital.

"MMG not only wants to protect heritage, but also to look for ways to promote heritage protection for the long-term benefit of MMG's host communities."

— Frank Reimann, Senior Manager of Social License and Sustainability at Sepon



## Future Outlook



Looking into the future, we will continue to practice our philosophy of global operation - "thinking global, acting local" - to become a responsible local enterprise in Australia, and continue to blend our social responsibility commitments into global operations, including accountability, transparency, ethical behavior, respect for the interests of stakeholders, respect for the rule of law, respect for international codes of conduct, and respect for human rights. We will incorporate the concerns of stakeholders into our development strategy and maximize the results of sustainable development.

We will continue to uphold the principle of seeking progress while maintaining stability and following trends, guarding against risks, anticipate the tendency of the mineral trade market and changes in the policy environment. We will actively discuss new business models, regard the creation of value for shareholders as the top consideration when implementing M&A and exploration strategy, closely follow upstream mining operations, and work hard to expand reserves of mineral resources. We commit ourselves to building the next generation' s leading global diversified minerals and metals company, and be recognized as one of the top three mid-tier mining companies.

We will actively practice the idea of "working safely, creating value and protecting our future" . We will continue to embed the DuPont safety philosophies into mine operations, and blend foundations in safety into operations management, such as fully functional investigation processes (ICAM – Incident, Cause, Analysis, Method), Job Safety Analysis (JSA) and quality job observations. We will introduce a Health and Hygiene Management Program, establish an integrated fatigue management plan, implement the revised crisis management plan and the new Basic Aviation Risk Standard (BARS), finalise the structure for the new IT solution for incident management, hazard management and health and hygiene management, and strive to reduce Total Recordable Injury Frequency Rate (TRIFR) below 1.5 and number of "High Fatality Potentials" incidents to zero by the end of 2014.

We will develop a sustainable environmental management system at the corporate level based on the principles of ISO14001 which can be effectively integrated into new parts of the business as it grows, develop a robust Water Management Strategy and detailed Water Management Plan, and report the water use and drainage according to the Water Accounting Framework released by the Minerals Council of Australia. We will continue to undertake a Climate Change Study, and prepare Energy Management Plans for all Australian mining operations and submit Energy Efficiency Opportunities (EEO) and National Greenhouse and Energy Reporting Scheme (NGERS) reports on schedule. We will develop Biodiversity Management Plans, and develop a review tool to quantify closure risks and assess quality of closure plans in a bid to reduce recordable environment incidents by 20%, lower energy and water consumption, increase the percentage of recycled and reused water, continuously reducing operational impact on the environment.

We will continue to conduct employee perception surveys, work to continuously increase the employee perception survey engagement index by 5% each year, and maintain an employee turnaround rate of less than 8%. At the same time, we will supervise the implementation of the new Code of Conduct Policy and the supporting programs through the establishment of the Employee Code of Conduct Committee, review our practices on managing human rights, and continue delivery of leadership, supervisory, technical and operational training to realize the common development of both employees and enterprises.

We will continue to extend our community engagement programs, and increase the number of community perception survey by 5% each year and work to further understand the concerns and expectations of communities, develop a Community and Stakeholder Engagement Management System, which allows for robust measurement and governance and to help improve the consistency and measurement of engagement across operations, continue to undertake stakeholder perceptions surveys, based on the findings to improve the engagement strategy and work hard for the mutual benefit of the stakeholders.

China Minmetals will continue to encourage its enterprises in Australia to actively fulfill social responsibility, continuously improve the social responsibility management system, strengthen communication with stakeholders by continuing to release sustainability report and enhance the performance of sustainable development through the active implementation of multiple management plans to maximize stakeholders' value.

## Appendix

### 1. Comparison Sheet of the Ten Principles of UN Global Compact


Ten Principles	Performance
<p>Human Rights</p> <p>1. Businesses should support and respect the protection of internationally proclaimed human rights</p> <p>2. Make sure that they are not complicit in human rights abuses</p>	<p>China Minmetals' enterprises in Australia support international human rights standards including the Universal Declaration of Human Rights, the International Convention of Civil Rights and Political Rights and the International Covenant on Economic, Social and Cultural Rights, and have established an employment system that meet all relevant Australian laws and regulations in relation to the rights of employees.</p>
<p>Labor</p> <p>3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining</p> <p>4. The elimination of all forms of forced and compulsory labour</p> <p>5. The effective abolition of child labour</p> <p>6. The elimination of discrimination in respect of employment and occupation</p>	<p>China Minmetals' enterprises in Australia adhere to local and global labor laws and conventions. There were no incidents during the reporting period.</p> <p>We support employees' freedom of association, conduct opinion survey among employees, strengthen the dialogues with employees, persist in equal consultations, step up the democratic management and supervision by employees;</p> <p>We eliminate forced labor and the use of child labor; keep in place a people selecting and using mechanism that is open, equal, competition-based and merits-oriented; oppose all forms of discrimination;</p> <p>We have established a performance-based remuneration system that can effectively stimulate the long-term development of employees and support the employees in reaching the goal of "working for life"; strengthen the occupational safety and health management of employees by improving their working environment.</p>
<p>Environment</p> <p>7. Businesses should support a precautionary approach to environmental challenges</p> <p>8. Undertake initiatives to promote greater environmental responsibility</p> <p>9. Encourage the development and diffusion of environmentally friendly technologies.</p>	<p>China Minmetals' enterprises in Australia integrate the environmental protection philosophy into the whole lifecycle of their mining operations, ranging from exploration to feasibility study, construction, operations, closure and trade, implement risk control through the ISO14001 environmental management system and have established environmental standards in accordance with their own actual conditions to ensure consistent environmental controls in office sites, mine operations and explorations, in an effort to minimize operational impacts on the environment and minimize their environmental footprints.</p> <p>In water use, we use recycled and reused water as much as possible, and through measuring water usage, develop site-level water balance models to enhance water use efficiency; With regards to discharging wastewater, we aim to minimize pollutant loads through the efficient operation of effective wastewater management systems and controls at our operations;</p> <p>We have established the Energy and Climate Change Steering Committee to promote innovation and identify opportunities to reduce energy usage and the emission load of greenhouse gases, thus minimizing the environmental impact of our operations;</p> <p>We are committed to reducing their impact on biodiversity wherever possible, preserving and rehabilitating land, conserving and improving biodiversity through the effective implementation of Biodiversity Management Plans and establishing appropriate biodiversity offsets;</p> <p>We attach great importance to the needs of the environment and the community surrounding the closure of mines, and compile the Closure Planning Guideline. We have developed mine closure plans for the mining sites, which they assess regularly to find the best solutions.</p>
<p>Anti-Corruption</p> <p>10. Businesses should work against corruption in all its forms, including extortion and bribery.</p>	<p>China Minmetals' enterprises in Australia have set up the anti-corruption and anti-bribery system and policies, to help ensure that operations are run in a fair, transparent and responsible way;</p> <p>We have a specific training program addressing corruption.</p> <p>We have developed the Whistleblowing System to encourage the reporting of improper, illegal and immoral behavior.</p>

## 2. ISO26000 Comparison Sheet

Standard	Performance	
7 Principles of Social Responsibility	China Minmetals' enterprises in Australia engage in sustainable operations under the principle of adhering to morals, observing laws and discipline and respecting international code of conduct; assume responsibility for the social, economic and environmental impact caused by its operation activities; persist in transparent operations, respect human rights, respect and consider the expectations of stakeholders in operations; respond to the concerns of stakeholders by regularly releasing sustainability report and other ways.	
Stakeholder Engagement	We have established the mechanism of stakeholder participation and communications; sent people on fact-finding trip to Australia to know about the concerns of stakeholders by holding open day at the mine and seminars with stakeholders, distributing questionnaires in the community and other ways; discussed ways of improving stakeholder management.	
Social Responsibility Core Subjects	Organizational Governance	We have set up the system of "csr leader and liaison person" according to Corporation's regulations. MMG manage the csr work by establishing the Board Safety, Health, Environment and Community (SHEC) Committee.
	Human Rights	We support international human rights standards including the Universal Declaration of Human Rights, the International Convention of Civil Rights and Political Rights and the International Covenant on Economic, Social and Cultural Rights, and have established an employment system that meets all relevant Australian laws and regulations in relation to the rights of employees.
	Labour Practices	We adhere to local and global labor laws and conventions. There were no incidents during the reporting period. We support employees' freedom of association, conduct opinion survey among employees, strengthen the dialogues with employees, persist in equal consultations, step up the democratic management and supervision by employees; We eliminate forced labor and the use of child labor; keep in place a people selecting and using mechanism that is open, equal, competition-based and merits-oriented; oppose all forms of discrimination; We have established a performance-based remuneration system that can effectively stimulate the long-term development of employees and support the employees in reaching the goal of "working for life"; Incorporated the idea of "Stop & Think" into safety and health endeavors; strengthened the occupational safety and health management of employees by improving their working environment.
	Environment	We have formulated the biodiversity protection plan and compensation mechanism; drawn up the plan for rehabilitation of developed land; developed site-level water balance models to use as much recycled water as possible; implemented wastewater management and control system; enhanced energy efficiency and reduced the emission load of greenhouse gases through technical innovations and energy researches; have compiled the Closure Planning Guideline and regularly assess the closure plans of the mines.
	Fair Operating Practices	We communicate and cooperate with stakeholders and persist in operations that are fair, transparent and responsible way to achieve equality and mutual benefits; We oppose all forms of corruption and bribery; have set up the anti-corruption and anti-bribery system and policies, which they reply on in practical work; heighten the understanding of its employees, contractors and suppliers about corruption and how to resist corruption through the special anti-corruption training; We have developed a Whistleblowing System to encourage the reporting of improper, illegal and immoral behavior.
	Consumer Issues*	We provide consumers with accurate product information and adopt fair, transparent and helpful contract procedures; provide high-quality products and services to guarantee consumers' health and safety; protect the information and privacy of consumers; solve disputes and make compensation as per laws, regulations and contract clauses.
	Community Involvement and Development	We communicate with the communities to find out about their needs and ask for comments and suggestions; provide open and transparent operation information; have set up relations of friendly collaboration and common development with the communities; serve the communities through multiple routes and in multiple forms; support community education and make the communities more capable of self-development; respect the culture of indigenous communities, minimize the impact caused by operations on the society and environment of the communities; provide aboriginals with economic assistance and support in education and employment.
Integrate Social Responsibility throughout an Organization	We communicate with stakeholders in various ways and incorporate their concerns into the development strategy of the organization so that the stakeholders can have trust in China Minmetals' enterprises in Australia, which in turn can increase its own creditability.	

\* China Minmetals' enterprises in Australia mainly engage in mining-related operations, with their product quality mainly relying upon the quality of natural mineral ores instead of production activities. Because of this unique feature, there are not many consumer-related issues covered in this Report. Only those matters relevant to the consumers are covered herein.

## 3. LQRA Assurance Statement



**Assurance Statement**

**Terms of Engagement**  
This Assurance Statement has been prepared for China Minmetals Corporation.

Lloyd's Register Quality Assurance (Shanghai) Co. Ltd. (LRQA) was commissioned by China Minmetals Corporation (CMC) to assure the Chinese version of its 2010 China Minmetals Corporation Sustainability Australian Report for the financial year ending 31<sup>st</sup> December 2010 (hereafter referred to as "the Report"). The Report relates to data and information for the operations of four enterprises: Minerals and Metals Group (MMG), Minmetals Australia Pty. Ltd (MAP), Sino Mining International Limited (SMI) and Janfair Pty. Ltd.

The assurance engagement did not cover the broader operations and activities of CMC.

**Management Responsibility**  
CMC's management was responsible for preparing the Report and for maintaining effective internal controls over the data and information disclosed. LRQA's responsibility was to carry out an assurance engagement on the Report in accordance with our contract with CMC.

Ultimately, the Report has been approved by, and remains the responsibility of CMC.

**LRQA's Approach**  
The assurance engagement was undertaken against:

- AA1000 Assurance Standard 2008 (AA1000AS), where the scope was a Type 2 engagement
- Global Reporting Initiative Sustainability Reporting Guidelines (GRI G3), 2006.

The objectives of the assurance engagement were to:

- Review adherence to the AA1000AS Accountability Principles of Inclusivity, Materiality and Responsiveness and evaluate the reliability of specified sustainability performance information
- Review how the GRI G3 requirements have informed CMC's reporting of its sustainability performance.

To form our conclusions the assurance was undertaken as a sampling exercise and covered the following activities:

- Reviewing the stakeholder engagement process and related information
- Evaluating material issues of CMC and its enterprises in Australia against our own independent analysis of stakeholder issues
- Carrying out a benchmarking exercise of high-level material issues by reviewing sustainability reports written by CMC and its peers
- Understanding how CMC and its enterprises in Australia determine, respond and report on their material issues
- Interviewing management of CMC and its enterprises in Australia to understand CMC's reporting processes and use of sustainability performance data within their business decision-making processes
- Interviewing key personnel to understand processes of CMC and its enterprises in Australia for setting performance indicators and for monitoring progress made during the reporting period
- Obtaining sufficient evidence, that we consider necessary, to give a moderate level of assurance. In accordance with our contract our verification was carried out only at CMC's head office, No. 5, Sanlihe Road, Haidian District, Beijing, China. Hence source data was not verified for its accuracy and completeness as no sites were visited in Australia.

**Note 1:** Economic performance data was taken directly from the audited financial accounts.  
**Note 2:** LRQA corroborated only that data and information accessed through links that take the reader out of the Report were transcribed accurately or the correct reference was provided.

This document is subject to the provision on page 2



#### Level of Assurance & Materiality

The opinion expressed in this Assurance Statement has been formed on the basis of a moderate level of assurance and applying professional judgement for materiality related to the specified performance data.

#### LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that the Report has not been produced based on AA1000AS's principles. It should be noted that for the principle of:

- **Inclusivity** - CMC has identified their stakeholder groups internally both at group and enterprise level. In response CMC has set the sustainability strategy, vision and targets whilst the Australian enterprises have developed their mission, policy and standards for addressing sustainability issues.
- **Materiality** - CMC and its enterprises in Australia have processes/framework in place for identifying and evaluating their material issues and have established the criteria for risk assessment. The sustainability issues have been identified and the risk assessment has been conducted for MMG. The risk assessment's implementation involving safe and environment can be improved in MAP, SMI and Janfair Pty. Ltd.
- **Responsiveness** - CMC and its enterprises in Australia have processes in place to respond to government authorities, employees, communities and the public, partners and suppliers, shareholders and investors, etc. in a variety of ways by relevant functions.

It is also our opinion that the GRI G3 informs CMC's processes for reporting sustainability performance and that nothing has come to our attention that would cause us to believe that the specified performance information is not reliable.

#### LRQA's Recommendations

CMC should

- Establish a robust and systematic approach to its stakeholder engagement process
- Provide additional data on the environmental and occupational health performance. For example waste and occupational diseases
- Report environmental, occupation health and safety performance data for its MAP, SMI and Janfair companies
- Build and improve the technical system(s) that collect the data and information to further improve the accuracy and completeness of CMC's sustainability performance as disclosed in the Report.

Signed

Dated: 28<sup>th</sup> September 2011

Name **Stephen Liu**

LRQA Lead Verifier

On behalf of Lloyd's Register Quality Assurance, Shanghai  
Room 2018, Ocean Towers, No. 550 Yan An Dong Road, Shanghai

LRQA Reference: QAC6013442

This document is subject to the provision below:

This Assurance Statement is only valid when published with the Report to which it refers.

Lloyd's Register Quality Assurance Limited, its affiliates and subsidiaries and their respective officers, employees or agents are, individually and collectively, referred to in this clause as the 'Lloyd's Register Group'. The Lloyd's Register Group assumes no responsibility and shall not be liable to any person for any loss, damage or expense caused by reliance on the information or advice in this document or howsoever provided, unless that person has signed a contract with the relevant Lloyd's Register Group entity for the provision of this information or advice and in that case any responsibility or liability is exclusively on the terms and conditions set out in that contract.

Because of the inherent limitations in any internal control it is possible that fraud, error, or non-compliance with laws and regulations may occur and not be detected. Further, the verification was not designed to detect all weaknesses or errors in internal controls so far as they relate to the requirements set out above as the verification has not been performed continuously throughout the period and the verification carried out on the relevant internal controls were on a test basis. Any projection of the evaluation of control to future periods is subject to the risk that the processes may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

The English version of this statement is the only valid version. The Lloyd's Register Group assumes no responsibility for versions translated into other languages.



#### 核实声明

#### 核实范围

中国五矿为本核实声明的使用者。

劳氏质量认证(上海)有限公司(LRQA)受中国五矿集团公司(中国五矿)委托对其 2010 年中国五矿集团公司可持续发展澳洲报告中文版(下文中统称“本报告”)实施了独立的核实工作, 报告截止日期为 2010 年 12 月 31 日。本报告覆盖了四家公司的数据与信息, 包括 Minerals and Metals Group (MMG)、澳洲五矿有限公司、中矿国际有限公司和劲飞有限公司。

本次核实未包括中国五矿其它的运作与活动。

#### 管理职责

中国五矿管理层负责准备本报告, 同时也负责保持披露数据和信息的有效的内部控制。LRQA 依据与中国五矿的合同, 负责开展本报告的核实工作。

本报告由中国五矿批准, 并最终对其负责。

#### LRQA 的核实方法

本次核实工作的开展基于:

- AA1000 验证标准 2008 版 (AA1000AS), 范围为类型 2 的核实
- 全球报告倡议可持续报告指南 (GRI G3) 2006 版。

本次核实工作的目的是:

- 评估与 AA1000AS 原则的符合程度, 包括包容性、实质性和响应性, 以及评审相关可持续发展绩效信息的可靠性
- 评估中国五矿如何参考 GRI G3 要求报告其可持续发展绩效。

为形成我们的结论, 本次核实工作采用了抽样的方法, 并包括以下活动:

- 评估中国五矿利益相关方参与过程及相关的信息
- 基于我们自身独立的利益相关方问题分析, 评估中国五矿与其在澳企业的实质性问题
- 通过评审中国五矿与其同行的可持续发展报告, 开展高层次实质问题的标杆对比
- 理解中国五矿与其在澳企业如何确定、响应和报告其实质性问题
- 与中国五矿与其在澳企业管理层面谈以理解中国五矿的报告过程, 以及如何在业务决策过程中使用可持续发展绩效数据
- 与关键人员进行面谈以理解中国五矿与其在澳企业在报告期间设定绩效参数和监视的过程
- 获得我们认为必要的充分证据以开展中度级别的核实。依据与中国五矿的合同, 本次核实工作仅在位于中国北京海淀区三里河路 5 号的中国五矿总部进行。由于未开展澳大利亚公司现场的访问, 因此未对原始数据的准确性和完整性进行核实。

注 1: 经济绩效数据来自于已通过第三方审计的财务报告。

注 2: 本次核实工作范围没有延伸至本报告以外的链接数据和信息。LRQA 仅确认传递准确或建立了正确的索引的数据和信息。

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### 4. Comparison Sheet of GRI Indicators

Irrelevant  adopted  Not Applicable

	Sequence of Indicator	Content of Indicator	Disclosure Location	Adoption
1. Strategy and Analysis	1.1	Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and its strategy.	P2-3	●
	1.2	Description of key impacts, risks, and opportunities.	P2-3	●
2. Organizational Profile	2.1	Name of the organization.	Inside front cover, P6-11	●
	2.2	Primary brands, products, and/or services.	P4-11	●
	2.3	Operational structure of the organization	P6-7	●
	2.4	Location of organization' s headquarters.	P6-7	●
	2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	P4, P6-7	●
	2.6	Nature of ownership and legal form		<input type="radio"/>
	2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	P6-11	●
	2.8	Scale of reporting organization (including number of employees, net sales, ratio of liabilities and net assets to total assets, quantity of products and services provided)	P9-11, P27, P72	●
	2.9	Significant changes during the reporting period regarding size, structure, or ownership	P4, P9, P28-29	●
	2.10	Awards received in the reporting period	P47, P49, P62	●
3. Report Parameters	3.1	Reporting period (e.g., fiscal/calendar year) for information provided	Inside front cover 2	●
	3.2	Date of most recent previous report		<input checked="" type="radio"/>
	3.3	Reporting cycle		<input type="radio"/>
	3.4	Contact person for questions regarding the report or its contents	Inside front cover 2, P112	●
	3.5	Process for defining report content	Inside front cover 2	●
	3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers)	Inside front cover 2	●
	3.7	State any specific limitations on the scope or boundary of the report.	Inside front cover 2	●
	3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Inside front cover 2	●



**保证级别与实质性**  
本声明中的观点是基于中度级别的保证以及对相关绩效数据的实质性专业判断而形成的。

**LRQA 的观点**  
基于核实的范围和方法, LRQA 认为没有什么可以让我们相信本报告未依据 AA1000AS 的原则编制。针对原则的结论如下:

- 包容性**— 中国五矿内部在集团层面及其在澳企业层面识别了利益相关方, 中国五矿建立了可持续发展战略、理念、愿景和目标, 在澳企业也建立了其可持续发展愿景、方针和标准以解决其可持续发展问题。
- 实质性**— 中国五矿与 MMG 已分别建立了实质性问题识别与评估的过程或框架, 也建立了风险评估的准则。MMG 集团据此识别出了可持续发展问题并实施了风险评价。澳洲五矿有限公司、中矿国际有限公司、劲飞有限公司三家公司在环境、健康与安全方面的风险评价实施需要进一步完善。
- 响应性**— 中国五矿与其在澳企业已建立了与利益相关方进行响应的过程并通过相关的职能部门来实施, 包括政府、员工、社区与公众、合作伙伴和供应商、股东与投资方等。

我们同时认为中国五矿参考 GRI G3 建立了收集、整理可持续发展绩效数据的过程, 没有什么可以导致我们相信报告中的可持续发展绩效信息是不可靠的。

**LRQA 的建议**  
中国五矿宜

- 建立更趋完善与系统的利益相关方参与的过程
- 披露额外的环境与职业健康安全绩效数据, 如固体废物与职业病的数据
- 进一步完善澳洲五矿有限公司、中矿国际有限公司、劲飞有限公司在环境、职业健康与安全方面的数据与信息
- 进一步建设和完善可持续发展数据和信息收集系统, 为提高中国五矿可持续发展报告中绩效数据和信息的准确性与完整性提供更完备的技术支持。

  
 姓名 刘兆金  
 2011年9月28日签署

**LRQA 主任核实员**  
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	Sequence of Indicator	Content of Indicator	Disclosure Location	Adoption
3. Report Parameters	3.9	Data measurement techniques and the bases of calculations	Inside front cover 2	●
	3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement		⊗
	3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report		⊗
	3.12	Table identifying the location of the Standard Disclosures in the report	Inside front cover 2, P103-111	●
	3.13	Policy and current practice with regard to seeking external assurance for the report.	Inside front cover 2	●
4. Governance, Commitments, and Engagement	4.1	Governance structure of the organization		○
	4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization' s management and the reasons for this arrangement)		○
	4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.		○
	4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	P16	●
	4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization' s performance (including social and environmental performance)		○
	4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided		○
	4.7	Process for determining the qualifications and expertise of the members of the highest governance body		○
	4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	P12-15	●
	4.9	Procedures of the highest governance body for overseeing the organization' s identification and management of economic, environmental, and social performance	P17	●
	4.10	Processes for evaluating the highest governance body' s own performance, particularly with respect to economic, environmental, and social performance		○
	4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization		○
	4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives which the organization subscribes to or endorses.	P60, P83	●
	4.13	Memberships in associations and/or national/international advocacy organizations which the organization holds.	P23	●

	Sequence of Indicator	Content of Indicator	Disclosure Location	Adoption
4. Governance, Commitments, and Engagement	4.14	List of stakeholder groups engaged by the organization.	P19	●
	4.15	Basis for identification and selection of stakeholders with whom to engage.	P18	●
	4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	P17, P21-22, P50, P80, P89	●
	4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns	P19-21, P67-68, P84	●
5. Economic Performance Indicators	EC1	Direct economic value generated and distributed (including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments)	P26-P27	●
	EC2	Financial implications and other risks and opportunities for the organization' s activities due to changes in the macroeconomic environment.	P26-P27	●
	EC3	Coverage of the organization' s defined benefit plan obligations.		○
	EC4	Significant financial assistance received from government.		⊗
	EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.		○
	EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	P82	●
	EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	P91-92	●
	EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	P88-101	●
	EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts (e.g. driving local economic development)	P26, P28, P88-90, P96	●
6. Environmental Performance Indicators	EN1	Materials used by weight or volume.	P57	●
	EN2	Percentage of materials used that are recycled input materials.	P61	●
	EN3	Direct energy consumption by primary energy source.	P60	●
	EN4	Indirect energy consumption by primary source.	P60	●
	EN5	Energy saved due to conservation and efficiency improvements.	P62	●
	EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	P57, P60-61	●

6. Environmental Performance Indicators

Sequence of Indicator	Content of Indicator	Disclosure Location	Adoption
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	P60-63	●
EN8	Total water drawn by source.	P57	●
EN9	Water sources significantly affected by draw of water.	P57-59	●
EN10	Percentage and total volume of water recycled and reused.	P57	●
EN11	Location and size of land owned, leased, or managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	P64-66	●
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	P64-66	●
EN13	Habitats protected or restored.	P64-66	●
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	P64-66	●
EN15	Number of International Union for Conservation of Nature (IUCN) Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	P65	●
EN16	Total direct and indirect greenhouse gas emissions by weight.	P60	●
EN17	Other relevant indirect greenhouse gas emissions by weight.		○
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	P60-63	●
EN19	Emissions of ozone-depleting substances by weight.		○
EN20	Nitric oxide (NO), sulfur oxide (SO), and other significant air emissions by type and weight.		○
EN21	Total water discharge by quality and destination.	P58	●
EN22	Total weight of waste by type and disposal method.		○
EN23	Total number and volume of significant spills.		○
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annexes I, II, III, and VIII, and percentage of transported waste shipped internationally.		⊗
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	P57, P59	●
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	P56-69	●
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.		⊗
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	P68	●
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	P69	●
EN30	Total environmental protection expenditures and investments by type.	P57, P62	●

7. Labor Practices and Decent Work Performance Indicators

Sequence of Indicator	Content of Indicator	Disclosure Location	Adoption
LA1	Total workforce by employment type, employment contract, and region.	P72, P92	●
LA2	Total number and rate of employee turnover by age group, gender, and region.		○
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	P72-73	●
LA4	Percentage of employees covered by collective bargaining agreements.	P72	●
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.		○
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	P44-45, P48	●
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region.	P43-44, P52	●
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	P94	●
LA9	Health and safety topics covered in formal agreements with trade unions.	P42	●
LA10	Average hours of training per year per employee by employee category.		○
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career outcomes.	P74-77	●
LA12	Percentage of employees receiving regular performance and career development reviews.		○
LA13	Composition of governance bodies and breakdown of employees by category according to gender, age group and other indicators of diversity.	P72	●
LA14	Ratio of basic salary of men to women by job category.		○

8. Human Rights Performance Indicators

HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.		○
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.		○
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.		○
HR4	Total number of incidents of discrimination and actions taken.	P72	●
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	P73	●
HR6	Operations identified as having significant risk for incidents of child labor, and (core) measures taken to contribute to the elimination of child labor.	P72	●
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and (core) measures to contribute to the elimination of forced or compulsory labor.	P72	●

	Sequence of Indicator	Content of Indicator	Disclosure Location	Adoption
8. Human Rights Performance Indicators	HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.		○
	HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	P96	●
9. Society Performance Indicators	SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including their entry, operation and exit.	P88-89	●
	SO2	Percentage and total number of business units analyzed for risks related to corruption.	P85	●
	SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	P85	●
	SO4	Actions taken in response to incidents of corruption.	P85	●
	SO5	Public policy positions and participation in public policy development and lobbying.		○
	SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.		○
	SO7	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.		○
	SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.		⊗
10. Product/Service Responsibility Performance Indicators	PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.		⊗
	PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.		⊗
	PR3	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements.		⊗
	PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.		⊗
	PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	P81	●
	PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.		⊗
	PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.		⊗
	PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.		○
	PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.		○

## 5. Glossary (Part)

**Total Recordable Injury Frequency Rate (TRIFR):** A measure of the number of lost-time injuries (including fatalities), restricted work injuries and medical treatment injuries per one million hours worked.

**Lost-Time Injury Frequency Rate (LTIFR):** A measure of the number of lost-time injuries (occupational injuries and illnesses that result in days away from work on any rostered shift subsequent to that on which the injury occurred, including fatalities) per one million hours worked.

**Significant Safety Incidents:** Any occurrence that has actually resulted in or had the potential to result in consequences the same or equivalent to level 4 and level 5 on the MMG SHEC Consequence Severity Table for Injury / Illness Incidents.

**High Fatality Potential Incidents:** Any significant safety incident that had the potential to realistically result in a single or multiple fatality.

**Reportable environmental incidents:**

(1) Significant environmental incident: any event classified as level 3 or above:

- Level 3: Moderate environmental impact confined within the lease boundary (i.e. within or outside the area impacted by operations);

Medium term (typically within a month) clean-up by site staff and / or contractors;

Multiple repeat exceedances of regulatory requirement;

- Level 4: Major environmental impact;

Impact may extend beyond the lease boundary;

Significant clean-up effort required using site and external resources;

Ongoing or recurring exceedances of regulatory requirements with high potential for prosecution;

Exceedance of National regulatory requirement;

- Level 5: Severe environmental impact;

Impact may be locally severe (e.g. local species destruction) or unconfined and/or on a regional scale;

Likely long recovery period with high potential;

Extensive clean-up involving external resources;

Suspended or significantly constrained operations due to Government or regulator intervention on compliance matters;

(2) Exceedance of operating license condition regardless of environmental impact;

(3) Notification only: obligation to notify regulator of an event that is not a breach of license conditions.

## 6. Form of Feedback on Report

Respected readers,

Thank you for reading this report. To improve our work relating to corporate social responsibility and enhance the fulfillment of social responsibility by our enterprises in Australia, we hope very much that you could spare some time from your busy schedule to comment on this report and make suggestions to help us improve it.

You can submit your feedback in any of the following ways:

Tel: 0086-10-68495086, 0086-10-68495112

Fax: 0086-10-68495010

Mail: No.5 Sanlihe Road, Haidian District, Beijing (100044)

Department of Social Responsibility, General Office, China Minmetals Corporation

Email: csr@minmetals.com

Form of Feedback on China Minmetals Corporation Sustainability Australian Report

Respected readers,

Thank you for reading this report. We hope very much that you could comment on this report and make suggestions to help us continuously improve our efforts relating to social responsibility.

You can submit your feedback in any of the following ways:

1. Have you learnt what you need to from this report?

Yes  Neutral  No

2. Do you think this report is a complete reflection of the economic responsibilities undertaken by China Minmetals' enterprises in Australia?

Yes  Neutral  No

3. Do you think this report is a complete reflection of the environmental responsibilities undertaken by China Minmetals' enterprises in Australia?

Yes  Neutral  No

4. Do you think this report is a complete reflection of the social responsibilities undertaken by China Minmetals' enterprises in Australia?

Yes  Neutral  No

5. Do you think this report has disclosed sufficient quantifiable data?

Yes  Neutral  No

6. Do you think the content and form design of this report facilitate reading and understanding?

Yes  Neutral  No

7. The following space is for your comments and suggestions on China Minmetals Corporation Sustainability Australian Report:

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**Thinking Global, Acting Local**

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