

Community

Our operations provide socio-economic benefits to the communities where we operate, including employment, skills development, infrastructure improvements and financial contributions to local economies. Making a positive, long-term difference in the lives of people affected by our operations is a key goal for Inmet.

How we did this year

Our community affairs performance is evolving well. This year, we implemented a formal community assessment process at all our operations. Our team in Turkey is moving toward a sustainable community development program that will reduce reliance on the Çayeli mine so the transition will be easier for the community when the mine closes. Much of our progress is the result of leadership by senior management at our operations, who recognize the importance of being good neighbours. Our most concentrated community affairs work is taking place at Cobre Panama.

KEY COMMUNITY HIGHLIGHTS FOR 2009

(turn to *Performance* on page 45 for the detailed data)

- looked for new and better ways to deepen our relationships with communities, and identify and understand their needs
- continued to build our social licence in Panamá through deep, broad-based community relations, and continued investment in community development programs
- used the SEAT process to help us talk to our communities, learn about their priorities, and develop meaningful, relevant development strategies
- continued our commitment to the United Nations Global Compact and began assessing our alignment with the ten principles (see pages 3 and 19)
- sought advice and input from external stakeholders at home in Canada and at our majority-owned properties around the world
- invested in training to develop our employees' skills, advance their careers and keep them safe (18 hours per employee on average in 2009)

Socio-economic assessments and engagement

Our operations continued to use SEAT, a framework for identifying and assessing community development needs created for the mining sector, to guide their community engagement and development efforts this year.

Çayeli's team in Turkey made full use of the process to further engage with the community and identify development opportunities. Pyhäsalmi's team in Finland has completed all of the SEAT forms and developed an engagement plan they'll start to use in 2010. Las Cruces has retained our SEAT training consultant to assist in completing the forms. The teams at our closed properties have completed their SEAT and are using the process to engage with their communities. Learn more about SEAT at <http://www.angloamerican.co.uk/aa/development/society/engagement/seat/>.

Our team in Panamá is focusing on helping local residents understand modern mining – how environmental impacts can be minimized, and the community development benefits a well-planned project can help deliver. They are also listening carefully to community concerns about the effects a large project can have in a remote area like central Panamá. Cobre Panama is incorporating these concerns into its environmental and social impact assessment in the form of commitments it is making in its management plans. Its external relations team is also working to increase government and community awareness of the role the project can play in protecting biodiversity in this ecologically sensitive location. The site's environmental and social impact assessment is nearly complete and will be submitted in 2010.

You can learn more about Cobre Panama starting on page 37.

HUMAN RIGHTS

In some parts of the world, fundamental human rights – including the right to life, and freedom of conscience, liberty, religion, association and security of person – are not upheld and protected. We recognize that we alone cannot change this, but we support the protection of human rights within our sphere of influence and we will not be directly or indirectly complicit in the violation of human rights.

Volunteer initiatives

Inmet is a member of the United Nation Global Compact. We also continue to participate in the Devonshire Initiative, an ongoing dialogue between industry members and non-governmental organizations working towards productive solutions for issues of mutual concern in developing countries. The Devonshire Initiative was officially re-launched with a business plan in December 2009. You can find a full list of our volunteer commitments on page 8.

Employee training and development

Our sites design and implement training programs to give employees and contractors the knowledge and skills they need to perform their jobs safely and well.

In 2009, training ranged from job-specific skills, like basic miner training, scoop and truck training and hot work, to more general topics like first aid, high consequence protocols, management and leadership (including expanding our emotional intelligence coaching for managers), as well as community development and facilitation.

The human resource managers at each site also received extensive training on our employee development program, which they're now using to train site coaches and mentors. The employee development program is designed to identify, support, encourage, promote and retain high-performing employees – a step toward our goal of becoming an employer of choice.

Safety, environment and community affairs professionals from all of our operations participated in our inaugural two-day SECA conference in Turkey. The conference included workshops on operational excellence, coaching and zero harm.

Employee benefits and continuous improvement

We reviewed the employee benefits programs at our head office and one operation this year, to ensure we're providing programs that are competitive and meeting the needs of our employees at these locations.

We also launched a global employee pulse survey to get feedback on the experience of working at Inmet, and to ask for suggestions for improving work life and benefits. Nearly 1,100 employees responded – 82 percent of our workforce. The results were positive and demonstrated strong engagement among our employees as 80 percent of respondents indicated that they are “engaged” or “highly engaged”. Areas for development include improving communication with employees to reduce uncertainty and to emphasize the value of leadership and diverse perspectives.

We had only a five percent turnover in 2009, and are encouraged by our ability to retain talent.

RECOGNIZING EXCELLENCE

President's Award of Excellence

The Inmet President's Award of Excellence is awarded to employees and teams that demonstrate leadership in safety, teamwork, innovation and commitment. Winners are nominated by their colleagues and selected by a committee that includes representatives from all of our sites.

This year's award went to Erkan Erkaya and Mustafa Yazici from Safety for their work with Çayeli's mining contractor, Kopex. Erkan and Mustafa helped to improve and develop adequate safety systems, and carried out training in three languages. They also actively managed the contract and provided effective leadership – there were no medical aid or lost-time incidents and the job was completed successfully.

Other 2009 awards for excellence

- Teamwork: Las Cruces management team
- Service and Commitment: Enrique Guerrero (Las Cruces)
- Innovation: Çayeli underground communications team

Recognition for outstanding leadership

Effective leaders demonstrate Inmet's core values through their actions, exemplifying the qualities captured in our Leadership charter. In 2009, five employees were recognized for their outstanding leadership orientation and contributions.

- Tracy Park, Inmet Manager, Treasury
- Zehra Marangoz, Çayeli Manager, Human Resources
- Iain Anderson, Çayeli Manager, Maintenance
- Colin Burge, Exploration, Senior Geologist
- Fred Spiedel, Exploration, Regional Manager

Five-year community targets

In 2007, we set five-year targets in the areas of safety, environment and community affairs. We're tracking our progress as we go.

GOAL	CURRENT STATUS
<p>Know our communities Target: Review and update socio-economic assessments every year</p>	<p>Improvement SEAT process completed at Çayeli and our closed properties SEAT process underway at Pyhäsalmi and Las Cruces Cobre Panama in development stage (ESIA)</p>
<p>Listen to other voices Target: Develop a constructive relationship with at least one NGO</p>	<p>Significant progress Significant engagement with a wide range of NGOs, corporately and via Cobre Panama Cobre Panama is leading the company by partnering with a local NGO to deliver a school meals program Other operations are working toward this goal</p>
<p>Share the benefit Target: Allocate 0.5 percent of annual company after-tax profits to community development priorities</p>	<p>Improvement Allocated 0.85 percent of after-tax profits in 2009</p>

UN Global Compact progress

Toward the end of 2009, we began to assess our alignment with the ten principles on human rights, labour, the environment and anti-corruption.

What we accomplished:

- initial gap analysis
- action plan (consultant retained to assist)
- reviewed and updated our Code of business conduct and ethics
- introduced Çayeli, Las Cruces, Troilus and the closed properties to the UN Global Compact
- added 17 new GC-related GRI indicators to our annual performance reporting.

Our next steps:

- identify and assess alignment opportunities
- carry out a country-level risk assessment
- prepare our first progress report
- develop a GC training pack to use at all our sites
- develop a human rights policy and consider formally adopting the Voluntary Principles on Security and Human Rights.