

Safety

Creating and maintaining safe workplaces is a shared responsibility. The company, its managers and supervisors, and all employees and contract workers have a role to play in protecting lives and reducing injuries.

How we did this year

Safety performance did not improve as much as targeted this year, despite improvements in several key trailing indicators. While we met our key criteria of no fatalities, made improvements in both total injury frequency and disabling injury frequency, and had the best injury severity results in our history, our lost-time injury frequency did not improve.

KEY SAFETY HIGHLIGHTS FOR 2009

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

- no fatalities at our majority-owned operations
- lost-time injury frequency (LTIF) did not improve
- total injury frequency (TIF) improved by 22 percent
- disabling injury frequency (DIF) improved by 13 percent
- the severity of our workplace disabling injuries decreased by 91 percent and was the best performance in our history
- medical aid frequency was 2.2 per 200,000 hours worked versus the MASHA rate of 5.3.

Fatalities

All of our majority-owned operations finished the year with no fatalities. Ok Tedi had one fatality, in January 2009, involving a previously unknown risk in changing from one pre-heating medium to another during welding.

In May, we also learned that a workplace death at Cobre Panama in 2008 was not from natural causes as first believed and reported. It originally appeared that the worker had suffered a fatal heart attack, and it was not until we received the toxicology results and final autopsy report in May 2009 that we discovered the actual cause of death was carbon monoxide poisoning.

Whenever a worker is injured, we investigate the causes and identify any related hazards and actions we can take to prevent harm in the future. Following the death in Panamá, we issued a safety advisory about confined spaces to our safety task force. All our sites conducted a risk assessment and reported back to the task force. The incident and findings from all the sites were communicated at our safety meetings.

We work hard to achieve our target of zero harm at all our operations and deeply regret the fatalities at Cobre Panama and Ok Tedi.

Lost-time injuries

Our lost-time injury frequency stayed virtually the same in 2009 for two reasons:

- contractors at several of our operations are still not familiar with the concept of modified work (performing different or reduced duties) as an alternative to absence after an injury
- there were many new, inexperienced workers at our development property in Panamá in 2009, and at Las Cruces during its ramp up.

We're taking a proactive approach to improving our performance in this area by continuing to promote modified work with our contract workforce and by increasing training on high-risk activities and tasks in Panamá and Spain, where we saw better lost-time performance by the last quarter of 2009. We're confident this will translate into better performance at both sites in 2010.

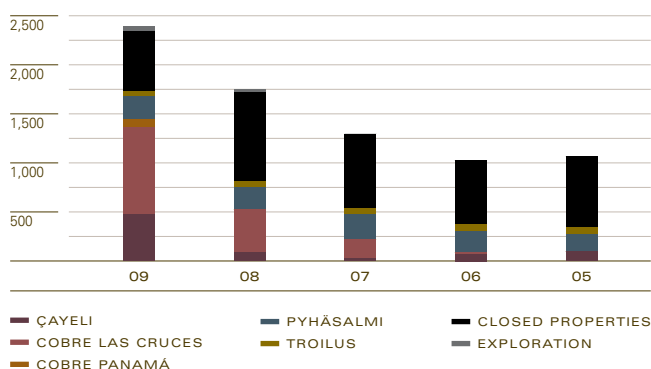
Injury frequency

Our increased focus on safety training, improvements in managing work standards, and better contractor management processes improved both our total and disabling injury frequency rates this year.

WHAT YOU NEED TO KNOW

Although we continue to improve our safety and health management systems and tools, our outcome-based indicators have not changed. This has spurred us to take action and begin to change the way we work to improve our safety performance. Our 2010 objectives include a renewed focus on risk assessment and control.

NUMBER OF WORKPLACE INSPECTIONS



Five-year safety 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
Protect lives Target: Eliminate fatalities	Improving One fatality at our majority-owned sites in 2008 and none in 2009
Reduce injuries Target: 10 percent year over year improvements in injury frequency and severity	Good progress Injury severity performance was the best in ten years No change in lost-time injury frequency

Checking in on safety

Some of the tools we use to manage workplace safety are compliance audits, workplace inspections and job safety analyses. We also use training exercises, safety meetings, stop-and-talks and work observations.

These checkpoints help us ensure our safety and health policies and standards are being applied on the job, every day.

2009 safety and health audits

We conducted third-party safety and health compliance audits this year at Troilus, Pyhäsalmi and Las Cruces. Each site has 60 days from receiving their findings to report how they will correct deficiencies.

DID YOU KNOW...

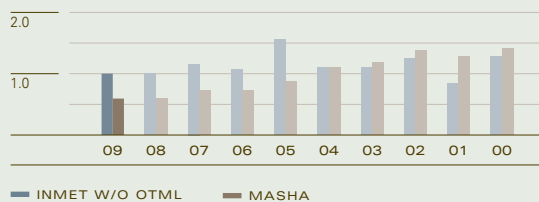
Managing directors and senior safety staff from our majority-owned mines, development properties and closed properties meet with each other and Inmet management by teleconference every two weeks to discuss safety and health controls and improvements. Our Safety Task Force shares incidents, key improvements and discusses safety and health successes and challenges on each call.

The task force was instrumental in developing our new explosives management standard and high consequence protocol guidance document this year.

EVERY WORKER, HOME SAFE AND HEALTHY EVERY DAY: BENCHMARKING AGAINST MASHA

For the last ten years, we've been benchmarking our safety performance against the Mining and Aggregates Safety and Health Association (MASHA), a workplace safety group based in Ontario, Canada. We share MASHA's vision of zero harm, and strive to make this a reality at our operations.

LOST-TIME INJURY FREQUENCY (not including Ok Tedi)



Our lost-time injury frequency continues to underperform MASHA. Our medical aid frequency, however, was 2.2 per 200,000 hours worked in 2009 versus the MASHA rate of 5.3 – an improvement of 58 percent.



Emergency response training with the Red Cross at Pyhäsalmi.