



2010

Build Responsible Minmetals Co-create Bright Future

2010

# Sustainability Report of Minmetals

Build Responsible Minmetals Co-create Bright Future

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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>

Sustainability Report of Minmetals



## Notes to This Report

This Report is the fourth Sustainability Report released by China Minmetals Corporation. For the purpose of writing and reading, China Minmetals Corporation is also hereinafter referred to as China Minmetals, the Corporation, the Group, and we/us.

This report has been prepared according to 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 Sustainability Reporting Guidelines 2006 of the Global Reporting Initiatives (GRI), GRI Mining and Metals Sector Supplement, ISO26000: Guidance on Social Responsibility of the International Organization for Standardization and actual conditions of China Minmetals.

This Report mainly covers the year of 2010, and may also retrieve data from other important years in the Group's history. This Report covers the headquarters and entities of the Corporation. This Report truthfully reflects how the Group actively performed its 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 Group 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.

This Report has been certified by Det Norske Veritas (DNV) as an independent third party according to the AA1000 Assurance Standard (2008) and the criteria set forth in its VeriSustain. 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.

## Table of Content

MESSAGE FROM THE PRESIDENT	02	I. PROMOTING SUSTAINABLE VALUE CREATION	26
KEY PERFORMANCE INDICATORS	04	(I) Building a New Springboard for Sustainable Development through Creation of New Performance	28
CHECKLIST OF SUSTAINABILITY OBJECTIVES	05	(II) Consolidating the Foundation for Sustainable Development through Ownership System Reform	34
MILESTONE OF SUSTAINABLE DEVELOPMENT IN 2010	06	(III) Enhancing Stamina for Sustainable Development through Transforming Development Style	36
(I) Accomplishing Goals of Strategic Transformation during the 11th Five-Year Plan Period	06	(IV) Enhancing Sustainable Development Potential through Continuous Improving Management	40
(II) Sixtieth Anniversary of the Founding of the Corporation	08	II. STRENGTHENING SUSTAINABLE SAFETY MANAGEMENT	44
(III) Corporation's Successful Ownership System Reform	10	(I) Objectives and Performance	46
(IV) President Zhou Zhongshu Attending UN Global Compact Leaders Summit	12	(II) Establishing HSE System to Prevent and Control Safety Risks	47
ABOUT US	14	(III) Intensifying Management to Improve Intrinsic Safety	48
(I) Company Profile	14	(IV) Emphasizing Occupational Health and Improving Working Environments	51
(II) Philosophy, Strategies and Values	15	(V) Building a Safety Culture and Encouraging a Safety Atmosphere	52
(III) CORPORATE GOVERNANCE	15	III. BOOSTING SUSTAINABLE ECOLOGICAL CONSTRUCTION	54
SUSTAINABILITY MANAGEMENT	16	(I) Policy and Performance	56
(I) Sustainable Development	16	(II) Optimizing Systems and Intensifying Green Management	57
(II) Model of Sustainable Development	17	(III) Addressing Climate Change through Low-Carbon Development	58
(III) Stakeholders Communication and Feedback	18	(IV) Comprehensive Utilization of Resources through Innovative Modes	60
(IV) Practice of Responsibility	21	(V) Strengthening Management to Protect the Ecological Environment	62
(V) Social Appraisal	25	IV. ACHIEVING SUSTAINABLE HARMONY AND WIN-WIN RESULTS	64
		(I) Policies	66
		(II) Valuing Employees and Strengthening Development Impetus	66
		(III) Serving Customers and Broadening Development Space	73
		(IV) Responsible Procurement Extending Development Responsibility	75
		(V) Improving the Development Environment through Cooperation with stakeholders	75
		(VI) Compliant Operation Preventing Development Risks	81
		V. CO-CREATING A SUSTAINABLE GLOBAL COMMUNITY	84
		(I) Policy	86
		(II) Promoting Community Development through Mutual-beneficial Cooperation	86
		(III) Enthusiastically Supporting Social Undertakings	89
		VI. PERSPECTIVE FOR 2011	93
		APPENDICES	94

## Message from the President



Zhou Zhongshu

The year of 2010 was a year of milestone significance for the sustainable development of China Minmetals Corporation. It was the closing year of the successful accomplishment of the strategic goals of the 11th Five-Year Plan, and a happy year marking the victorious completion of the 60 years of splendid achievements. It was also a year of deeply intensifying strategic transformation and reaping abundant gains. During the year, we actively implemented the development strategy of integrating domestic and foreign trade, extending toward upper and lower streams and laying equal stress on science, industry and mining. We exerted ourselves to obtain the resources that are in short supply in China, integrate domestic dominant resources and upgrade the operating ability of mines; and we were resolved to build China Minmetals as the most advantageous non-ferrous metal resources supplier in China, the largest iron ore resources supplier in China, and the largest iron and steel circulation service provider in China.

We actively responded to the complicated and volatile economy and industrial trends, persisted in reform and innovation and actively transformed the style of development to effectively enhance our capability of creating sustainable value. In 2010, the Corporation witnessed a soaring rise of its operating performance, recording RMB254.218 billion of operating revenues, an increase of 49.12% on a yearly basis, RMB6.432 billion of profits, an increase of 104.65% on a yearly basis and RMB5.838 billion of tax payments. We actively promoted the ownership system reform, officially established the China Minmetals Co., Ltd. ("Minmetals Co., Ltd."), changed the business structure and established six strategic business units of non-ferrous metals, ferrous mining, ferrous circulation, finance, real estate and science & technology. We spared no efforts in promoting the integrated development with newly merged enterprises, endeavored to display the

supporting role of science and technology in our operations, actively strived for strategic synergy, shaped the basic layout of industrial chains of core businesses, and accomplished the integrated development of science, industry and trade.

We constantly enhanced intrinsic safety and intensified sustainable safety management. We continued intensifying the implementation of the work safety responsibility system, vigorously conducted work safety supervision and inspection, enhanced the rectification of potential dangers and problems of existing enterprises. We firmly emphasized the post-merger integrative supervision over newly merged enterprises and the investigation and control of major hidden dangers in such enterprises. We fully progressed the building of the HSE system, standardized the systematic management of HSE, continuously reinforced the investment in emergency response construction and safety to improve our capability of safety and health guarantee, thus providing strong guarantee for the smooth progress of the Corporation's strategic transformation.

We vigorously developed the low-carbon economy, strived to be a pioneer of green development and promoted sustainable ecological construction. We incorporated the concept of environmental protection into the enterprises' operation and management and engaged in the construction of the "Three Systems" for energy saving and emission reduction; and with "low consumption, low emission and high efficiency" as the target, we innovated the mode of development, vigorously developed the recycling economy, and improved the scientific development of resources. We carried out comprehensive and efficient utilization of resources, intensified the post-merger integrative supervision over the newly merged enterprises in energy saving and emission reduction, attached importance to the restoration of the environment in mined areas and the management of tailings pond and protected bio-diversity.

We incorporate the management of stakeholders into our business operation and pursue sustainable and harmonious win-win results. We always put the values of "integrity, responsibility, innovation and harmony" into our practice, and abide by applicable laws and regulations in our business activities, actively enhancing the construction of an anti-corruption culture. We intensify audit and supervision to reduce economic and social risks and ensure the Corporation's normal operation, committing ourselves to growth with employees. We constantly improve customer services, forge responsible supply chains, grow together with our partners and achieve harmonious win-win results.

We persist in conducting responsible operation around the world and jointly create sustainable global communities. Continuing with the perception of "promoting social progress and world harmony", we commit ourselves to building harmonious community relations and actively get involved in community welfare and cultural heritage protection in China as well as in Australia, Laos, Peru and Chile, etc.. By various means and in various forms, we serve the local communities, make efforts to accomplish common development with them and strive to be an international corporate citizen model.

We actively optimize our social responsibility management system and have made remarkable progress in this task. We actively implemented with efforts the UN Global Compact Blueprint for Corporate Sustainability Leadership, conducted substantial training on social responsibility, incorporated the philosophy of sustainable development into employees' performance of responsibility, intensified communication and exchange on social responsibility and responded to the feedback of stakeholders. We were invited to join the Global Compact LEAD, which has only 55 members around the world. We attended the 10th anniversary of the launch of the UN Global Compact, and delivered a speech as the only Chinese enterprise at the UN Global Compact Leaders Summit in New York. Our work in social responsibility was highly praised by the UN Secretary-General Ban Ki-Moon and Chairman of the SASAC Wang Yong.

The concerted and arduous efforts in the past 60 years have created the glories and realized the dreams of China Minmetals, and the inherent gene of responsibility will again guide Minmetals's people to open up a new course of development in the future. We will continue following the sustainability philosophy of "cherishing limited resources and pursuing sustainable development". With the guidance of scientific development, aiming at becoming stronger and superior and focusing on the transformation of the economic development mode, we will continuously enhance our comprehensive qualities and competitiveness and make efforts to accomplish the harmonious and sustainable development between the business, nature, environment and society. We will stand on a higher level to create new and more development achievements, and continuously advance courageously to fully accomplish the Corporation's development goals during the 12th Five-Year Plan period and strive to build China Minmetals as a mineral and metal group with international competitiveness.

A stylized handwritten signature in black ink, reading '周中书' (Zhou Zhongshu).

President Zhou Zhongshu  
June 2011

## Key Performance Indicators

	Indicators	Unit	2006	2007	2008	2009	2010
Economic	Revenues	RMB 100 million	1,347.50	1,560.56	1,853.36	1,704.74	2542.18
	Profits	RMB 100 million	33.03	70.01	65.10	31.43	64.32
	Tax	RMB 100 million	30.65	44.05	59.95	49.70	58.38
Environment	Comprehensive Energy consumption	10,000 metric tons of standard coal	—	209.20	181.77	157.89	181.53
	Comprehensive Energy consumption per RMB 10,000 output value	metric tons of standard coal / RMB 10,000	—	0.97	0.78	1.121	0.707
	COD emissions	metric tons	—	1,667.87	1,154.41	1124.22	1,067.00
	SO <sub>2</sub> emissions	metric tons	—	7,010.66	3,914.91	4583.83	4,685.36
Social	Employees	Person	32,594	44,425	66,367	100,656	168,333
	Female employees	Person	7,484	10,200	15,238	11,222	18,640
	Employment agreement rate	%	100	100	100	100	100
	Input in training	RMB 10,000	685.88	900.77	1,460.57	1,926.12	2,748.4
	Training sessions	person-time	14,542	15,670	17,608	54,871	98,184
	Donation	RMB 10,000	533	1,167	4,896	3,094	2,413.46
	Safety incidents	Time	73	52	40	31	46

(Note 1: The rise of safety incidents resulted from the significant increase in the scale of highly dangerous enterprises and the number of production personnel of newly merged enterprises in 2010, but the number of safety incidents of the existing enterprises of the Corporation decreased by 25.8% on a yearly basis and the situation of work safety of newly merged enterprises has improved.)

(Note 2: The rise in energy consumption and SO<sub>2</sub> emissions is due to the significant increase in the number of the Corporation's high energy-consumption enterprises in 2010.)

## Checklist of Sustainability Objectives

Category	Sustainability objectives in 2010	Accomplishment Status
Responsibility management	Establish and optimize the internal social responsibility system throughout the Corporation to cover all functional departments, subsidiary entities and key production enterprises, and improve the channels of communication;	A
	Participate the activities of the United Nations Global Compact, observe the 10 principles, periodically release sustainability reports, and accept supervision by stakeholders;	A
	Organize training and communication at various levels on social responsibility issues, and improve the awareness of social responsibility among the management and employees;	A
	Enhance publicity of law compliance, organize anti-corruption and probity training, further carry out efficacy audits, and cultivate the operation philosophy of compliance;	A
Economic performance	Use the best practices of international peers as benchmark, improve the global resource assurance system and the global marketing and service system, and carry out strategic transformation of the Corporation;	A
	Enhance operation and management to retain and increase the value of State-owned assets;	A
	Enhance control of advantageous resources, work hard to acquire resources, and strengthen capital operation;	A
Safety performance	Establish and optimize a work safety management and control mode suitable for the strategic transformation, according to the Work Safety Plan of China Minmetals Corporation (2008-2010);	A
	Advance safety standardization and development of the HSE management system, effectively manage major sources of danger, improve the emergency response and rescue system, realize zero-causality of safety accidents, and reduce the occurrence of various accidents;	A
	Enhance the safety management information system and the safety education and training system to continuously improve the safety level of the Corporation;	A
	Facilitate safety and technical upgrade for process equipment, improve emergency response equipment, enhance technical research, and realize safety management through technical innovation;	A
Employee care	Strictly follow applicable laws and regulations to protect legal interests of employees;	A
	Provide job training and improve employee development and promotion mechanisms;	A
	Maintain and improve the occupational health and safety system for employees;	A
	Perform responsibilities to employees during the period of crisis without salary reduction or lay-offs;	A
	Help employees overcome difficulties;	A
Environment performance	Regulate basic management of energy saving and emission reduction, and enhance supervision, inspection and assessment of energy saving and emission reduction work, to ensure fulfillment of the objectives of energy saving and emission reduction set by the government;	A
	Increase investments in environmental protection, improve the capability of innovation in environmental protection technology, apply energy saving technology, promote comprehensive utilization of renewable resources to gain leadership in this field among domestic and foreign peer companies;	B+
	Explore mineral resources in a scientific manner, improve comprehensive use of resources, and increase recovery of residual ore and wastes;	A
Social performance	Perform responsibilities as a global corporate citizen, and contribute to the fulfillment of the United Nations Millennium Development Goals;	A
	Enhance the support for social undertakings, and help poor regions by various means;	A
	Support community education, enhance monitoring of health, improve infrastructure in communities, and realize harmonious development of both the Corporation and communities;	A
	Increase local procurement, engage local employees and contribute to local economic and social development;	A
	Follow business ethics and combat commercial bribery, to create just and fair market environments.	A

(Note: A: Objective accomplished (≥ 95%); B: Making progress as scheduled; B+: Achieved continuous improvement while making progress as scheduled; C: Lag behind)

# Milestone of Sustainable Development in 2010

Accomplishing Goals of Strategic Transformation during the 11th Five-Year Plan Period

Sixtieth Anniversary of the Founding of the Corporation

Corporation's Successful Ownership System Reform

President Zhou Zhongshu Attending UN Global Compact Leaders Summit

## (I) Accomplishing Goals of Strategic Transformation during the 11th Five-Year Plan Period

The Corporation accomplished the transformation from a single trade-oriented company to China's largest integrated global minerals and metals enterprise.



China Minmetals constantly explores the mode of sustainable development, and determined its vision of "based on trading operations and relying on resources, to become an internationally competitive mineral and metal group". During the 11th Five-Year Plan period, the Corporation identified its strategic positioning as "mineral resources developer, advantageous metals producer and comprehensive circulation service provider", and put forward the development goal of "rebuilding a new Minmetals within five years". It implemented the development strategy of integrating domestic and foreign trade, extending toward upper and lower streams and laying equal emphasis on science and technology, industry and trade to strive for development and reform in an all-round manner. During the 11th Five-Year Plan period, China Minmetals recorded an accumulative increase by 1.3 and 2.6 times in total revenue and total profits respectively over those of the "10th Five-Year Plan" period. At the end of the 11th Five-Year Plan period, the total and net assets increased by 2.49 times and 4.64 times respectively over those at the end of the "10th Five-Year Plan" period; and the number of employees increased by 2.47 times. The Corporation accomplished the transformation from a single trade-oriented company to China's largest integrated global minerals and metals enterprise and steadily ranked among the top 10 of all companies in metals and mining industry of Fortune Global 500. The Corporation continuously optimized the structure of primary business, and established complete, distinctively advantageous ferrous and non-ferrous industrial chains.

Ranking for Some Major Minerals & Metals of China Minmetals in 2010	
Mineral Resource	Ranking
Reserves of tungsten	World's No.1
Production capacity of hard alloy	World's No.1
Production capacity of antimony products	World's No.1
Production capacity of zinc	China's No.1
Sales volume of steel products	China's No.1

The Corporation constantly promoted the ownership system reform, officially established the China Minmetals Co., Ltd. and thus successfully fulfilled ownership system reform; established six strategic business units of non-ferrous metals, ferrous mining, ferrous circulation, finance, real estate and science & technology, making the organization structure compatible with strategy and clarifying the professional operation of optimal business portfolio, which provide a solid foundation for sustainable and rapid development. The Corporation substantially enhanced the management capability, accelerated the pace of intensive development, constantly optimized the quality of development and continuously enhanced the level and capability of sustainable development.

Accomplishing Goals of Strategic Transformation during the 11th Five-Year Plan Period

Sixtieth Anniversary of the Founding of the Corporation

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President Zhou Zhongshu Attending UN Global Compact Leaders Summit

## (II) Sixtieth Anniversary of the Founding of the Corporation

In 2010, China Minmetals Corporation greeted its sixtieth anniversary. During the period of sixty years, China Minmetals has shared happiness and woe with the People's Republic of China; and with the flourishing development of China's economy and society, it has developed from a single trade-oriented company to one of the Fortune Global 500 with comprehensive operations today and gradually established its position as an international resources company. Despite innumerable challenges, the Corporation has overcome one difficulty after another with the spirit of development and the courage of reform, made splendid achievements and won widespread respects.



President Zhou Zhongshu Delivering a speech at the Meeting Celebrating the 60th Anniversary of China Minmetals



The Meeting Celebrating the 60th Anniversary of China Minmetals



Former Vice Premier Li Lanqing Visiting China Minmetals at the Corporation's Exhibition of Pictures Marking 60 Years' Development Achievements



Gala Performance Celebrating the 60th Anniversary of China Minmetals Held at the Great Hall of the People in Beijing

During the 60 years of development throughout two historical periods of planned economy and reform & opening-up, covering six development stages, China Minmetals has witnessed earth-shaking changes and made significant historic strides. The major changes are as follows: the first is transformation in system and mechanism. The Corporation has transformed from a trade-oriented corporation with governmental administrative characteristics to a modern enterprise with independent operation, self-responsibility for its profits and losses, self-development and self-governance; the second is transformation in business pattern. The Corporation has developed from a single foreign trade company to the present international minerals and metals group integrating domestic and foreign trade, extending towards upper and lower streams and laying equal emphasis on science & technology, industry and mining; the third is transformation in mode of operation. The Corporation has transformed from the single commodity operation to the twofold operations driven by both production and capital with the common growth of intensive and extensive development; the fourth is transformation in the perception of development. From the initial stage that serving the needs of national construction to the stage that seeking sustainability in the market and then to the arduous journey of strategic transformation, the Corporation has gradually established the development philosophy of "cherishing limited resources and pursuing sustainable development". It lays stress on quality and benefits, safeguards the rights and interests of all stakeholders, persists in win-win cooperation, pursues green development, undertakes social responsibility and commits itself to the harmony between human beings and nature, environment and society.

On 10 May, 2010, a meeting celebrating the 60th anniversary of the founding of China Minmetals Corporation was held in Beijing. The Party and State leaders including Wu Bangguo, Jia Qinglin, Li Keqiang, He Guoqiang and Zhang Dejiang, the retired leaders including Li Lanqing and Wu Yi as well as the ministries and commissions including the Ministry of Commerce and SASAC sent greetings and congratulatory letters. The meeting systematically reviewed the course of arduous efforts since the founding of the Corporation, rationally summed up the basic experience in business development and inspired all staff and workers to step up to a new historical point to continue carrying forward the "Spirit of Minmetals", strive for the strategy of "two strides", start a new undertaking of growth, and compile new splendid chapters for the centenary development.



The Corporation's Top Leaders Attending the Gala Performance Celebrating the 60th Anniversary of China Minmetals Held at the Great Hall of the People

### The Corporation's Fundamental Experience in Sixty Years' Development

- First, keep the motherland in mind, bear in mind the missions and serve national economic construction.
- Second, emancipate the mind, transform ideas and courageously open up the road to advancement.
- Third, focus on primary business, intensify operations and improve the quality and efficiency of development.
- Fourth, improve mechanisms, optimize management and continuously upgrade the corporate quality.
- Fifth, take people as the foremost, and revitalize business with the dedication of talents to secure long-term prosperity.
- Sixth, build culture, create harmony and promote the scientific development of enterprise.

Standing on the foundation of the great achievements in the past 60 years, China Minmetals has again drawn the grand development blueprint for the next decades, that is, from the present to the middle of this century, the Corporation will build itself as a centenary enterprise with an everlasting foundation by advancing the strategy of "two strides".

The first stride is that, during the second decade of this century (2011-2020), the Corporation will develop into a mineral and metal group with international competitiveness and global impact and strive to rank in the first tier in the international minerals and metals industry;

the second stride is that, during the succeeding 30 years (2021-2050) and by the time of the Corporation's 100th anniversary, it will grow and become a widely respected innovation-oriented multinational corporation that leads the correct direction of industrial development and promotes the sustainable development of the earth and human beings.

2011

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2050

Accomplishing Goals of Strategic Transformation during the 11th Five-Year Plan Period

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### (III) Corporation's Successful Ownership System Reform

China Minmetals launched its ownership system reform on 24 April, 2009. With the support of the authoritative ministries and thanks to the synergic efforts made by the Corporation's units at all levels, the Corporation as the main sponsor, together with two other shareholders, jointly sponsored the China Minmetals Co., Ltd., which was officially founded on December 16, 2010. After its establishment, China Minmetals Co., Ltd., became the operating body for China Minmetals's primary business.

The establishment of China Minmetals Co., Ltd. is an important milestone during the sixty years of development of China Minmetals. It marks the successful completion of the ownership system reform of China Minmetals Corporation, as well as the creation of an internationally leading and competitive mineral and metal group with modern business system. It will definitely be recorded in the development history of China Minmetals.

In 2010, the Corporation made adjustments to its business structure and management and control model, and established six strategic business units of non-ferrous metals, ferrous mining, ferrous circulation, finance, real estate and science & technology; by adjusting the management and control mode, the headquarters of the Corporation adopted the strategic management and control mode for the strategic business units through such core management functions as strategy, human resources, planning, investment, budget and assessment to realize appropriate decentralization and strong centralization; and optimized and adjusted the functions of the headquarters according to the requirements for business structure adjustments and the Corporation's management and control, in order that the headquarters' organizational and functional construction can meet the new requirements.



China Minmetals Co.Ltd. held the first meeting of the first session of the Board of directors



On 16 December, 2010, China Minmetals together with China Reform Holdings Corporation Ltd. and China National Metal Products Co., Ltd. sponsored and founded China Minmetals Co., Ltd. with its registered capital of RMB24.6 billion. It set up such internal organs as the shareholders' meeting, board of directors and board of supervisors to standardize management and operation, built up the corporate structure that complied with the standard requirements for listed companies and the characteristics of the Corporation, and held "four meetings" including the founding meeting of Minmetals Co., Ltd.



Accomplishing Goals of Strategic Transformation during the 11th Five-Year Plan Period

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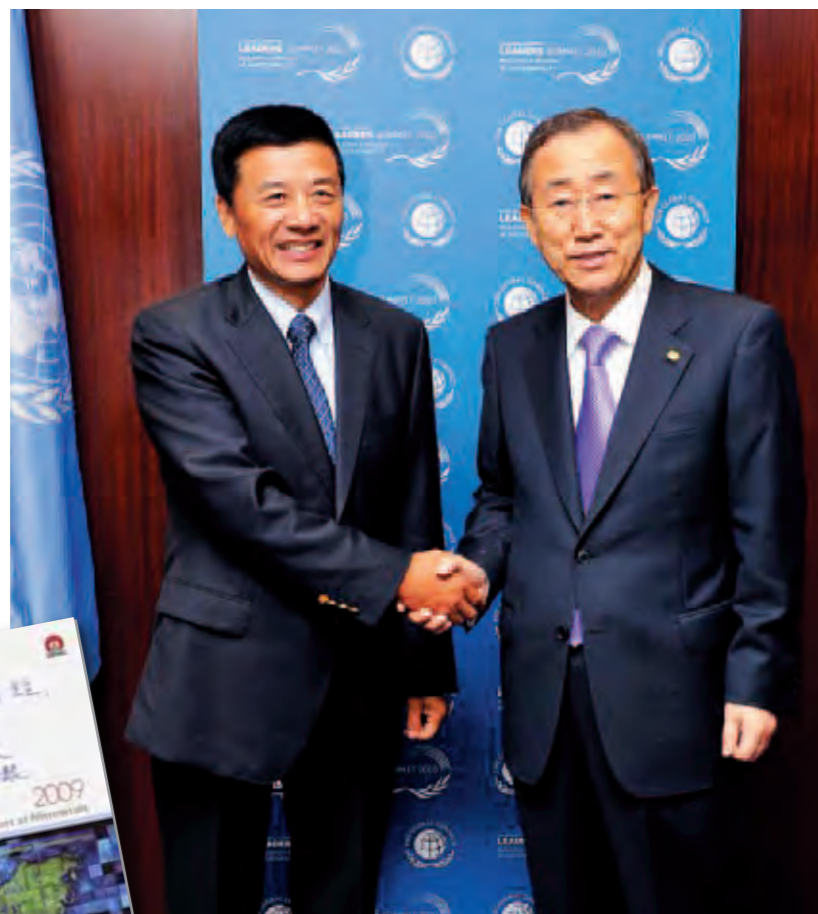
## (IV) President Zhou Zhongshu Attending UN Global Compact Leaders Summit

On 23-25 June, 2010, upon the invitation of the UN Secretary-General Ban Ki-Moon, Zhou Zhongshu, President of China Minmetals attended the UN Global Compact Leaders Summit and delivered a speech as the only Chinese entrepreneur. President Zhou introduced the Corporation's main practices in performing social responsibility such as economic development, environment protection and poverty alleviation, the Corporation's experience in active practice as an international corporate citizen, the implementation of the Ten Principles of the UN Global Compact and the results of promoting the accomplishment of the UN Millennium Development Goals.

During his meeting with President Zhou Zhongshu, the UN Secretary-General Ban Ki-Moon highly praised China Minmetals's sustainable development philosophy and performance as well as its work in such areas as Caring for Climate and the UNGC Environment Stewardship Project, which had set a positive example for other developing countries; and he hoped that China Minmetals would constantly help the developing countries to promote their economic and social development in its international operation. The Secretary-General Ban Ki-Moon also gladly put his signature on the *Sustainability Report of Minmetals 2009* (English version).

Upon the invitation of Secretary-General Ban Ki-Moon, President Zhou Zhongshu attended the gala dinner celebrating the 10th anniversary of the UN Global Compact and sat at the table with Mr. and Mrs. Ban. The video in which President Zhou Zhongshu supported the convening of UN Global Compact Leaders Summit, the Corporation's achievements in practicing social responsibility, the full-page poster showing the Corporation's development philosophy - "Cherish Limited Resources and Pursue Sustainable Development" and the Corporation's logo were all remarkably shown at the summit scene and the official website of the summit. The Corporation set the special booth on the site and displayed its sustainability report and other publications, which attracted extensive interest from the attending leaders of various backgrounds.

On the international platform of the UN Global Compact, the largest and most influential area of social responsibility, China Minmetals has effectively communicated with the stakeholders on social responsibility, fully displayed the elegance of its own and even other Chinese enterprises, expanded its international influence, won the great prestige of a "responsible enterprise" and opened up broad development space for its international business strategy.



President Zhou Zhongshu Meeting the UN Secretary-General Ban Ki-Moon



the Secretary-General Ban Ki-Moon Writing Inscription for Sustainability Report of Minmetals 2009



President Zhou Zhongshu Delivering a Speech at the Leaders Summit



President Zhou Zhongshu Having a Cordial Talk with the Secretary-General and his wife, Mr. and Mrs. Ban



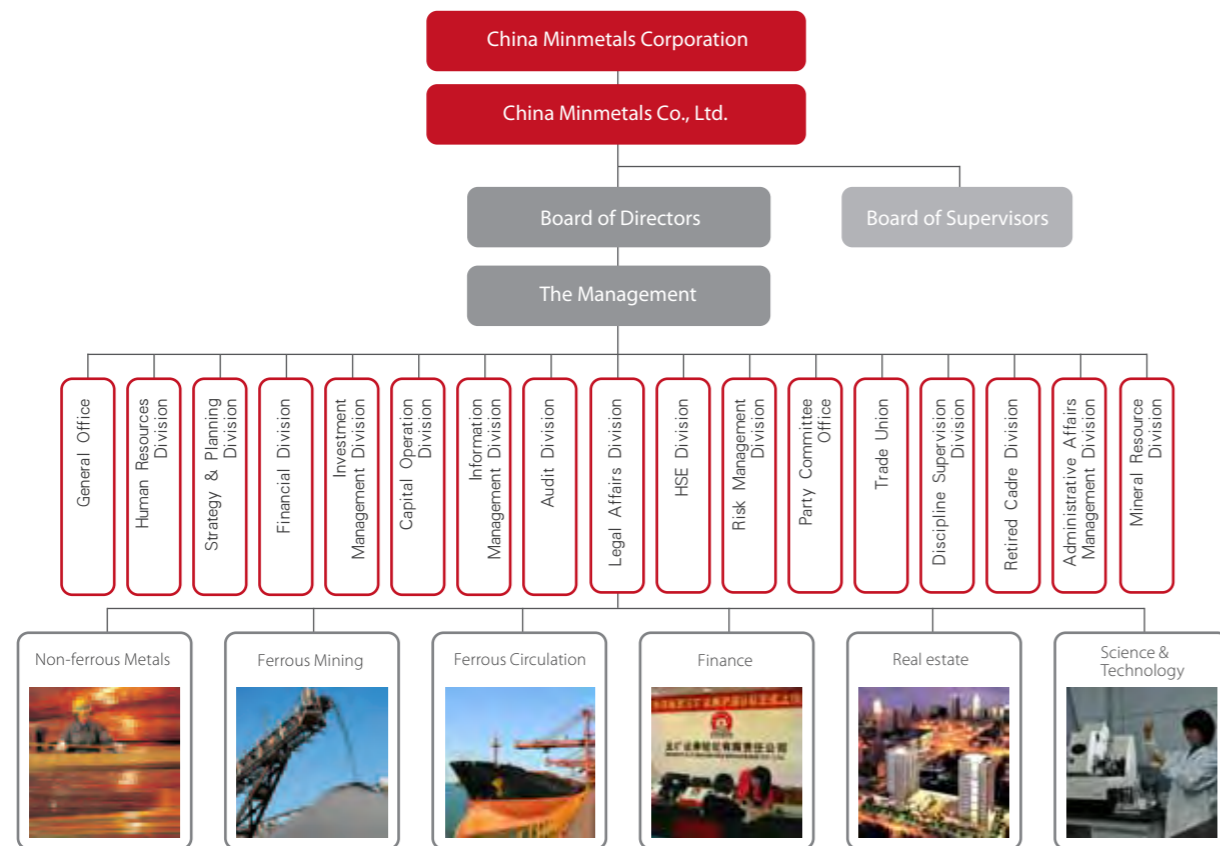
# About Us

## (I) Company Profile

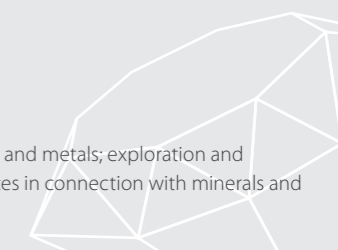
China Minmetals Corporation, founded in 1950, has a history of 60 years to date and is a large scale group engaged worldwide mainly in exploration and development, refining and processing, trading and integrated services for minerals and metals. It is also engaged in finance, real estate, logistics, and mining and metallurgical technology. China Minmetals is one of the 53 key enterprises under the direct control of the Central Government. During the 11th Five Year Plan Period, it was rated once again as a Class A enterprise in the annual performance assessments carried out by SASAC, and was rated as Class A and won the title of "Excellent Performing Enterprise" in assessments during the two terms of its management, 2004-2006 and 2007-2009. In 2010, it was ranked No. 332 among the Fortune Global 500, and the 9<sup>th</sup> among all metal industry companies globally. In 2010, China Minmetals witnessed a soaring rise in its business performance despite the international financial crisis, and achieved revenues of RMB254.218 billion and a total profit of RMB 6.432 billion, and with the global rankings of many key commodities of Minmetals remaining stable and climbing slightly, China Minmetals successfully fulfilled the annual targets set by the SASAC. China Minmetals took an active approach to integrate the merged and acquired enterprises, and has been progressing smoothly in the Group's integrative growth.

In the face of the new challenges, China Minmetals implemented ownership system reform in 2010, in which the China Minmetals Co., Ltd. was officially established, and the six strategic business units of non-ferrous metals, ferrous mining, ferrous circulation, finance, real estate and science & technology were set up. Along with the market development, synergy between primary businesses, and optimization of industrial structure, the Corporation has realized great-leap-forward advancement in terms of control, competitiveness and driving force, and is marching steadily towards the strategic vision of becoming "an internationally competitive mineral and metal group".

China Minmetals is based on trading and relies on resources with intensive and diversified operations, works to develop marketing networks, continues to innovate, provides value-added services, and carries out win-win and all-win cooperation in a creditable manner. We have adhered to the Corporation's sustainability philosophy of "cherishing limited resources and pursuing sustainable development", in building core competitiveness and exercising social responsibility, and worked to become a group of mineral and metal enterprises providing quality services globally.



**Company name:** China Minmetals Corporation  
**Legal representative and president:** Zhou Zhongshu  
**Registered office:** No. 5, Sanlihe Road, Haidian District, Beijing, China 100044  
**Registered capital:** RMB 7,847,712,000  
**Scope of primary business:** Trading, circulation, futures and related services regarding minerals and metals; exploration and utilization of metals and mineral products; technical R&D, engineering design and related services in connection with minerals and metals; real estate development and operation.



## (II) Philosophy, Strategy and Values

<b>Core Philosophy</b>	Cherish limited resources and pursue sustainable development
<b>Spirit</b>	Provide quality service, and strive for excellence
<b>Mission</b>	Meet long term demand of customers for minerals and metals to the greatest extent, and create maximum value for the society and shareholders.
<b>Vision</b>	Based on trading operations and relying on resources, to become an internationally competitive mineral and metal group.
<b>Values</b>	Integrity, responsibility, innovation and harmony Integrity is the base of survival, growth and goodwill of Corporation; Responsibility is the essence of the operation of Corporation; Innovation is an inexhaustible driving force for the development of Corporation; Harmony is important for the smooth operation and sustained development of Corporation.
<b>Strategic positioning</b>	The most advantageous non-ferrous resources supplier in China; the largest iron ore supplier in China; and the largest iron and steel product circulation service provider in China with global impact.

## (III) Corporate Governance

China Minmetals is a State-owned enterprise registered according to the Law of the People's Republic of China of Industrial Enterprises Owned by the Whole People. The SASAC performs the responsibility as the investor on behalf of the State Council. The State Council designates the Board of Supervisors of Key Large-scale State-Owned Enterprise, and the Board of Supervisors oversees the value preservation and increment status of State-owned assets according to the Interim Regulations on Board of Supervisors of State-Owned Enterprises.

China Minmetals Co., Ltd., in accordance with the stipulations of the Company Law and the requirements of modern business management systems, set up the Shareholders' Meeting, the Board of Directors and the Board of Supervisors. The Shareholders' Meeting is the authoritative body of the company. The Board of Directors is the decision-making organ responsible for reviewing and deciding on major operational and management issues of the company. The Chairman of China Minmetals Co., Ltd. is the legal representative of the company.

China Minmetals Co., Ltd. convenes the Employees' Congress every year, on which leaders of the Group make reports to the workers representatives in connection with the operation and management of the company, important matters and decisions, and their conditions. Matters involving reforms, remuneration, welfare and benefits, and other matters involving immediate and vital interests of employees are subject to the approval of the Employees' Congress.

Domestic and overseas enterprises controlled by the Group have also established complete corporate governance structures according to the applicable laws and regulations. The Corporation exercises its rights in and to its subsidiaries such as its rights to earnings on assets, major decision-making and selection of management according to the applicable laws and regulations.

# Sustainability Management

## (I) Sustainable Development



At the meeting of central SOEs' principals, Wang Yong, Chairman of the SASAC, specially praised China Minmetals, saying that "China Minmetals has done a very good job in social responsibility". In June, as the only representative of Chinese enterprises, China Minmetals delivered a speech at the UN Global Compact Leaders Summit, held talks with the UN Secretary-General Ban Ki-Moon and was highly praised by Mr. Ban, which greatly enhanced the international image of Chinese enterprises and set an example for the central SOEs.

### 1. Philosophy of Sustainable Development

Cherish Limited Resources and Pursue Sustainable Development

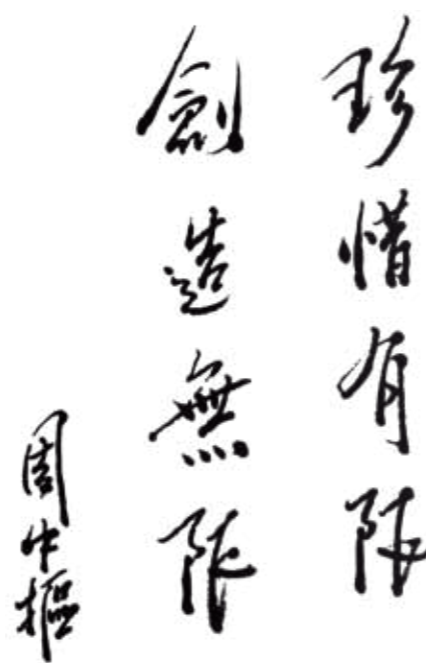
### 2. Vision of Sustainable Development

Building a responsible Minmetals and co-creating a bright future

### 3. Connotations of Sustainable Development

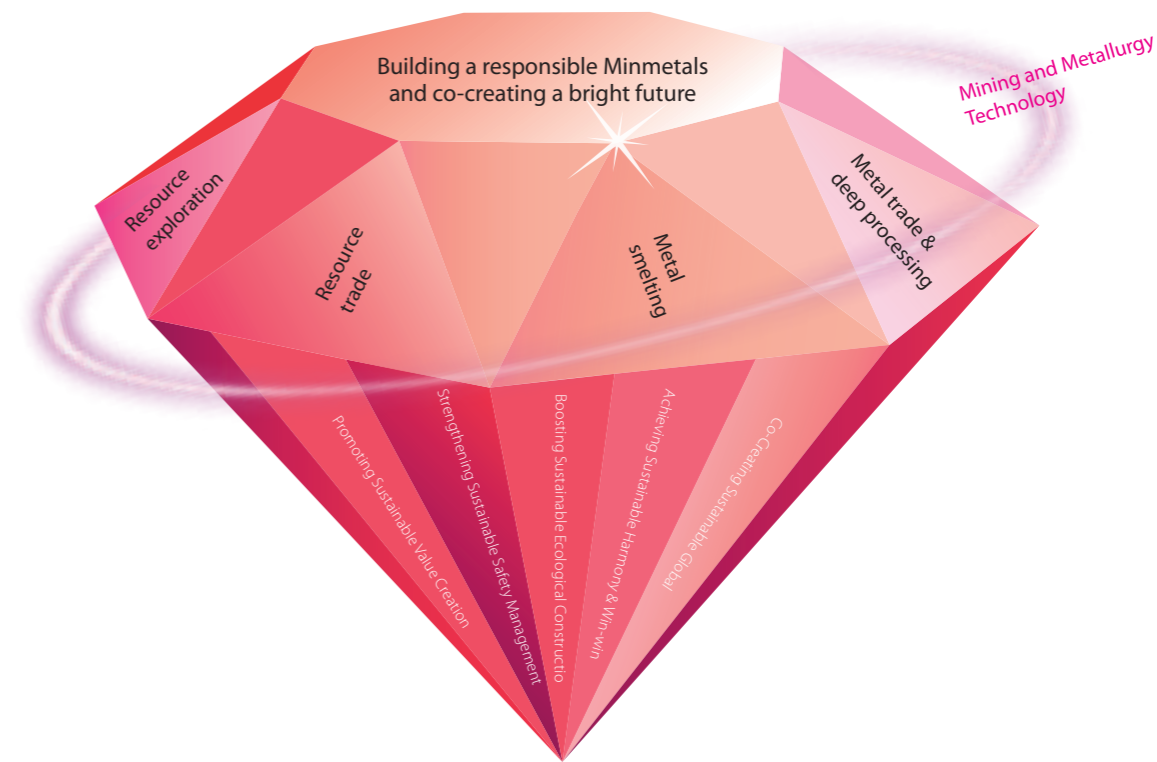
There is no boundary to the needs of human beings. However, the resources that can meet the needs of human beings are limited. Cherish Limited Resources and Pursue Sustainable Development is the understanding and pursuit of China Minmetals for its sustainable development. Building a Responsible Minmetals and co-creating a Bright Future is the vision of sustainable development of Minmetals.

To better meet the expectations of its stakeholders, Minmetals has been performing its social responsibility in every aspect of its global operation. We attach great importance to ecological environment protection, cherish and use limited resources in a reasonable way, dedicating ourselves to the career of becoming a leading mineral resource supplier in China, a responsible global enterprise with optimized mineral resource allocation. Striving according to our principle to Promoting Sustainable Value Creation, Strengthening Sustainable Safety Management, Boosting Sustainable Ecological Construction, Achieving Sustainable Harmony and Win-win Situations, and Co-Creating a Sustainable Global Community, we work shoulder to shoulder with stakeholders for the realization of the sustainable development vision of Building a Responsible Minmetals and Co-creating a Bright Future.



## (II) Model of Sustainable Development

The concept of sustainable development of Minmetals can be vividly summarized in the Diamond Model as follows:



<p><b>Promoting Sustainable Value Creation</b> We have dedicated ourselves to strengthening our capability for resource security and providing mineral products and services to meet the increasing demand for mineral resources for social economic development. While guaranteeing and increasing the value of State-owned assets, we are also trying our best to create greater comprehensive value for stakeholders.</p>	<p><b>Strengthening Sustainable Safety Management</b> We have dedicated ourselves to the promotion of work safety. Holding the belief that life is to be valued highly above all other values, we incorporate the sense of safety into every procedure of production and operation. We continue strengthening our management system and rules for work safety and occupational health and safety. We have established a long-term work safety mechanism for effectively enhancing the level of safety.</p>	<p><b>Boosting Sustainable Ecological Construction</b> We have dedicated ourselves to environmental protection. We cherish the limited environmental resources and reduce the impact on the environment to the minimum. We carry out protective development and integrated use of natural resources, enhance the ability of the natural environment to provide sustainable support and supplies for social economic development, and create a bigger green space for the sustainable development of human beings.</p>	<p><b>Achieving Sustainable Harmony and Win-win Situations</b> We have dedicated ourselves to the establishment of harmonious cooperation with stakeholders. We communicate actively with stakeholders, perform our responsibilities to our employees, clients and governments, seeking common benefit with all stakeholders.</p>	<p><b>Co-Creating a Sustainable Global Community</b> We have been dedicating ourselves to sustainable community development. By upholding the values of integrity, responsibility, innovation and harmony, we take improving the life of community residents and promoting social economic development of communities as an important responsibility and obligation of the Corporation, and seek to build a widely respected global mineral group.</p>
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### (III) Stakeholders Communication and Feedback

#### 1. Participation of Stakeholders

Stakeholders	Description	Expectations for Minmetals	Communication Methods	Main Indicators
<b>Government</b> 	Chinese government and local government of business location	Actively implement State macro regulation, carry out industrial integration according to State plans for boosting steel and non-ferrous metal industries; strengthen supervision on work safety, and protect the environment.	Formulate laws, regulations and policies, participate in meetings, make specific reports, submit statistic statements and make visits	Total tax paid Number of employees
<b>SASAC</b> 	Exercise rights and responsibilities of investor on behalf of the State	Ensure value preservation and appreciation of State-owned assets, improve corporate governance structure, focus on primary businesses, improve international competitiveness of the enterprises, and actively implement State policies on energy saving and emission reduction to achieve green operations.	Formulate rules and regulations, propose work targets, make performance assessment standards, report work, and submit statistics statements.	Revenues from primary business operations, total profit, ROE, value preservation, appreciation ratio of State-owned assets and economic value added (EVA)
<b>Employees</b> 	All members within the organizational structure of the Corporation	Protect the rights and interests of the employees, provide stable job opportunities and reasonable and fair remunerations, improve the channels for career development of employees, and provide a safe and healthy work environment.	Establish labor unions at various levels, hold the Employees' Congress regularly, establish sound internal communication channels	Rate of employees having concluded labor contracts, rate of employees having social insurance, rate of employees turnover, investment for employee training, number of proposals for the Employees' Congress
<b>Customers</b> 	Users that purchase products or services from the Corporation	Keep promises, provide high-quality and cost-effective products and services, and realize equal and mutual-benefit cooperation.	Communicate closely with customers, strictly perform contracts, and provide abundant information for products and services	Customer credit rating, level of customer satisfaction
<b>Business partners</b> 	Suppliers, contractors, financial institutes, research institutes and consultancy institutes	Abide by business ethics, laws and regulations, establish long-term cooperation, reach mutual benefit	Strategic cooperation negotiation, executive meetings, bidding activities, daily communications, regular visits	Status of performance of agreements and contracts

Stakeholders	Description	Expectations for Minmetals	Communication Methods	Main Indicators
<b>Investors and Creditors</b> 	Holders of stocks and bonds of the Corporation and its subsidiaries	Keep increasing the value of the Corporation, lower risks, operate on a stable basis, make debt service per schedule, and pay dividends.	Accurate and instant information disclosure, regular visits, annual reports, meetings of shareholders	The Corporation credit rating, equity interests of minor shareholders
<b>Community and the public</b> 	Location of business and operation	Promote the capability of sustainable development of community economy, support public welfare programs, protect community environment, and strive for common development.	Sign joint construction agreement, participate in construction of community projects, regular communication, and hold get-together activities	Investment for community building, donation for community welfare programs
<b>NGOs</b> 	International organizations, industrial associations and local organizations, etc.	Support social organizations, abide by the charters of the organizations, strengthen disclosure of operational information, and support environmental protection and other public welfare programs.	Actively participate in relevant meetings, support continuous improvement, and propose suggestions and advice	Number of memberships to industrial organizations and associations, investment for public welfare



Case: On 2 September, 2010, an email from a stakeholder was sent to the Corporation's dedicated account of Social Responsibility. "Your report was very well done. China Minmetals' CSR work is in the leadership of the world. Congratulations!"  
— Sun Xi, National University of Singapore - Lee Kuan Yew School of Public Policy



## 2. Minmetals Memberships with Major Social Organizations

Name	Position
UN Global Compact	Member
World Economic Forum	Foundation member
China-Chile Entrepreneur Commission	President of Chinese Side
China-Brazil Entrepreneur Commission	President of Chinese Side
China Iron and Steel Association	Permanent Standing Director
China Nonferrous Metals Industry Association	Vice President
Chinese Association of Mineral Resources Appraisers	Permanent Standing Director
China International Freight Forwarders Association	Vice President
Metallurgical Mines Association of China	Member
China Customs Brokers Association	Vice President
China Investment Association	Director
China Association of Work Safety	Permanent Standing Director
China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters	Vice President
China Chamber of Commerce for Import and Export of Machinery and Electronic Products	Director
China Chamber of International Commerce	Vice President
China Mining Association	Member
China Council for the Promotion of International Trade	Commissioner
China Council for International Investment Promotion	Vice President
Fudan Premium Fund of Management	Director
China Center for International Economic Exchanges	Director
China International Council for the Promotion of Multinational Corporations	Vice President

### (IV) Practice of Responsibility

Implementation of social responsibility is the only road for China Minmetals to attain strategic goals and pursue sustainable development. China Minmetals has actively improved the management system for promoting social responsibility and conducted research on strategic planning for social responsibility and on the sustainability report indicator system, which has laid a foundation for ensuring the orderly and efficient promotion of various tasks concerning social responsibility. Through communication with the stakeholders in various forms, the Corporation has constantly improved its performance in social responsibility.

## 1. Conducting Research on Strategic Planning for Social Responsibility and on the Sustainability Report Indicator System

In 2010, cooperating with the Center Office of Global Compact Network China (authorized by the United Nations), the Corporation conducted research on strategic planning for social responsibility and on the sustainability report indicator system. The strategic planning for social responsibility brought forward the Corporation's strategic positioning and goals of social responsibility and summed up its four responsibility practice fields. The sustainability report indicator system collected 333 indicators covering six parts of the report: introduction, sustainability promotion management, economic responsibility performance, work safety responsibility performance, environmental protection responsibility performance and social contribution performance. They will guide the Corporation's social responsibility practice, ensure the orderly and efficient promotion of various tasks of social responsibility, promote the organic combination of the sustainability philosophy and the Corporation's daily operation processes, reinforce communication with the stakeholders, enhance the Corporation's social image, implement all-round social responsibility management and upgrade the delicate management of social responsibility.

## 2. Improving Mechanisms for Stakeholders' Participation and Strengthening Responsibility Communication

The Corporation vigorously promoted social responsibility communication, reinforced communication and dialog with the stakeholders, further enhanced the employees' responsibility awareness, made efforts to turn the sustainability philosophy of "cherishing limited resources and pursuing sustainable development" into the employees' action of consciously performing responsibility and strengthened the disclosure of responsibility information so as to jointly promote sustainable development.



Case: The 2 August, 2010 issue of *China Daily*, carried the photo of President Zhou Zhongshu and introduced the Corporation's sustainable development performance and its profile with report entitled "Minmetals Setting Sustainable Example".



### ◆ Preparing and Releasing the Corporate Sustainability Report

The Corporation has released the Sustainability Report of China Minmetals Corporation for three consecutive years. In August 2010, the 2009 Sustainability Report of China Minmetals Corporation won the Global Compact-China Corporate Social Responsibility Model Report Award.



The Corporation's Sustainability Report 2009 won the Global Compact-China Corporate Social Responsibility Model Report Award.



Joining the "UN Global Compact LEAD" Program Upon Invitation

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. By establishing this program, the UN aims to provide services for the most excellent enterprises of the 8000 Global Compact member enterprises and support such enterprises to do even better in sustainable development. Based on China Minmetals' outstanding performance of sustainable development and its firm commitment to the UN Global Compact, particularly its excellent performance at the 2010 UNGC Leaders Summit and its work in such programs as the UNGC Environment Stewardship and Caring for Climate Initiative, the Global Compact believed that China Minmetals would make new contributions to this leadership platform.

The "Global Compact LEAD" program was officially launched by UN Secretary-General Ban Ki-Moon on 28 January, 2011 during the World Economic Forum Annual Meeting in Davos, Switzerland. Joining the said program will benefit the Corporation by allowing it to continue contributing to the UN platform, further help the Corporation to consolidate its good international image and build up a model of social responsibility in the international arena so as to better create an external environment favorable for development, enhance core competitiveness and promote sustainable development.

### ◆ Promoting Exchanges on Social Responsibility

China Minmetals highly values the exchanges of experience on social responsibility. While publicizing and introducing its own experience, it actively draws on the global best practice cases of social responsibility and fully and deeply promotes the work of corporate social responsibility.



Case: On 18 August, 2010, China Minmetals participated in the photography exhibition entitled "Low Carbon Development, Low Carbon Life" sponsored by China News Week of China News Service under the direction of National Development and Reform Commission (NDRC), SASAC, the State Council Information Office and the Beijing Municipal People's Government. The exhibition was held in the Wangfujing Walking Street at the core area of Beijing and lasted 15 days, and over 100,000 people viewed the exhibition each day.



Case: The cases of China Minmetals were selected in State-Owned Enterprises magazine (Social Responsibility Special Issue) and the 16 pages special report introduced in detail the sustainable development path of China Minmetals.



Case: The case of China Minmetals was selected in "Implementing the United Nations Global Compact in China---Inspirational Case Examples", the first of its kind released by the UN by nationality and it was officially released to the world at the "UN Global Compact 10th Anniversary Summit" on 24 June, 2010, in New York.



Case: On 9 January, 2011, the representatives of the Corporation participated in the "Sixth China-Corporate Social Responsibility International Forum" co-sponsored by China News Week and the China Red Cross Foundation and introduced China Minmetals' social responsibility way of "going global".

### 3. Actively Conducting Social Responsibility Training

Reinforcing training is of great significance for improving the Corporation's work of social responsibility. By organizing the social responsibility learning communication meetings of senior leaders and holding the training meetings of middle-career leaders and social responsibility contact persons, China Minmetals has deepened thinking, enhanced responsibility awareness and achieved good results.



Case: The Corporation's representatives attended the 2010 Central SOEs Social Responsibility Annual Meeting and the concurrent Central SOEs Social Responsibility Training Class held in Beijing on 11-13 August, 2010 and attended by all the social responsibility principals of central SOEs.



Case: On 17-19 November, 2010, the Corporation held the corporate social responsibility training program. More than 110 representatives from the Corporation's functional departments and its domestic and overseas operating units participated in the training and Li Fuli, Vice President of the Corporation, delivered an important speech. Leaders and experts from the Research Bureau of SASAC, the International Labor and Information Research Institute of the Ministry of Human Resources and Social Security, the Center Office of Global Compact Network China and peer companies made brilliant presentations on relevant topics of corporate social responsibility.



Chu Xuping, Vice Director-General of the Research Bureau of SASAC of the State Council Conducting Training of the Corporation



Scene of the Training Meeting



- In 2010, the Corporation sent representatives to other trainings concerning social responsibility:
- October 20-21, GRI Professional Certification-Special Training on Preparation of Central Enterprise Social Responsibility Report;
  - October 26, the Release Conference of 2010 China Report on CDP (Carbon Disclosure Project);
  - November 30, China Industrial and Commercial Leaders Forum concerning improvement of management, responsibility and competitiveness of Chinese enterprises;
  - December 9, SynTao GRI certification training on how to prepare a sustainability report; and
  - December 20, Tsinghua-Ruder CSR Forum.

## 4. Deeply Involved in UN Global Compact Activities

China Minmetals persists in incorporating the Global Compact's principles into corporate operation and management, always follows Global Compact's Ten Principles and actively participates in the UN Global Compact activities.



### • UN Global Compact Leaders Summit

On 23-25 June, 2010, Zhou Zhongshu, the president of the Corporation, had a cordial meeting with the UN Secretary-General Ban Ki-Moon and delivered an important speech as the only representative of Chinese entrepreneurs at the summit. (For details, see "President Zhou Zhongshu Attending UN Global Compact Leaders Summit" in "Milestone of Sustainable Development in 2010")

### • UN Global Compact • China Leaders Forum

On 2 August, 2010, the Corporation's representatives attended the "UN Global Compact • China Leaders Forum" held at the UN Pavilion of Shanghai World Expo Garden and delivered a speech.

### • The 2010 Symposium of the Center Office of UN Global Compact Network China

On 28 January, 2011, the Corporation's representatives attended the 2010 Symposium of Center Office of UN Global Compact Network China and delivered a speech.



### UN "Caring for Climate Initiative"

On 12 May, 2010, China Minmetals endorsed the UN "Caring for Climate Initiative" and joined this largest global business campaign to address climate change. To date, more than 400 companies from 65 countries throughout the world have endorsed this initiative. The following day, Mr. Georg Kell, Executive Director of UN Global Compact sent a message expressing thanks and appreciation to President Zhou Zhongshu for his vision and leadership in endorsing the "Caring for Climate Initiative".



### UN Global Compact Environment Stewardship

China Minmetals joined the Global Compact Environment Stewardship Project consisting of only 20 members around the world, brought forward many constructive viewpoints and opinions and was praised by the UN Global Compact. In 2010, the Corporation participated in the global telephone conferences several times and discussed environmental issues with global experts; and the research results were released at the UN Global Compact Leaders Summit in June 2010.



### UN Global Compact Questionnaire Survey

In 2010, China Minmetals participated in the special questionnaire surveys about the Environmental Stewardship Project and Caring for Climate Initiative.

## (V) Social Appraisal

China Minmetals has been fully affirmed and recognized by all walks of life for its outstanding performance in social responsibility and won many honorable titles.



(1) The Corporation won the 2010 "China CSR Outstanding Enterprise Award" jointly hosted by Xinhua News Agency, China Securities Journal and others.

(2) The Corporation won the title of one of the "Top Ten News Pieces of Chinese Enterprises" and "the Most Influential Enterprise" for 2010 hosted by the Appraisal Committee of Top Ten News Pieces of Chinese Enterprises.

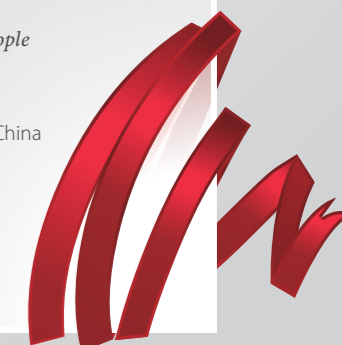
(3) President Zhou Zhongshu won the "China CSR Outstanding Person Award" jointly hosted by Xinhua News Agency, China Securities Journal and others.

(4) President Zhou Zhongshu was appraised as the "Entrepreneur Drawing the Most Attention" for the year 2010

(5) The Corporation won the fifth "People and Social Responsibility Award" sponsored by *People Daily Online* in 2010.

(6) The Corporation won the "2010 China Ecological Contribution Award" appraised by the China Green Foundation and others

(7) MINMETALS DEVELOPMENT CO., LTD. ranked No. 6 on the ranking list of China CSR Top 100 Enterprises released by Fortune (Chinese edition).




The world's second largest zinc mine—Century zinc mine of MMG Company, which is located in Queensland, Australia


# 價值創造

## PROMOTING SUSTAINABLE VALUE CREATION

Building a New Springboard for  
Sustainable Development  
through Creation of New Performance 

Consolidating the Foundation for  
Sustainable Development  
through Ownership System Reform 

Enhancing Stamina for Sustainable  
Development through  
Transforming Development Style 

Enhancing Sustainable Development  
Potential through  
Continuous Improving Management 



Enhancing the ability to create sustainable value constitutes the basis for the Corporation to more effectively perform its core social functions. In 2010, facing the complicated and volatile economic situation and industrial trends, the Corporation persisted in reform and innovation, actively transformed development mode, and enhanced its core competence. It changed systems and mechanisms, carried out the development strategy of integrating domestic and foreign trade, stretching to upper and lower streams and laying equal stress on science, industry and mining, and exerted itself to obtain the domestic resources in short supply, integrate domestic superior resources and enhance the operating ability of mines. As a result, its business performance increased by a great margin and its ability to create long-term value was effectively enhanced.

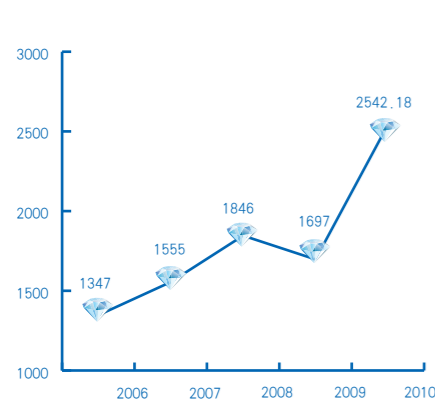
## (I) Building a New Springboard for Sustainable Development through Creation of New Performance

In 2010, the Corporation addressed itself vigorously to the complicated economic situation and actively sought and attained the development opportunities to promote the steady development of its operation. Its business performance increased by a great margin, its operation quality continued to improve and its commodity operation recorded the best results in its history.

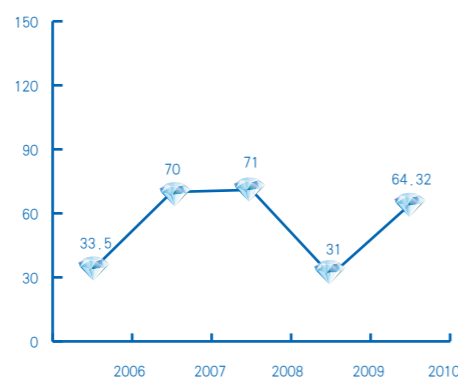
### 1. Operation Performance Recorded its Best Results to Date

In 2010, the Corporation overcame the adverse influence of the global financial crisis and its operation performance recorded the best results ever achieved in history. Its operating revenue rose to RMB254.218 billion, an increase of 49.12% on a yearly basis; its profits totaled RMB6.432 billion, an increase of 104.65% on a yearly basis; and the taxes it paid hit RMB5.838 billion. It fully accomplished the yearly performance assessment tasks assigned by the SASAC and the rate of preservation and increment in the value of the State-owned assets was up to 116.59%.

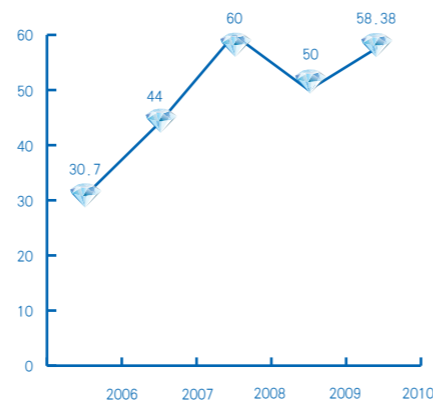
In the performance assessment of the central SOEs carried out by the SASAC, the Corporation won Class A both for the annual performance in 2009 and for its second term of management (2007-2009) and was also granted the honorable title of "Excellent Performing Enterprise".



Revenues from primary business in 2006-2010 (Unit: RMB100 million)



Total Profits in 2006-2010 (Unit: RMB100 million)



Tax Payments in 2006-2010 (Unit: RMB100 million)

## Minmetals's Operation Performance Widely Recognized by the Public, with Its Performance in Various Rankings Being Remarkable

"Fortune 500" companies for 2010	On the list of "Fortune 500" companies published by Fortune magazine in 2010, the Corporation ranked No. 332, and ranked No. 8 among all the global metal companies.
List of Fortune 2010 Most Admired Companies	The Corporation was among the Fortune 50 most admired companies in Asia-Pacific region, ranking No. 26.
China's Top 500 companies for 2010	The Corporation ranked No. 30 among China's Top 500 companies in 2010 and for the first time, ranked No.1 in the comprehensive manufacturing industry
China's Top 500 Manufacturing Enterprises for 2010	The Corporation ranked No. 9.

## 2. Striding into Unprecedented Territory in Commodity Operation

In 2010, grasping the opportunity for growth in a proactive manner, the Corporation focused its efforts heavily on market operation, cost reduction and efficiency improvement, leveraging policies, and achieved sustained and steady growth in its production and operation.

The Corporation recorded a historical high in its operating revenue of bulk commodities such as steel, iron ore, coal, iron alloy, lead, zinc, alumina and aluminum ingot. Its trade volume of steel products for the whole year ranked No.1 among China's key production materials circulation enterprises. Its traditional advantage in import and export operations continued being consolidated and enhanced; its imports of coal and tungsten ore and its exports of silicon carbide, tungsten products and antimony oxide ranked No.1 according to customs statistics.



On the ranking list published by China Federation of Logistics & Purchasing (CFLD) according to the operation indicators in 2010, the Corporation ranked No. 1 in trade sales of both ferrous and nonferrous metal materials and this marked the leading position of the Corporation's ferrous and nonferrous operations in China's circulation field.





The Corporation persists in taking the optimized allocation of global mineral resources as its starting point and constantly initiating and improving the modes of obtaining resources. By exploiting and obtaining domestic and foreign resources in various forms such as M&A, independent exploration and joint exploration, it has enhanced its strength in resources. The Corporation is now the global leading supplier of tungsten and antimony resources; and its reserves of copper resources have increased in folds. The Corporation takes a leading position in ferrous metal resource reserves in China, including iron ore, manganese and coal.



Table for the Corporation's Control of Nonferrous Metal Resources

	Metal Reserves/Production Capacity	2010 Ranking
Domestic Dominant Metals	Tungsten reserves	World's No.1
	Production capacity of hard alloy	World's No.1
	Antimony reserves	9.3% of China's total
	Production capacity of antimony smelting	World's No.1
	Production capacity of middle and heavy rare earth	World's No.1
Metals in Short Supply in China	Bismuth reserves	World's No.1
	Lead reserves	11% of China's total
	Production capacity of lead smelting	No. 2 in China
	Zinc reserves	19% of China's total
	Production capacity of zinc smelting	No. 1 in China



Case: In the Nihe Iron Mine Project implemented in Lujiang-Zongyang area of Anhui Province, China Minmetals adopted the new geological exploration mechanism of "giving priority to public welfare, cooperating with foundations, following up with business, equipped exploration and making rapid breakthrough" and obtained 180 million tons of magnetic iron ore, 140 million tons of sulfurous iron ore and a medium-sized gypsum mine, of which the economic value totals RMB35 billion, and this is called the "Nihe Model". The success of the project has not only improved China Minmetals's resource strategy and added to its resource reserves but is also of great importance to China Minmetals for practicing the new geological exploration mechanism, promoting the reform of geological exploration units and making breakthroughs in geological exploration.



Core of Nihe Mine

Knowledge

"Nihe Model" means a new mechanism of geological exploration adopted by the Nihe Iron Ore Exploration Team, which features an interaction among the central government, local governments, and enterprises, an organic connectivity between public welfare and commercial explorations, a close combination between geological exploration and mineral development and a coordinated promotion of geological exploration and mining right management.

### 3. Development of Primary Business Continuously Improving

The Corporation makes it the primary strategic task to guarantee the security of supplying important mineral and metal resources for the nation. It has built the complete industrial chain ranging from the front-end geological exploration, excavation and smelting to the back-end deep processing of ferrous and nonferrous metals as well as the chain of supporting services including scientific research, project design, construction and installation, professional equipment, comprehensive logistics and finance. By promoting ownership system reform, the Corporation continuously deepens strategic transformation and constantly consolidates the sustainable development foundation for becoming a large international mineral and metal group.

In the nonferrous operation, the Corporation puts forward its strategic blueprint of fully advancing, expanding and strengthening the three industrial clusters of overseas resources development, domestic basic metals and rare metals, establishing itself as the most advantageous supplier of nonferrous metal resources in China.



Case: By actively implementing strategic transformation in the operation of nonferrous metals during the 11th Five-Year Plan period, the nonferrous company greatly increased its strength. During the five years, the operating revenue increased from RMB35.8 billion to RMB83.3 billion and the total profits increased from RMB1.669 billion to RMB4.327 billion, meaning that it continues maintaining its position as one of the most competitive enterprises in the nonferrous industry of China.

The Corporation actively pushes forward ferrous mining operation to materialize its ferrous mining development strategy, commits itself to becoming China's largest supplier of iron ore resources and takes into full consideration the appropriate balance of the product portfolio of iron, chromium, manganese and coal resources, the investment intensity and the project period.



Case: The Corporation actively expanded the production capacity of ferrous mining resources and invested RMB2,466.68 million in the construction of Lilou Iron Mine (with 276.25 million tons of reserves and an average geological grade of 34.29%) and Wuji Iron Mine (with 105 million tons of reserves and an average geological grade of 29.13%). After the completion of the projects, an annual production capacity of 7.50 million tons of iron ore and 2.7 million tons of fine iron ore will be formed.

In its ferrous circulation operation, the Corporation follows the principle of focusing on professional operation, streamlining the management tiers, enhancing management capability and realizing coordinated and integrated operation, and commits itself to becoming the world's largest comprehensive iron and steel circulation service provider. As the principal SBU that made the greatest contribution to the scale of the Corporation, Minmetals Development recorded a sales revenue of RMB131.4 billion, an increase of 39.4% and the profits thereof totaled RMB339 million, an increase of 43.54% on a yearly basis.



Case: In July 2010, China Minmetals and Shandong Iron and Steel Group ("Shangang Group") signed the strategic cooperation agreement. According to the agreement, the Corporation will utilize the capability of the Strategic Business Unit of Ferrous Circulation for integrated supply of raw materials for the metallurgy industry, and supply Shangang Group with iron ore, ferro alloys, coal and other raw materials for metallurgy; and Shangang Group will rely on the SBU as its main channel for the import of spot ores from the world's leading mines. The Corporation will also leverage its advantages in the field of iron and steel circulation and explore the mode of cooperation with Shangang Group in the trading and circulation of iron and steel products.



PROMOTING SUSTAINABLE VALUE CREATION

In the face of the fluctuating market conditions, China Minmetals's financial SBU adhered to the principle of giving priority to efficiency and pursuing steady operations, and enhanced its profitability to improve its performance. In terms of the SBU, it constructed a development blueprint featuring "integration of domestic and foreign financial operations" and "integration of internal financial operations" to effectively integrate its financial business resources, fully utilize its superiority in specialized operation, provide other operations with comprehensive financial services including internal settlement, bills, entrusted loans, leasing, trusts, futures, securities and insurance and provide customers with financial value-added services to create the maximum value from the synergy between industry and finance. Through strategic investment, M&A and investment in the new fields, the financial SBU promoted the development in the emerging industries of the Corporation and obtained good return on investment, successfully becomes the financial service platform of the Corporation.



China Minmetals Trust Co., Ltd. Established

In the operation of real estate construction, the Corporation devoted itself to "exploring the high-quality dwelling experience, ensuring the quality of construction projects, providing high-grade property services and constantly upgrading customer value"; and through the integration of operations and the highly efficient scale operation, it gradually shaped the operation pattern geared to the whole country. Under the precondition of effective prevention from risks, the Corporation adhered to the prudent low-cost expansion strategy. By rapidly accelerating the pace of turnover and initiating new operation modes, the Corporation actively expanded the financing channels, reserved high-grade resources, opened up new fields and developed new projects. The coordinated development among the operations of real estate, construction and installation, and industrial real estate shaped the synergy development pattern featuring the "integration of three operations".



Case: At Xiangluo Bay business district of Tianjin Binhai New Area, Minmetals Real Estate Co., Ltd. designed and constructed the five-star complex "Kuangshi International" according to international standards, admirably dubbed the "Gate to Xiangluo Bay"



Kuangshi International Building

The science and technology SBU has been the Corporation's supporting platform for science and technology and the platform for high-tech industries. Currently, the unit owns two large scientific research institutes: Changsha Research Institute of Mining and Metallurgy Co., Ltd. and Changsha Institute of Mining Research of Hunan Nonferrous Metals Corporation Limited. In 2010, the Corporation reinforced applied basic research, forward-looking technical innovation research and major technologically innovative product research, and witnessed a rapid increase in the outlay for scientific and technological activities and the outlay for R&D. The Corporation assisted its subordinate enterprises in applying the major technical innovation and industrialization funds of RMB84.10 million from the central budget for State-owned assets operation, applied for an accumulative number of 146 patents, and was granted 103 patents and many of its invention patents were commended in the industry.



Case: Changsha Research Institute of Mining and Metallurgy Co., Ltd. Making Remarkable Achievements in Scientific and Technological Innovations In 2010, Changsha Research Institute of Mining and Metallurgy Co., Ltd. won 1 first prize, 2 second prizes and 4 third prizes of provincial and ministerial (equivalent) levels; applied for 16 patents (including 9 invention patents); was granted 21 patents (including 5 invention patents); participated in the formulation and revision of 1 national standard and 7 industrial standards, published 6 monographs and 72 science and technology papers.

The project of the "Platform for Serving Small and Medium Enterprises (SMEs) in Mining and Metallurgy Technologies of Mineral and Metal Resources" was granted the "Project Approval Certificate for Science and Technology-Oriented SME Technical Innovation Fund" by the State Science and Technology Ministry.



## 4. Substantial Progress Made in Capital Operation

Through capital operation, China Minmetals has actively obtained funds it needs for its business operations and for acquiring overseas resources in short supply in China, and integrated domestic dominant resources to promote the sustained and sound development of its core ferrous and nonferrous operations.

In 2010, the Corporation was rated as AAA for its long-term credit and A-1 for its short-term credit and its rating outlook was stable. It successfully issued RMB3 billion of short-term financing bonds and RMB4.3 billion of mid-term bills and actively moved ahead with M&A loans and entrusted loans to provide stable capital structure guarantee for its long-term coordinated development. It cashed the mature short-term financing bonds of RMB3 billion without incident.

The OPAL project (MMG's injection of assets into Minmetals Resources Co., Ltd.) was a major capital operation project following the Corporation's successful purchase of Australian OZ's main assets in 2009 and also the largest foreign assets injection transaction in the Hong Kong market in 2010. The successful injection of assets has newly positioned Minmetals Resources as the Corporation's flagship platform for overseas upper-stream basic metals and also enhanced Minmetals Resources' influence on the foreign capital market, thus providing a powerful capital platform for accomplishing the Corporation's sustainable growth in the international basic metal field.



Case: On 19 October, 2010, Minmetals Resources Co., Ltd., a company listed in HK Stock Exchange and a subsidiary of China Minmetals, published an announcement that it planned to purchase MMG, a wholly-funded subsidiary of Minmetals Nonferrous Metal Co., Ltd., at the price of US\$1.846 billion. The capital for the transaction will be raised by four means. Minmetals Resources pays US\$100 million in cash, Minmetals Nonferrous provides Minmetals Resources with 5-year loan bills totaling US\$694 million and Minmetals Resources issues to Minmetals Nonferrous the consideration shares with a total price of US\$362 million and the permanent secondary convertible securities (PSCS) with a total price of US\$690 million. Furthermore, Minmetals Resources will also issue not more than 2.7 billion new shares to raise the proceeds of not more than US\$1.6 billion for repaying the loans provided by Minmetals Nonferrous and for MMG's future exploration and development projects. The assets injection and the attached allotment plan were approved by the special shareholders' meeting of Minmetals Resources on 9 December, 2010 and promptly promoted to the international investors, laying the foundation for transforming Minmetals Resources' ownership structure to be "internationalized" and "institutionalized".



On 20 December, 2010, Minmetals Land Limited, the Corporation's red chip company, published an announcement on the completion of the assets injection transaction and raised net proceeds of \$2 billion, which marked the successful completion of the capital operation for Phase IV (injecting the assets of three project companies of the real estate segment into Minmetals Land Limited) of Corporation's Dadi Project. The operation was not only characterized by widespread distribution of assets, many injection links, a complicated operational plan and a multi-stage flow of policy review and approval but was also confronted with the Hong Kong investors' strong expectations regarding the major shareholders' assets injection as well as the adverse factors including sharp fluctuations in the domestic real estate market this year, so the difficulty in the operation was unprecedented. The completion of the project has consolidated the Corporation's good image on Hong Kong capital market, vigorously promoted the pace of integrating its real estate and construction operations and realized the effective combination of assets injection with financing on the capital market.



## (II) Consolidating the Foundation for Sustainable Development through Ownership System Reform

By adhering to the principle of “strategic matching, observance of laws, feasible operation and gradual progress” and aiming at “clear business portfolio, improvement of management and control efficiency, highly efficient headquarters of the Corporation and standardized structure of governance”, the Corporation has actively accelerated innovation of systems and mechanisms, optimized the structure of corporate governance, enhanced the competitiveness of the system, moved forward with adjustment and transformation, upgraded the industrial value chain and fully displayed its strengths as a whole so as to lay a solid foundation for accomplishing scientific development and building a mineral and metal group with international competitiveness.



Ceremony for the Establishment of China Minmetals Co., Ltd.

### 1. Ownership System Reform Coming to a Successful Close

The year 2010 was a crucial year for the Corporation's implementation of ownership system reform. Through careful organization and implementation of such tasks as straightening out assets, assessing value and disposing property rights, upon the approval of the State Council, the SASAC officially made the Written Approval to the Matters Concerning the Ownership System Reform and Listing of China Minmetals Corporation (Guo Zi Gai Ge [2010] No. 966) and approved the Corporation's plan in principle for ownership system reform. On 16 December, 2010, China Minmetals Co., Ltd. was officially founded, which marked the Corporation's crucial step forward in ownership system reform and laid the foundation for its holistic listing in future.

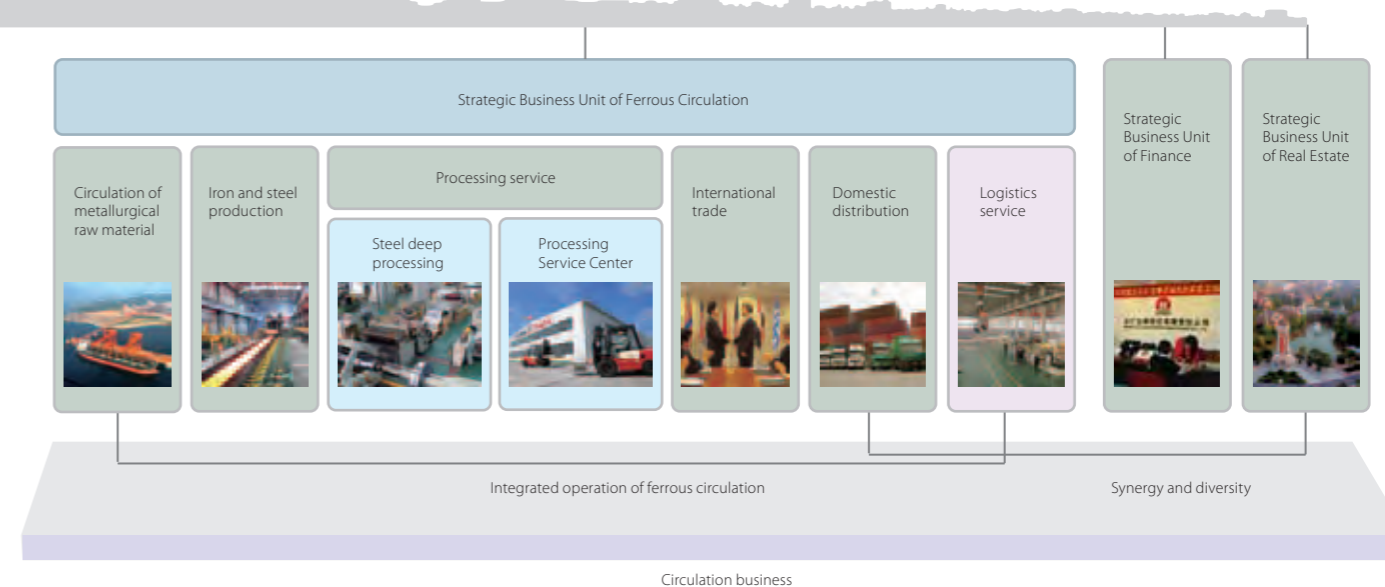
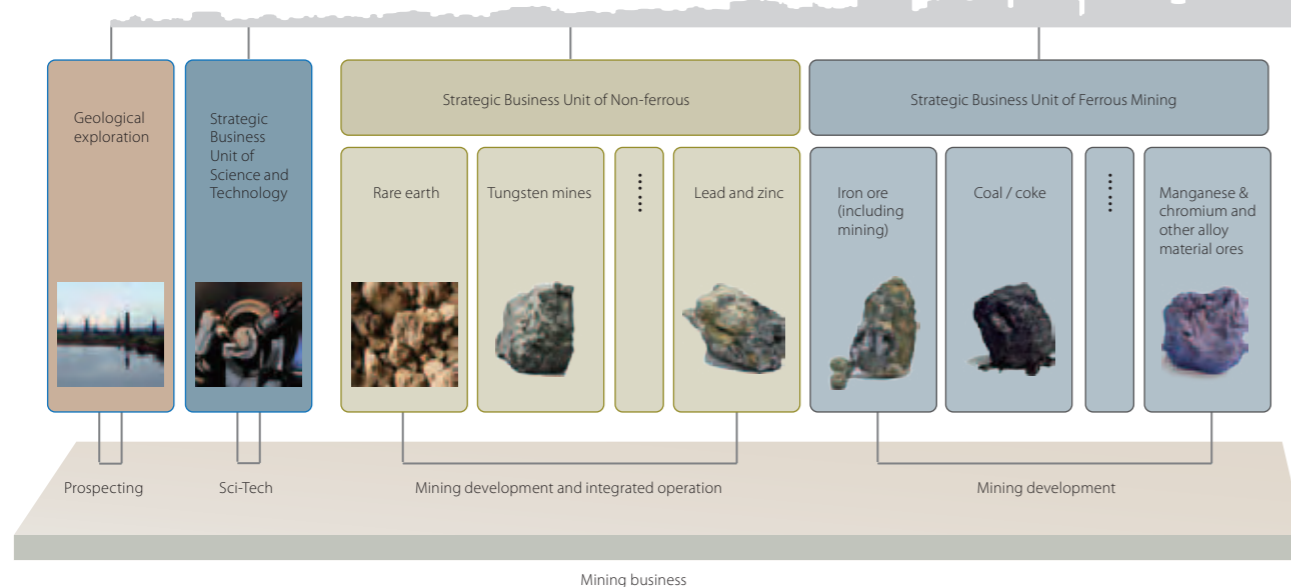
The establishment of China Minmetals Co., Ltd. marks the creation of an internationally leading and competitive mineral and metal group with modern business system. It will help China Minmetals to further integrate internal and external resources on the new development platform, improve the corporate governance structure and operation mechanism, continuously strive for strategic development and management reform and build a multinational company with proper governance, efficient operation and significant influence in the industry. The ownership system reform has streamlined all the assets of the Corporation, improved the property ownership relationship between allocated national land and the Corporation's mining rights so that all the Corporation's personnel, finance and materials will be operated under the proper modern framework of corporate governance, laying a solid foundation for its integration with the capital market.

### 2. Changes to the Business Structure

In 2010, while actively promoting the ownership system reform, the Corporation completed the changes to its business structure and established six strategic business units of non-ferrous metals, ferrous mining, ferrous circulation, finance, real estate and science & technology. The establishment of the strategic business units further highlighted the primary business, and provided organizational guarantee to the rapid development during the 12th Five-Year Plan period.

The change in business structure has enabled the core business to form a complete industrial chain, and the integration of the industrial chain will help fully exploit the efficiency and potential of each link along the industrial chain, take advantage of the synergy in the industrial chain as a whole and achieve comprehensive benefits.

## Business Structure and Layout of the Corporation



PROMOTING SUSTAINABLE VALUE CREATION

### 3. Management and Control Model Becoming Increasingly Clear

To adapt to the adjustment of the business structure, the Corporation further intensified the management and control system and clearly positioned the management and control system of the Corporation's headquarters as Strategic Control Mode and that of each strategic business unit as Operational Control Mode. For the different strategic business units, the Corporation's headquarters adopted the strategy control and strategy direction models of management and control and carried out hierarchical management and categorized authorization. Meanwhile, it specified six core means of management and control: strategy planning, plan and budget, performance assessment, key post management, investment and capital operation, and risk management and audit.

#### (III) Enhancing Stamina for Sustainable Development through Transforming Development Style

While seizing the opportunities to accomplish scale growth, the Corporation continues reinforcing structural readjustment and optimization and enhances the stamina for sustainable development through transforming the pattern of development, thus upgrading its competitiveness remarkably.



Case: After the acquisition of OZ Mining and the incorporation of MMG, China Minmetals retained the original management team and personnel contingent, arranged the financial and other key management personnel to effectively control the key links of operation and formulated the development plan for MMG to specify the mid- and long-term development goals. Meanwhile, it reinforced operational synergy and incorporated MMG into the Corporation's global marketing system. The Corporation also actively carried out post-merger integration in management and relevant functional departments held multi-level communications with MMG, enabling it to gain a rather profound understanding of the Corporation's strategic visions, management system and corporate culture. By the end of 2010, MMG had realized cumulative profits of US\$747 million and a sales revenue of US\$2.8 billion, and had provided 100,000 tons of fine zinc ore, thus the integrated development was accomplished.

### 1. Integrated Development

Favorable integration and combination constitute the important foundation for an enterprise to realize all-win outcomes among many parties. In 2010, the Corporation focused on the integration of the newly emerged enterprises in the past two years, including Luzhong Mining Co., Ltd., Changsha Research Institute of Mining and Metallurgy Co., Ltd., Hunan Nonferrous Metals Holding Group Co., Ltd. (HNG) and Australian OZ Mining Company, so as to upgrade the internal synergy and overall competitiveness of the Corporation and accomplish the rapid growth of the Corporation's value.

During the early stage after the M&A and reorganization, the Corporation, starting from its own strategy and based on the characteristics of the reorganized enterprises, conducted quick management integration of their various systems including strategy, performance, capital, budget, human resources and investment to rapidly complete alignment, enable the target enterprises to operate under the Corporation's management and control from the very beginning and thus achieve good results of integration. The successful integration upgraded the Corporation's operation efficiency and core competitiveness and its overall strengths were enhanced remarkably.



Case: In 2010, Minmetals Nonferrous Metal Co., Ltd. (MNM) launched the M-CUBE Program. Centering on the development strategy of MNM, it selected the six management functions of employee training, strategic planning, financial management, risk management, work safety management and new project supervision as the exchange topics. Through various forms of exchange with MMG, it identified 11 improvement orientations including strategy statement, report system, risk assessment, project audit, security system, cost management, authorization management and training. The implementation of the Program upgraded the participants' own qualities, enhanced mutual understanding and integration between MNM and MMG and helped to promote the further management and integration of MMG. (Note: M-CUBE stands for Minmetals, MMG and Management; and through the integration of the three "M"s, the Corporation's management was upgraded as with the effect of being cubed.)

### 2. Innovative Development

To seek development through innovation is a must for modern enterprises. By bringing into full play the supporting role of science and technology in operations and centering on independent innovations, the Corporation brings forth industrial and technological innovations and strives to break through the core technologies, key technologies and generic technologies that restrict China's supply of mineral and metal resources. Great efforts are also made to upgrade the processing industry so as to promote the upgrade of industrial structure and energy saving and emission reduction and make contributions to the building of innovation-oriented enterprises.

The Corporation further improved the management and control system and management regulations for science and technology, and adopted the technical innovation model combining internal technical innovation with joint innovation among production units, educational institutions and research institutes. It also formed a competent and efficient scientific research and development team consisting of the Corporation's expert committee, the external experts, advisors and academic pacesetters engaged by the Corporation, as well as key internal technical staff to enhance the overall technical innovation ability and core competitiveness of the Corporation.

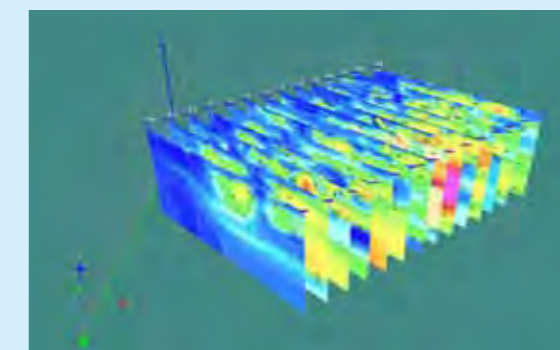
The Corporation now has the "Technical Innovation Strategy Alliance for the Nonferrous Metal Tungsten and Hard Alloy Industry", "Technical Innovation Strategy Alliance for Metal Mining Engineering and Equipment" and "Technical Innovation Strategy Alliance for Efficient Energy Saving and Clean and Environment-Friendly Utilization of Mineral and Metal Resources". Among these, the "Technical Innovation Strategy Alliance for Nonferrous Metal Tungsten and Hard Alloy Industry", which Hunan Nonferrous Metals Holding Group Co., Ltd. took the lead in establishing, became one of the first pilots of the State Science and Technology Ministry, and was granted by the State Science and Technology Ministry the Unit of Excellent Organization Award for Organization and Management of a National Science and Technology Program during the "11th Five-Year Plan" period. The Corporation won an accumulative number of 60 provincial and ministerial awards for technological innovations.

Table for the Corporation's National-Level Scientific Research Institutions

Type	Quantity
National key laboratories	3
National Engineering Technology Research Center	1
National-Level Technology Research Center	1
National-Recognized Enterprise Technology Center	3
National-Level Analysis and Testing Center	7
Enterprise Post-doctoral Scientific Research Workstation	5
Academician Workstation	1



Case: Minmetals Exploration and Development Co., Ltd. undertook the research project entitled Demo Research on Deep Prospecting Technology and Exploration of "Porphyrite Iron (Sulfur) Ore" under the State Key Technology Support Program during the "11th Five-Year Plan" period. With "Nihe iron ore" as the main research object and through systematic research on ore deposit geology, it calculated the minerogenetic conditions, ore-forming regularity and exploration models of "porphyrite iron (sulfur) ore in the Lujiang-Zongyang Basin.



3D resistivity model of Nihe iron ore



PROMOTING SUSTAINABLE VALUE CREATION



Case: Zhuzhou Smelter Group Co., Ltd. commits itself to the development of the recycling economy and the direct-leaching zinc refining technique system it constructed has gone into production. During the year, the project directly leached a total of 180,000 tons of zinc concentrates, the leaching rate was over 98% and the direct recovery rate over 93%, and all the indicators were up to the advanced level at home and abroad; the volume of purification by arsenate increased from 150m<sup>3</sup>/h at the beginning of the year to 330m<sup>3</sup>/h; and Electrolytic VIII Series separated out 48,600 tons of zinc and the power consumption decreased from 4,000kwh/t at the beginning of the year to 3,450kwh/t.

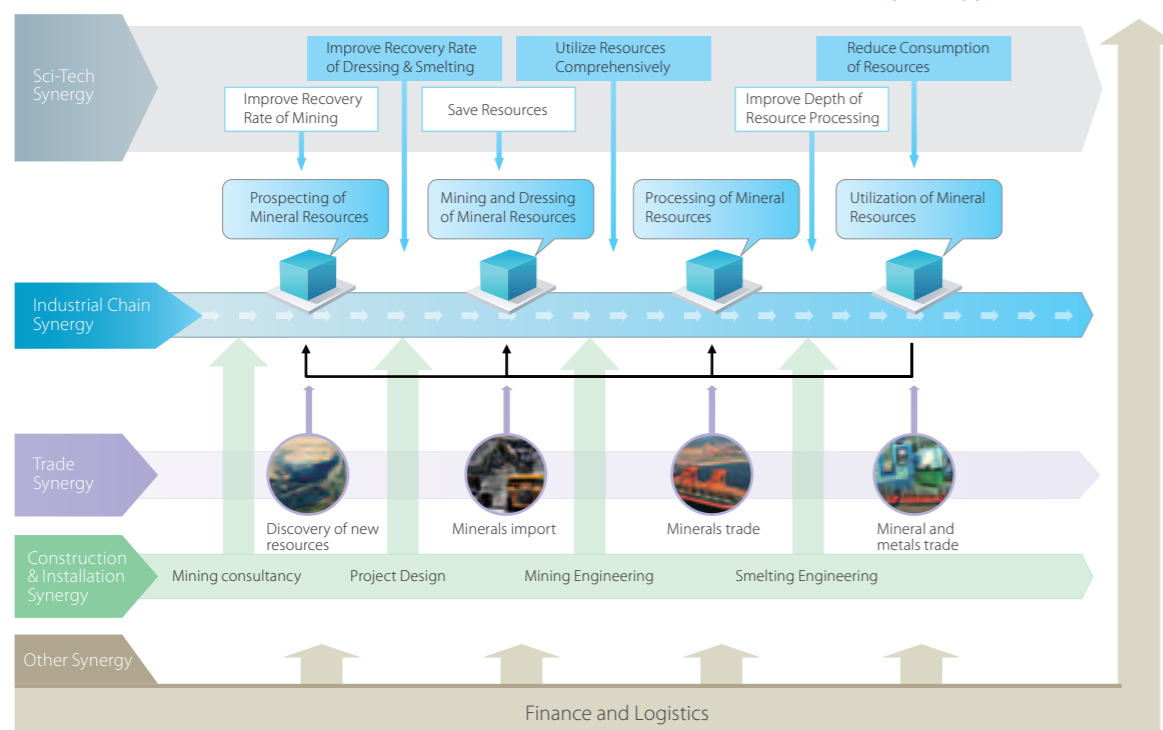


Zinc Electrolytic VIII Series of Direct Leaching System

### 3. Synergistic Development

Based on the concept of the "One Minmetals and One Company" and on the principle of maximizing its overall benefits, the Corporation has vigorously promoted its strategic synergy, established the special functions and departments of synergistic management and worked out the management regulations to promote the synergistic development of internal operations and bring into play the Corporation's comprehensive competitive strengths. The corporation has fully displayed the large-scale, industrialized and integrated collaboration potential inside and among primary business, effectively carried out the coordination among operations and continuously strived for the synergy at multiple business levels including marketing, operation and resources. It has also striven to bring into play the strengths in specialized operation of the three emerging industries of finance, real estate and science and technology and actively served the core principal operation to provide customers with integrated services and more effectively create value for customers.

#### The Corporation's Mechanism for Operation Synergy



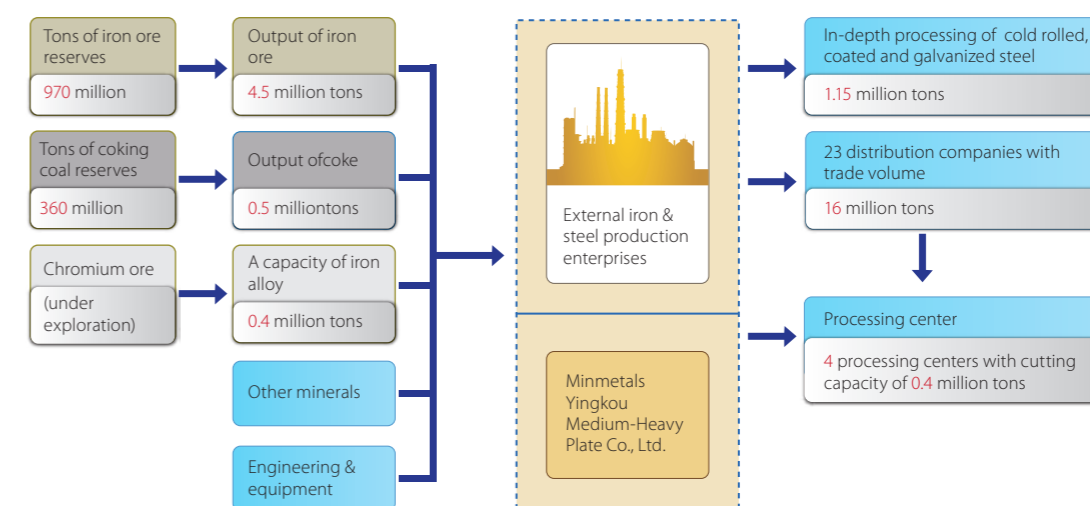
Case: Based on Mid-Stream of Industrial Chain to Vigorously Promote Operation Synergy  
Minmetals Materials (Changshu) Management Co., Ltd. is an enterprise mainly engaged in the production of rolled, galvanized and color-coated steel coils. As the production and processing link on the iron and steel industrial chain, the company follows the concept of "maximizing the Corporation's benefits", takes the attitude of "basing on the long term and cooperating for win-win results" and conducts business synergy with other enterprises of the Corporation. In 2010, Minmetals Materials purchased as much as 289,700 tons (contractual volume) of steel through Minmetals Steel Co., Ltd. and China National Minerals Co., Ltd. and as much as 14,200 tons of zinc ingots through Minmetals Nonferrous Metal Co., Ltd.; sold and processed 192,100 tons of products through Minmetals Steel Co., Ltd., China National Minerals Co., Ltd. and Minmetals South-East Asia Corporation Pte Ltd., and the amount in purchase and marketing operations totaled about RMB2.310 billion. The sales volume of products through business synergy has accounted for one third of Minmetals Materials' total sales volume.

### 4. Development of Industrial Chain

The Corporation actively links up the industrial chain and continuously optimizes the structure of primary business. In the field of some nonferrous metal products, it has formed the pattern of full industrial chain with "prospecting, mining and dressing, processing and trading"; and in the ferrous metal field, it has formed the dumbbell-shaped industrial layout integrating upper and lower streams. The advantages in the coordinated labor division between the upper and lower streams on the industrial chain are gradually emerging, and the industrial chain development mode integrating science and technology, industry and trade is increasingly being improved.

In 2010, the Corporation made significant breakthroughs in the prospecting of iron, coal and chromium mines in the upper stream of the ferrous industrial chain and developed the capacity of scale supply of iron ore, coke, iron alloy and other metallurgical raw materials (with a supply of 33 million tons of iron concentrate and a business volume of over 16 million tons of raw materials such as coal, coke and iron alloy); it selectively entered the production field in the middle stream, held the iron and steel production capacity of 2.5 million tons and the production line of wide heavy plates reached world-class level. It constantly perfected the lower-stream marketing network, quickly enhanced the capability of processing and distribution, built up China's largest steel distribution network (with a capacity of over 20 million tons) and possessed the in-depth processing capacity of 2.2 million tons of cold rolled, coated and galvanized steel.

#### Overall Industrial Chain of Iron and Steel Business



In 2010, on the nonferrous industrial chain, the Corporation robustly integrated domestic dominant metal resources, actively developed the resources in short supply overseas, possessed the capability of mining, smelting and processing such metal resources as tungsten, antimony, lead, zinc, aluminum, bronze and rare earth and ranked steadily in the first camp of domestic nonferrous enterprises. In the fields of tungsten, antimony, lead and zinc, the Corporation formed the whole industrial chain featuring "mining—dressing—smelting—processing—trading" and tentatively completed the global layout with diversified metal resources.



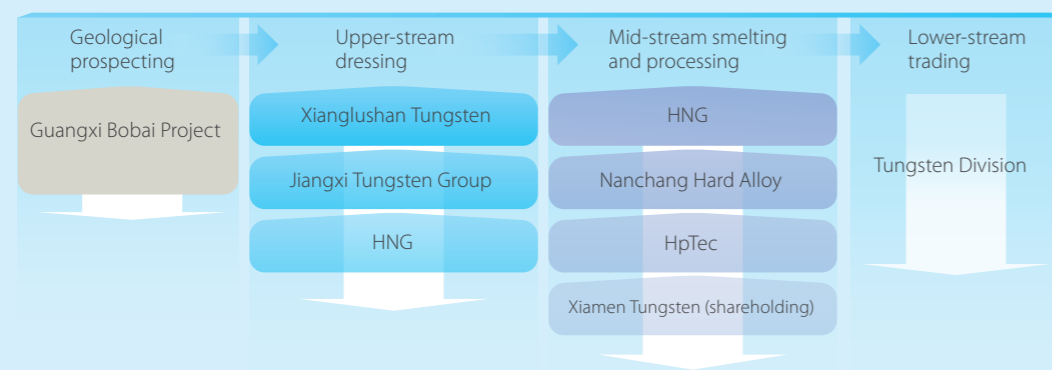
PROMOTING SUSTAINABLE VALUE CREATION



**Case: Tungsten Industrial Chain**

By starting with geological prospecting (Guangxi Bobai Project) in the prospecting operation and connecting the links from upper-stream dressing (Xianglushan Tungsten, Jiangxi Tungsten Group and HNG) and mid-stream smelting and processing (HNG, Xiamen Tungsten (shareholding), Nanchang Hard Alloy and HpTec) through to lower-stream trading, the Corporation practiced its commodity strategy of "trying to extend the tungsten industrial chain to the development of high-tech and high value-added products" and consolidated its leading position in the industry.

**Tungsten Industrial Chain**



**(IV) Enhancing Sustainable Development Potential through Continuous Improving Management**

Continuous optimization of management constitutes the foundation for the Corporation to forge a mineral and metal group with international competitiveness. In 2010, the Corporation actively adjusted itself to the needs for strategic transformation, continuously improved its own management system and enhanced sustainable development potential to promote the steady development of its operation.



**Case:** The Corporation actively promotes the building of IT application capability. The construction of the management and decision-making system realized the integration and sharing of the Corporation's management data; the information collected by IT means on finance, operation and investment of the enterprises at different levels provided a reliable and all-round analysis basis for the Corporation's formulation of strategy and also provided strong support for monitoring the subordinate enterprises' implementation of the Corporation's strategic planning.

**1. Continuously Improving Strategic Management System**

The Corporation has built up the strategic management system featuring "development strategy — development planning — annual operation plan — overall budget — performance assessment" and established the guiding role of strategy. In 2010, the Corporation worked out its development planning during the "12th Five-Year Plan" period, adjusted and optimized the Strategy Committee, formed the member structure with the Corporation's competent leaders and chief economist, core functional departments and six strategic business units as the main body, and enhanced the professionalism and business discussion efficiency of the Strategy Committee. The Corporation improved the Measures of the Corporation on Evaluation and Management of Strategic Alignment of Investment Projects, introduced the EVA evaluation and management method and enhanced the guiding role of strategy in investment.

**Knowledge**

Economic Value Added (EVA) is a method of evaluating an enterprise's performance and finance based on the after-tax net operating profit and the total cost of investment required to produce the said profit.

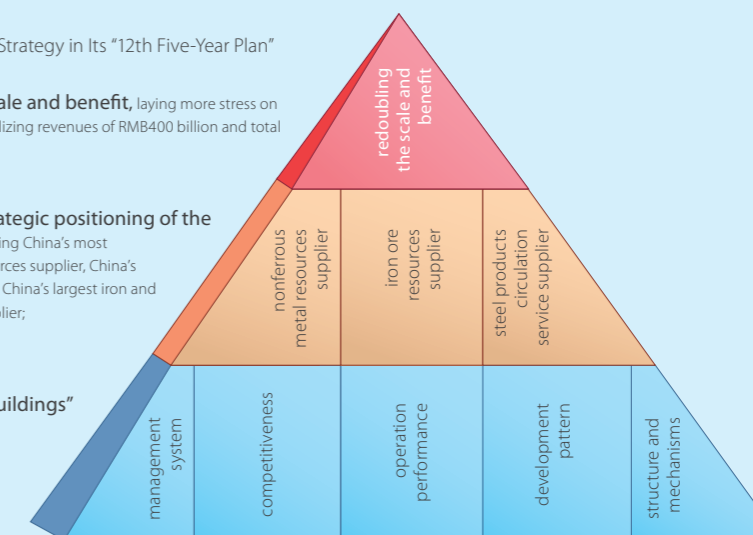


**The Corporation's "1-3-5" Development Strategy in Its "12th Five-Year Plan"**

**"1"** means redoubling the scale and benefit, laying more stress on the growth of benefit and by 2015, realizing revenues of RMB400 billion and total profits of RMB15 billion;

**"3"** means specifying the strategic positioning of the "three new suppliers", i.e. building China's most advantageous nonferrous metal resources supplier, China's largest iron ore resources supplier and China's largest iron and steel products circulation service supplier;

**"5"** means realizing "five rebuildings"



**2. Strengthening Human Resources Management in an All-Round Manner**

The Corporation adheres to the human resources management concept of a "greater Minmetals". With the all-round promotion of hierarchical management as the opportunity and with deepening reform of the cadre personnel system as the emphasis, the Corporation properly handles the talent collocation on key posts during its system transformation and the planning and design of the remuneration system after the said transformation, constructs an all-personnel performance management system and enhances the capability of strategic human resources management, thus consolidating the foundation for accomplishing the leap-forward development of human resources management and pushing forward the in-depth implementation of the strategy of strengthening the enterprise through talented personnel.

The Corporation has built up the five-dimensional talent evaluation standard featuring "virtue, knowledge, capacity, motivation and performance" and "giving priority to virtue and valuing knowledge- and capacity-based performance". It tentatively completed the institutional framework under which personnel are selected and placed according to standards, public opinions are heard in selecting and recommending personnel, cadres are investigated before holding a post and are assessed annually during their term of office, and there is a time limit for post management, and supervision and management are put in place.

The Corporation has fully constructed the institutional system for performance assessment of the personnel on key posts and below, set up the comprehensive assessment and evaluation indicator system featuring "four dimensions, three-level indicators and double weighting" for the leading bodies and leading personnel of the secondary units directly subordinate to the Corporation. It has electronized the means of assessment and deeply promoted the implementation of the all-personnel

performance management. The Corporation has launched the remuneration system planning, worked out the auxiliary remuneration implementation plan after the Corporation's ownership system reform, built up the competitive remuneration incentive system, and established a scientific and effective remuneration management and control system for subordinate enterprises. The Corporation has convened the meeting on launching hierarchical management of human resources, and this represents a strategic move for carrying out two-tier human resources management to fit in with the Corporation's development needs during the new period and also the only road to upgrading the Corporation's capability of strategic human resources management.

**3. Improving the Investment Decision-Making Management System**

In 2010, the Corporation actively carried out the investment guideline of "controlling total amount, adjusting structure, stressing on connotation and building up internal control" and revised the investment management system. Meanwhile, to fit in with the needs for operation development and internationalized management, the Corporation proactively readjusted and optimized the investment decision-making management system, put forward the investment management optimization orientation of "combining centralized decision making of major investment with classified authorization" and announced the Corporation's first management system in English edition, and constantly improve investment management. The Corporation reinforced the building of the accountability system, strengthened the prevention of responsibility risks in investment operation and management, and definitely specified the management principles that "both organization and individuals shall make concerted efforts in preventing responsibility risks" and that "everyone shall be equal, criteria for persons of upper and lower levels shall be unified, and rules for reward and punishment shall be strictly adhered to in implementing the accountability system".



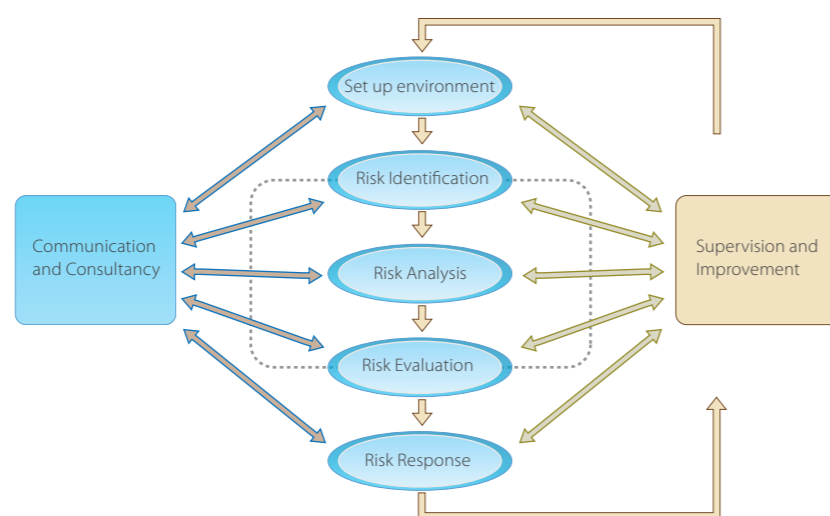
PROMOTING SUSTAINABLE VALUE CREATION

## 4. Solidly Enhancing All-Round Risk Management

Risk Management Objective: Carry out the "active and steady" risk management guideline, lay emphasis on the management of major risks, further strengthen the building of an all-round risk management system, enhance risk management capability and increase the possibility of accomplishing all operation goals.

All-round risk management has a bearing on the accomplishment of the enterprise's strategic goals and on its sustainable, sound and steady development. In 2010, the Corporation actively embedded the risk management flow into the enterprises' daily operation and management activities to create value for the enterprises. According to the model of "layered, classified and centralized" management, the Corporation further improved the risk management flow, tentatively built up the risk classification framework featuring "six categories, three tiers and multiple matters", constructed "three lines of defense" for the all-round risk management system, and formed an initial risk management organizational and functional system interlaced with the headquarters and the risk management committees of operating units at all levels, the risk management departments and the risk management posts. The Corporation thus upgraded its management of major risks remarkably and the key indicators of major risk management tended to improve as a whole.

The Corporation's Risk Management Flow



The Corporation has constantly intensified its credit risk management work, improved its credit risk reporting mechanism and formed a credit risk reporting system consisting of regular reporting and expert pre-warnings. It has continued to employ a pre-warning mechanism consisting of three colors or red, yellow and blue and has adopted the "Gray List" for purpose of prohibiting non-compliant credit transactions. The Corporation's credit risk index has improved remarkably, and no major credit risk incident has occurred in the whole year.

According to the principle of "unified standard and hierarchical management", the Corporation standardizes market risk management at all levels. In 2010, it compiled the Market Risk Management Blueprint of China Minmetals Corporation and released the Measures of China Minmetals Corporation on Market Risk Management and the supporting Guide of China Minmetals Corporation to Market Risk Management of Trading Operation to quantify its market risks and organically integrate business operation with market risk management, thus providing reference for decision making in effective identification and prevention of risks. The overall market risk of the Corporation has been controlled to an acceptable level.

With goods safety as its starting point, laying emphasis on high-risk links, taking into consideration both costs and benefits and carrying out definite division of labor and hierarchical management, the Corporation guards against storage and logistic risks. It released and implemented three regulations including the Guide of China Minmetals Corporation to Internal Control of Storage and Logistics and set up the storage and logistics risk management system tailored to the Corporation's characteristics. The Corporation has established a risk identification, audit and supervision mechanism through use of various means such as reporting, evaluation, inspection and rectification, which promoted the improvement of the Corporation's storage and logistics management. No major incidents involving loss of goods has occurred in the whole year.

The Corporation constantly improves the mechanism for an annual report on all-round risk management and formed the trinity system of the annual report on all-round risk management consisting of the sub-report on major categories of risk management, sub-report on all-round risk management and the Corporation's general report on all-round risks. In 2010, the Corporation for the first time released the Guiding Opinions of the Corporation on Risk Management in 2010.

## 5. Intensifying the All-Round Budget Management System

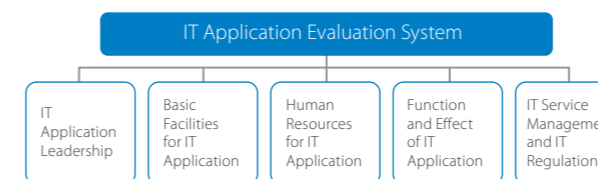
The Corporation persists in taking the all-round budget as the core, dynamically allocates resources, intensifies the control over the aggregate amount and scale of investment and strictly controls major financial indicators. For the high-risk operations, it strictly implements the budget review and approval mechanism of "annual double authorizations", that is, business authorization and scale authorization, to ensure the smooth accomplishment of all the annual targets of the Corporation.

During the process of working out the budget, the Corporation persisted with the precondition of ensuring capital safety and the orientation of improving the benefits and efficiency of capital use, gave priority to ensuring the demand for operating capital and arranged a total budget of RMB69.9 billion as operating capital. During the process of implementing the budget, the Corporation carried out dynamic management of the budget of operating capital and realized the unanimous rules and unified flow and method in budget management of domestic and foreign enterprises.

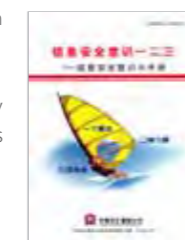
For the arrangement of investment capital, the Corporation continues to hold strict control over the aggregate amount, balance its investment demand and resource guarantee ability and strictly control the assets-liabilities ratio. It adheres to the principle of seizing investment opportunities to accomplish rapid growth while also carefully avoiding capital overstrain due to investment, takes into overall consideration the factors such as capital safety, sustained and coordinated development and bearing capacity of profits and losses, and strictly exercises control over aggregate amount so as to tightly control the rapid increase in investment demand. In 2010, the Corporation firmly focused on such key performance indicators as EVA, assets-liabilities ratio and operating cash flow and reduced the assets-liabilities ratio to below 75% for the first time over the past 9 years.

## 6. IT Application Capability Promoting Management Reform

The IT application capability represents one of the key factors for the success of the Corporation's management reform and plays an important role in the steady implementation of the said reform. In 2010, the Corporation further optimized the IT organizations, set up the information departments or posts in six strategic business units and established an IT performance assessment system. It actively promoted the building of the application system with SAP at the core, raised the level of application of IT and provided the system guarantee for the Corporation to consolidate its management foundation and improve its management. In 2010, in the website performance assessment of 122 central SOEs, the Corporation once again won the honorable title of Class A Enterprise and ranked No.11, a rise of 11 places on the ranking list on a yearly basis.



In 2010, the Corporation reinforced its work in information security management, perfected the building of the information security system, built up an initial information security institutional system including 11 control areas and adopted several measures including the implementation of a safety event management and accountability mechanism to provide protection for the sustainable development of the Corporation.



The Corporation's Booklet on Information Security Awareness



### Case: Information Development Planning During the "12th Five-Year Plan" Period

In 2010, the Corporation formulated its information development plan for the "12th Five-Year Plan" Period and put forward five objectives for IT application construction to provide information support for the Corporation's smooth transition into the new business structure. The five objectives are as follows:

- to improve full-time IT application organizations and perfect the hierarchical management system for IT application;
- to tentatively complete the application framework of "three whole systems and three standardizations";
- to formalize data standard and perfect the data management and control system to ensure a smooth information flow;
- to construct the integrated and unified application assembly platform and build the unified guarantee system of basic facilities and resources; and
- to set up the unified information security defense system.



PROMOTING SUSTAINABLE VALUE CREATION

Security Overhaul on equipment in new workshop of Minmetals Materials (Changshu) Management Co., Ltd.

# 安全管理

## STRENGTHENING SUSTAINABLE SAFETY MANAGEMENT

Establishing HSE System to Prevent  
and Control Safety Risks



Intensifying Management to Improve  
Intrinsic Safety



Emphasizing Occupational Health  
and Improving Working  
Environments



Building a Safety Culture and  
Encouraging a Safety Atmosphere





Work safety constitutes an important condition for the stable development of the national economy and society and also an important guarantee for an enterprise to accomplish sustainable and coordinated development together with the society. China Minmetals highly values work safety management and actively advocates the guideline of putting safety first with an emphasis on prevention and overall control. Taking the protection of employees' safety in production as the fundamental starting point, focusing on the prevention of major and exceptionally serious accidents, and targeting at the reduction of personal injury and death, we constantly improve the structure of the work safety management and control system and HSE system, pay close attention to investigation and control of safety hazards, steadily improve emergency response capacity and continue building a safe and peaceful Minmetals.

## (I) Objectives and Performance

### 1. Safety Objectives

- ◆ To continuously promote safety standardization and building of HSE system to form a systematic management mechanism with the Corporation's characteristics and level up the safety management of production enterprises;
- ◆ To reinforce the safety management of newly merged enterprises and the rectification and control of major hidden risks in such enterprises;
- ◆ To strengthen the monitoring of major potential hazards to prevent accidents;
- ◆ To intensify emergency response management and strengthen the enterprises' capacity of responding to emergency;
- ◆ To strengthen the regulation of occupational health and create a healthy and safe working environment;
- ◆ To strengthen the building of a safety culture and create a sound corporate safety culture and atmosphere.

### 2. Safety Performance

In 2010, under the circumstance that the scale of highly dangerous enterprises and the total number of production personnel increased by a great margin, the Corporation strengthened safety management and adopted powerful measures which saw accidents in existing enterprises decrease by 25.8% on a yearly basis, and the overall situation of work safety continued being improved. The situation of work safety in the newly merged enterprises improved somewhat, but various work safety accidents still occurred and the safety situation was rather severe.

accidents in existing enterprises decrease by **25.8%** on a yearly basis



Table of Safe Production Performance of the Corporation in 2010

Year	Number of Safety Accidents	Margin of Increase/Decrease from Last Year (%)	Fatalities (Individuals)	Seriously Injured (Individuals)	Lightly Injured (Individuals)
2008	40	-23.1	4	0	38
2009	31	-16.2	3	1	27
2010	46	48.4	9	2	38

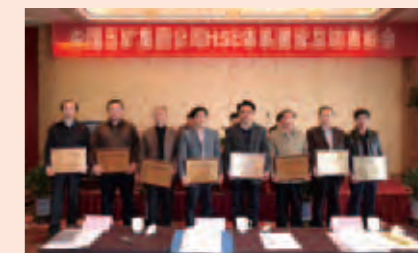
(Note: The rise of safety accidents resulted from the significant increase in the industrial scale of the Corporation, the scale of highly dangerous enterprises and the number of production personnel in 2010.)

## (II) Establishing HSE System to Prevent and Control Safety Risks

In 2010, China Minmetals further progressed the building of the HSE system, formed the unified safety and environmental protection management standards, made efforts to construct the long-term mechanism featuring "self-restriction, self-supervision, self-improvement and self-development" and continuously enhanced safety management to prevent and control safety risks.



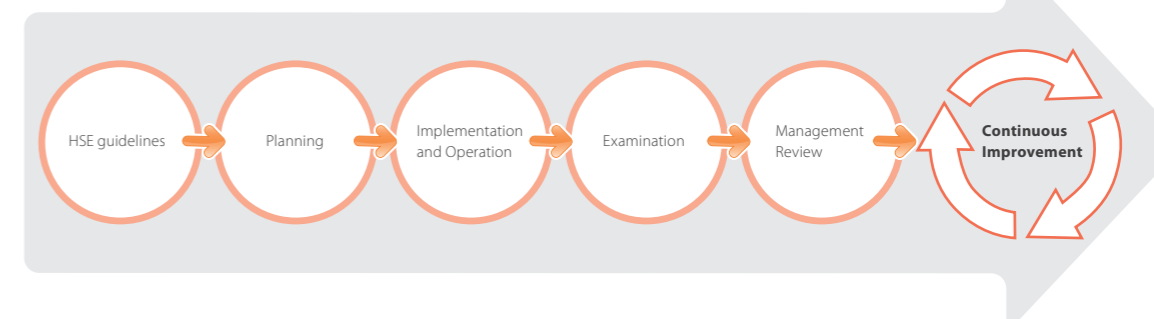
Case: At the end of 2010, the Corporation held the sum-up and commendation meeting on HSE system construction of production enterprises, at which eight units including Minmetals Luzhong Mining Co., Ltd., Beiminghe Iron Mine of Minmetals Hanxing Mining Co., Ltd. won the title of "Advanced Unit of HSE System Construction".



### 1. Constructing a Framework of HSE System

Based on the actual conditions of its enterprises, the Corporation promotes the construction of HSE system, enables all its subordinate enterprises to follow one system, one management language and standard in safety management and ensures that production enterprises achieve the maximum depth and breadth in their safety management, thus realizing the "round-the-clock" management all the year. The Corporation makes full use of the resources of external experts and intermediary institutions of work safety to undergo examination and verification by the second and the third parties, which has promoted the post-merger integration between the Corporation and the merged and acquired enterprises in safety and environmental protection management and have safety measures implemented in specific operations.

### Mode of HSE Management System



Case: In 2010, Minmetals Hanxing Mining Co., Ltd. accelerated the building of the HSE management system, held the HSE launch and training meeting, selected Beiminghe, Xishimen and Gaoyang Iron Mines as pilot units, compiled the HSE control program document, HSE management system and HSE management system handbook and passed the examination and verification by the experts of a certification company.



STRENGTHENING SUSTAINABLE SAFETY MANAGEMENT

## 2. Advancing Implementation of the HSE System

Intensifying implementation of the HSE system. In 2010, the Corporation's subordinate enterprises were engaged in mining and beneficiation, smelting and processing and architectural construction carried out the all-round building of the HSE system. After passing the safety standardization rating acceptance organized by safety supervision departments, the mining enterprises, according to the Corporation's requirements for the building of the HSE system, intensified the work of occupational health and environmental protection and completed the post-merger integration with the Corporation's HSE system. By the end of 2010, 31 production units with independent legal entity had passed the examination and verification by the third party institution and obtained the ISO14001 certification for environmental management systems and the OHSAS18001 certification for occupational health and safety management systems.

Reinforcing the examination and guidance for the building of the HSE management system. In 2010, the Corporation organized and carried out the examination and special supervision of the HSE system, compiled the Table for Examination of HSE Systems, implemented the HSE system examination in its subordinate enterprises including North China Aluminum Industrial Co., Ltd. and Minmetals (Guizhou) Ferroalloy Co., Ltd., and put forward over 180 items which need to be rectified and completed all the rectifications. The Corporation carried out the exchange of HSE system construction and management experience among

different industries, organized Changsha Research Institute of Mining and Metallurgy Co., Ltd. to go to Minmetals Yingkou Medium Plate Co., Ltd. and Zhuzhou Hard Alloy Group Co., Ltd. to go to Nanchang Hard Alloy Co., Ltd. for exchange and study activities, and shared the experience of the advanced units in HSE system construction; the Corporation also invited the experts to conduct training on the Guide to the HSE System in the enterprises.

Continuously deepening HSE risk management. According to the national requirements for the "Year of Work Safety", the Corporation carefully organized the investigation and control of hidden dangers and safety supervision, optimized the mechanism for investigation and control of hidden dangers of accidents, and standardized and intensified HSE risk management.



Training on Guide to the HSE System in Luzhong Mining Co., Ltd.

## 1. Strengthening Safety Supervision

The Corporation vigorously performs safety supervision, implements the "Nine Items of Supervision", and standardizes the safety management of enterprises. In 2010, the Corporation organized 4 large-scale safety supervision activities, during which it dispatched 18 supervision groups, covered 18 key mining enterprises, 10 smelting and processing enterprises and 5 architectural construction projects, discovered 458 hidden safety dangers of various kinds and urged the enterprises to complete rectification of these hidden safety dangers.

All its subordinate enterprises actively carry out safety inspections, strictly implement the system for investigation and control of their hidden dangers and have developed a normalized working mechanism. In the whole year of 2010, they identified a total of 15,887 hidden dangers and rectified and controlled 15,591 of them and the rectification rate was up to 98.1%.

the amount of hidden dangers identified

**15,887**

the amount of hidden dangers rectified and controlled

**15,591**

the rectification rate was up to

**98.1%**



Case: In April 2010, during the major investigation, Ershisanye Construction Group Co., Ltd. conducted safety inspection of its 16 key projects, had talks with 3 units suffering many problems, commended the excellent project management department and arranged study and simulations for the surrounding project departments.

## 2. Work Safety Management

In 2010, the Corporation actively followed the requirements of Document No. 23 of the State Council and formulated the "System for Leaders Taking Teams to Work Under-Well and Conducting Supervision & Inspection" to intensify the leaders' responsibilities in the process of production. The Corporation definitely deployed the tasks of building six underground systems and an online monitoring and testing system for tailings pond of its subordinate mining enterprises as well as the carbon monoxide alarm and related positioning and location control systems of its subordinate smelting enterprises. By stages, the Corporation mainly strengthened the implementation of the tasks such as underground ventilation of mines and the safety access checkup of construction projects.

The Corporation reinforced the safety management of newly merged enterprises and the control of major hidden dangers in such enterprises and expounded the concept of safety and environmental protection management, management and control mode and work process flow to four newly merged enterprises, so as to promote their integration with the Corporation's management system. Luzhong Mining Co., Ltd. carried out the work of revising and improving the HSE system; and Changsha Research Institute of Mining and Metallurgy Co., Ltd. established a primary functional department and initially set up the normative work safety management system and the plan for response to emergency and rescue.

## (III) Intensifying Management to Improve Intrinsic Safety

In 2010, the Corporation constantly intensified work safety management. President Zhou Zhongshu and the principals of 11 secondary units signed the target responsibility contracts on work safety, implemented "one post with two duties", intensified the assessment of safe production performance and put work safety responsibilities in the forefront in every arena. The Corporation carried out hierarchical management in such sectors as mining, architectural construction, dangerous chemicals and smelting and processing so as to ensure a stable situation of work safety.



The Corporation's Major Investigation of Work Safety in 2010



Case: On 3 September, 2010, at its subordinate Zhuzhou Smelter Group Co., Ltd., Hunan Nonferrous Metals Group Co., Ltd. held the launch meeting on promoting the HSE system construction in nonferrous production enterprises of Hunan Province, declared the Implementation Plan for HSE System Construction in Hunan Nonferrous Metals Group, and conducted training on the Guide to Minmetals's HSE Management System.



Xishimen Iron Mine, subordinate to Minmetals Hanxing Mining Co., Ltd., conscientiously carries out the system for leaders taking teams underground.

Yushiwa Iron Mine under Minmetals Hanxing Mining Co., Ltd. is honored as the first mine meeting the safety standards in Handan.



STRENGTHENING SUSTAINABLE SAFETY MANAGEMENT

### 3. Promoting Technology Transformation for Work Safety

In 2010, the Corporation increased investment in work safety. Its subordinate enterprises invested a total of RMB273.48 million, an increase of 16.5% on a yearly basis, in the safety technology transformation of techniques and equipment, control of hidden dangers, monitoring of major danger sources and improvement of emergency-response equipment, and good results were obtained thereby.



Case: In 2010, Jiangxi Xiushui Xianglushan Tungsten Co., Ltd. invested RMB60 million in the rectification of tailing sand and gob area and installed the internationally most advanced minor earthquake monitoring system, which has the greatest number of channels in China and is used for monitoring underground pressure dynamics in the mining area.

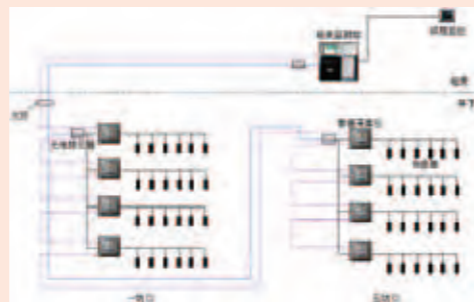


Chart of Multi-Channel Minor Earthquake Monitoring System



Yangouchong Monitoring System for Tailings Pond of Shizhuyuan Co., Ltd.

Case: Yangouchong Tailings Mine of Shizhuyuan Co., Ltd. under Hunan Nonferrous Metals Group set up the online testing and monitoring system to intensify the safety supervision of tailings pond.

### 4. Safety Supervision over Contractors

In 2010, the Corporation strengthened the safety supervision over outsourcing teams, incorporated them in the work safety responsibility contracts and demanded supervision over all outsourcing teams. The subordinate enterprises strictly implemented the Corporation's outsourcing management system, checked on them in seven respects including qualification, training and labor insurance and conducted key checkups, thus effectively reducing the occurrence rate of accidents in outsourcing teams.



ABC management of Nuopu Mining's outsourcing teams

Case: In 2010, Nuopu Mining Company, subordinate to Minmetals Hanxing Mining Co., Ltd., implemented the work safety rating management system (ABC) and Party A's representative system to provide full-process assistance and supervision for the safety management of the project department and promote the safety management of construction teams to simultaneously improve with the company.



In May 2010, Minmetals (Guizhou) Ferroalloy Co., Ltd. conducted on-site safety inspections of the outsourcing units.

### 5. Carrying Out Drills for Response to Emergency

In 2010, the Corporation revised *the Comprehensive Emergency Rescue Plan for Work Safety*, further improved the emergency rescue system, strengthened the building of emergency rescue teams, improved the equipment for emergency response, standardized the management of emergency materials storage, and organized pertinent emergency response drills to enhance the capacity of responding to emergency. During the "emergency drill week" of the "Month of Work Safety", the subordinate enterprises carried out 39 emergency drills centering on nine aspects including a poisoning accident caused by underground smoke, a cave-in of top plates and a landslide, with nearly 3,000 persons participating in the drills.



Case: In 2010, in the southern region of China, many rainstorms occurred early in the year, which brought great safety pressure to the mining enterprises in the south of Hunan and Jiangxi. The Corporation promptly deployed and actively strengthened emergency response and prevention, set up the temporary emergency rescue office and entered into the state of round-the-clock preparation for flood prevention. During the period, one mining enterprise in the south of Jiangxi and another in the south of Hunan suffered the dangers of cave-in and inundated wells respectively, but as these enterprises took proper action for prevention and adopted prompt and effective measures, no personal injury or fatal accidents occurred.



The chemical leakage emergency drill by Dingnan Dahua New Materials Co., Ltd. under Minmetals Rare Earth (Ganzhou) Co., Ltd.

Case: In 2010, Shanghai Jinqiao Decoration Engineering Co., Ltd. under Minmetals Construction Co., Ltd. organized the drills of on-site fire emergency rescue, emergency rescue for seasonal emergent accidents, emergency rescue of victims of falls from heights and emergency rescue of electric shock victims.



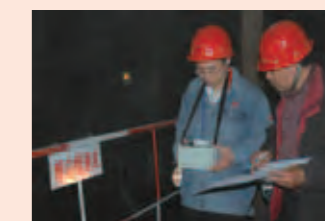
Emergency rescue drill for electric shock accidents

### (IV) Emphasizing Occupational Health and Improving Working Environment

In 2010, the Corporation earnestly implemented the operational procedures for work safety and strengthened occupational health management and prevention and control of harm caused by occupational diseases. All the production enterprises further improved the occupational health management rules and regulations, dispatched occupational health management personnel, intensified special rectification and the occupational health examination before, during and after a post is held, and reinforced occupational health publicity, education and training. The Corporation firmly implemented the System of China Minmetals Corporation for the Prevention of Occupational Hazard, the Management Measures for Prevention of the Harm of Occupational Diseases and other related systems and measures to prevent and control the harm caused by occupational diseases.



Case: In September 2010, Mr. Sun Xiaomin, Vice President of the Corporation, attended the undertaking and signing ceremony of "Seoul Declaration" on safety and health at work jointly organized by the State Administration of Work Safety, the International Labor Organization and the International Social Security Association, and signed the undertaking document on behalf of the Corporation.



Employees of Minmetals Hanxing Mining Co., Ltd. conducting an on-spot dust inspection



STRENGTHENING SUSTAINABLE SAFETY MANAGEMENT

In 2010, the Corporation set up the basic database on occupational health, including relevant information such as occupational hazard sources, number of persons exposed to such hazards, and measures for prevention and control; it mainly strengthened the prevention of such occupational hazards as dust, heavy metals and carbon monoxide and actively conducted publicity, education and training on occupational health.



Case: In 2010, Nanchang Hard Alloy Co., Ltd. under Minmetals Nonferrous Metals Co., Ltd. reconstructed all the environmental ventilation and dust reduction projects concerning high-temperature posts.



Case: In 2010, Luzhong Mining Co., Ltd. actively carried out an evaluation of the control effect of occupational disease harm in the Phase II project and successfully underwent inspection and acceptance by the provincial expert group.

## (V) Building a Safety Culture and Encouraging a Safety Atmosphere

The Corporation actively carries out the building of a safety culture, makes full use of the guiding function of safety culture, mobilizes the employees' enthusiasm through cultural influence and penetration, and organically combines "tangible management" with "intangible management" to create a good cultural atmosphere of "safety for everyone".

### 1. Training on Work safety

In 2010, the subordinate enterprises of the Corporation ensured that essentially 100% of front line employees received training, and that 100% of the personnel engaged in special operations carried on their duties with certificates, which played an important role in promoting the improvement of the safety situation; and the Corporation arranged the personnel of subordinate production enterprises to participate in the initial and recurring trainings on safety qualifications organized by the State Administration of Work Safety for work safety managerial personnel of central SOEs, and arranged experts to conduct on-site training on specific problems and immediate demands. The Corporation and its subordinate enterprises conducted 5,615 trainings of various kinds and trained more than 168,000 persons, which has promoted the popularization of safety knowledge among employees and the upgrade of their skills.

the subordinate enterprises of the Corporation ensured that essentially

**100%**

of their employees received training

**100%**

of the personnel engaged in special operations went on duty with certificates

The Corporation conducted

**5,615**

trainings of various kinds in 2010

trained over

**168,000**

persons in 2010



In June 2010, Yingkou Industrial Park conducted safety education and demonstrated how to wear safety protection articles.



## 2. Safety Culture Promotion

In 2010, the Corporation organized a variety of safety publicity activities. Through China Minmetals News, the Safety Supervision Newsletter of China Minmetals and a safety supervision information platform, it vigorously publicized the national policies and guidelines on work safety, the Corporation's safety developments and safety activities and experience of its subordinate enterprises; ran the event of the second "Month of Safety Culture"; and organized the appraisal of excellent safety management workers to inspire the sense of responsibility and enthusiasm of the frontline safety management personnel.



On-site Safety Construction Meeting of Jiangxi Tungsten Industrial Group Co., Ltd.



Publicity board with notices on work safety in Changsha Research Institute of Mining and Metallurgy Co., Ltd.

Case: In June 2010, the Corporation launched the event of "Month of Safety Culture" and won the National Unit of Advanced Organization Award ( a total of 6 enterprises nationwide won such award ) and one of its subordinate enterprises won the National Unit of Excellence Award.



STRENGTHENING SUSTAINABLE SAFETY MANAGEMENT

Sewage treatment plant in Qianzhou, Wuxi city

生态建设

## **BOOSTING SUSTAINABLE ECOLOGICAL CONSTRUCTION**

Optimizing Systems and Intensifying  
Green Management



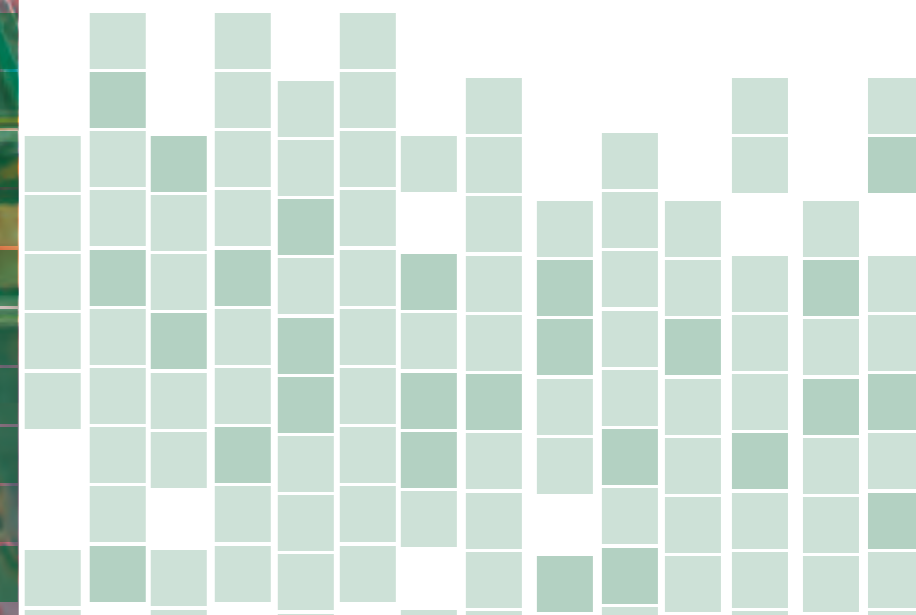
Addressing Climate Change through  
Low-Carbon Development



Comprehensive Utilization of  
Resources through Innovative Modes



Strengthening Management to  
Protect the Ecological Environment



The harmony between social-economic development and ecological environment constitutes the foundation for accomplishing the sustainable development of human society. The Corporation takes the initiative in addressing the challenges in climate change, adheres to the development concept of low carbon and environmental protection, vigorously promotes the low-carbon economy, and explores a green development model characterized by low consumption, low pollution and low emissions. The Corporation improves its efficiency in using resources, endeavors to build a resource-saving and environment-friendly enterprise and promotes the sustainability of the ecological environment.

## (I) Policy and Performance

### 1. Environmental Protection Policy

- ◆ To further develop the "Three Systems" for energy saving and emission reduction, and raise the level of management and control;
- ◆ To strengthen comprehensive treatment, and promote energy saving and emission reduction through technological progress;
- ◆ To actively develop a recycling economy and improve the efficiency of resource utilization;
- ◆ To reinforce the publicity, education and training in energy saving and emission reduction to enhance awareness of environmental protection.

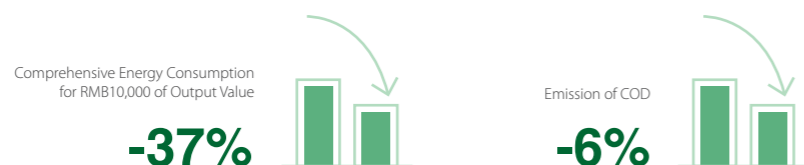
### 2. Performance in Environmental Protection

In 2010, the Corporation persisted in green operations, conscientiously practiced energy saving and emission reduction, vigorously strengthened ecological protection and thus achieved good performance.

Table of Performance in Environmental Protection in 2010 ( Major Industrial Enterprises )

Indicators	Unit	2009	2010
Comprehensive Energy Consumption	10,000-ton Standard Coal	157.89	181.53
Comprehensive Energy Consumption for RMB10,000 of Output Value	Ton Standard Coal/RMB10,000	1.121	0.707
Emission of Sulfur Dioxide	Ton	4,583.83	4,685.36
Emission of COD	Ton	1,124.22	1,067.00

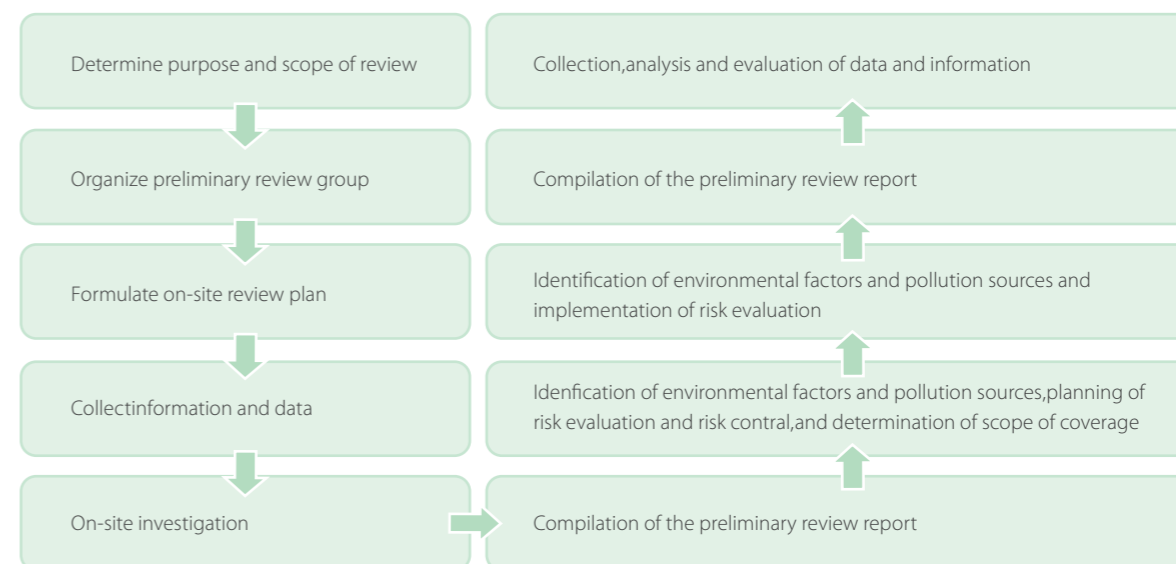
( Note: The rise of comprehensive energy consumption and emission of sulfur dioxide results from the great increase in the number of high-consumption enterprises under the Corporation. )



## (II) Optimizing Systems and Intensifying Green Management

The Corporation highly values the work of environmental protection, actively pushes forward the building of "Three Systems" for energy saving and emission reduction, strengthens the self-regulation of the enterprises and key inspection of environmental protection activities, carries out investigation and supervision in the enterprises and sets up the long-term mechanism for environmental protection.

### Flow of Environmental Management Review



The Corporation materially carries out the responsibilities for energy saving and environmental protection and sets up the work mechanism for the "top leader" of each subordinate enterprise to emphasize energy saving and emission reduction. It breaks down the indicators for assessing energy saving and emission reduction of its secondary enterprises, thus promoting the increase of economic benefits through energy saving and emission reduction and manifesting the results of energy saving and emission reduction through economic benefits. In 2010, the Corporation signed the Contract of Responsibility for Energy Saving & Emission Reduction with 14 secondary enterprises and closely followed up the completion status of these enterprises by means of onsite inspection and symposiums.

The Corporation intensifies environmental risk management, attaches importance to the control of major hidden environmental dangers and risks in M&A projects, and establishes the environmental protection checkup and approval systems ( including EIA ). In 2010, the Corporation focused on strengthening the post-merger integrative management on the newly merged enterprises: on one hand, it carried out rapid integration with the newly merged enterprises, materialized its related systems and requirements for energy saving and emission reduction management, put forward the requirements for rectification, followed up and urged the progress of their rectification; on the other hand, the Corporation establishes the environmental protection checkup mechanism for the M&A projects to strictly control the major hidden dangers and risks in environmental protection.



Case: In March 2010, the Corporation held the Analysis Meeting on the Situation of Energy Saving and Emission Reduction in Changsha, at which it analyzed the current regulation situation, put forward the next-step work requirements and conducted training on the statistical system for energy saving and emission reduction. Over 60 representatives from 12 key enterprises including Hunan Nonferrous Metals Holding Group Co., Ltd. attended the meeting.



BOOSTING SUSTAINABLE ECOLOGICAL CONSTRUCTION

### (III) Addressing Climate Change through Low-Carbon Development

The Corporation actively addresses the challenges of global climate change, vigorously boosts low-carbon development and strives to be a green pioneer. With the target of "low consumption, low emission and high efficiency", it develops the recycling economy, increases the momentum of the scientific development of resources, conducts the comprehensive and highly-efficient utilization of resources, and cherishes limited resources to create unlimited value.

China Minmetals's Northern Peru Project won the Best Environmental Protection Award for Chinese Mining International Cooperation



#### 1. Intensifying Energy Saving and Emission Reduction

In 2010, the Corporation further intensified the work of energy saving and emission reduction and increased the investment in technological transformation for energy saving and emission reduction. It organized its subordinate enterprises to carry out the activities of energy saving and emission reduction, made efforts to eliminate such phenomena as gas escape and rise, and dripping and leakage of pollutants to prevent the occurrence of pollution accidents. Its subordinate enterprises and the local governments signed 25 responsibility contracts and task statements and eliminated 41 items of backward production capacity.

The Corporation actively conducts training on the policies and regulations on energy saving and emission reduction and invites experts to explain the main points concerning energy saving and emission reduction so as to promote the popularization and application of the technologies of energy saving and emission reduction. In 2010, the Corporation added 12 new special technologies to its database of energy saving and emission reduction technologies.

Its subordinate enterprises and the local governments signed **25** responsibility contracts and task statements

eliminated **41** items of backward production capacity

the Corporation added **12** new special technologies to its database of energy saving and emission reduction technologies



Case: In October 2010, based on the national emphasis on the rectification of environmental protection, the Corporation organized the lectures and workshops on the topic of "Policies on Prevention and Control of Heavy Metal Pollution", in which 29 representatives from 12 main enterprises participated.



Case: Several energy saving and emission reduction technologies were applied in the Qinghai Haixi Prefecture National Sports & Cultural Center undertaken by Ershisanye Construction Co., Ltd. Based on the local characteristic of sufficient solar energy, the solar energy equipment was installed on the roof of the exhibition hall to provide sufficient power for indoor illumination; environment-friendly and energy-saving materials are used in the walls. Such materials featured a unique technology for sound insulation and noise reduction and can greatly reduce the interference of outdoor noise without increasing costs.

#### 2. Boosting Green Innovations

The Corporation lays stress on displaying the important role of science and technology in environmental protection, improves the environmental protection level and capability of the enterprises through technological innovations and relies on technological progress to expand the green development space of the enterprises.



Case: Artificial Intelligence Controlled Atmosphere Bell-type Series of Resistance Furnaces  
With the new RBD14-8MC bell-type furnace developed by Changsha Research Institute of Mining and Metallurgy Co., Ltd., a single furnace can reduce its consumption of power by 2,300 kilowatt-hours, which can save nearly 2000 kilowatt-hours compared with the single slab kiln with similar production capacity. If the new energy-saving bell-type furnaces are used to replace 60% of 200,000-ton capacity of the current nationwide soft magnetic ferrite, 100-150 million kilowatt-hours can be saved annually and the emission of 100,000 to 150,000-ton of carbon dioxide can be prevented.



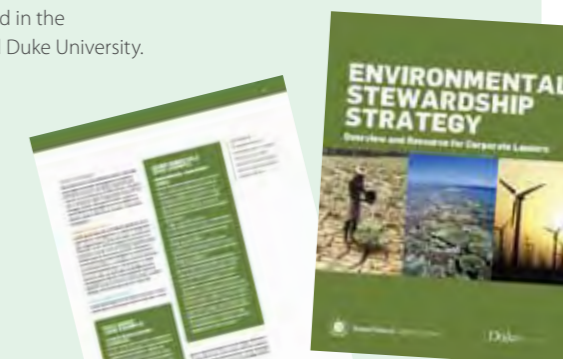
New RBD14-8MC Series of Bell-type Furnaces

#### 3. Striving to Be a Green Pioneer

In 2010, as one of the members of the UN Global Compact (UNGC) Stewardship Project consisting of only 20 global enterprises, the Corporation sent representative to attend the Team Exchange Meeting held in Geneva at the UN headquarters. As one of two representatives elected to present at the meeting, the Corporation set forth its constructive opinions and recommendations concerning the improvement of its working deliverables, and future popularization of green technologies, as well as close cooperation with its subordinate enterprises in the application of such technologies. Minmetals's presentation received unanimous praise from UNGC Director-General Georg Kell, Deputy Director-General Gavin Power and other attendees. This will play a positive role in assisting the Corporation to seize the initial opportunity for the work in major environmental protection fields such as addressing climate change and in helping the Corporation consolidate its good international image and so on.



China Minmetals's Environmental Management System was cited in the Environmental Stewardship Strategy jointly issued by UNGC and Duke University.



BOOSTING SUSTAINABLE ECOLOGICAL CONSTRUCTION

## (IV) Comprehensive Utilization of Resources through Innovative Modes

The Corporation highly values the comprehensive utilization of resources, innovates new modes of corporate development, vigorously develops the recycling economy, and improves the efficiency of resource utilization, thus providing a sustainable resource guarantee for social development.



Case: Jinrui New Materials Sci-Tech Co., Ltd. of the Changsha Research Institute of Mining and Metallurgy Co., Ltd. made waste residue into bricks and other building materials through the technological transformation project of electrolytic manganese. By recycling the reclaimed solution, it reclaimed about 2,340 tons of manganese sulfate and 2,256 tons of ammonium sulfate annually and increased the reclamation and utilization rate of manganese ore by 4%, thus realizing the change of wastes into treasures.



Residue-washing equipment for electrolytic manganese

### 1. Developing the Recycling Economy

The Corporation attaches great importance to the development of the recycling economy, persists in the saving and comprehensive utilization of resources and shapes a closed cycle of “resources-products-renewable resources” in order to promote the sustainable utilization of resources. Its subordinate metallurgy and mining enterprises also actively develop the technologies of recycling economy according to the characteristics of their own operations.



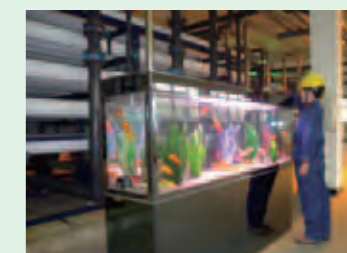
Case: Project of Reclamation and Comprehensive Utilization of Manganese-Silicon Electric Furnace Gas of Minmetals (Hunan) Ferroalloy Company Limited  
In 2010, the civil engineering and equipment installation for the reconstruction project of supporting facilities for a manganese-silicon electric furnace as well as the project of exhaust control and power generation with residue heat from the said furnace were completed, and the exhaust control system has been put into trial operation. About 6,000 tons of valuable silicon-manganese dust can be reclaimed from the exhaust annually; through power generation with residue heat, 7,000 kilowatt-hours can be generated, over 30,000 tons of standard coal can be saved and more than 100,000 tons of carbon dioxide emissions reduced annually.

### 2. Protecting Water Resources

The Corporation highly values the saving and comprehensive utilization of water resources and endeavors to increase the recycling rate of water resources. Its subordinate enterprises make comprehensive use of the industrial wastewater and domestic sewage from their primary business and use such treated wastewater for mining, land reclamation and afforestation.



Case: Through the project of water treatment with deep purification membrane, Zhuzhou Smelter Group Co., Ltd. has recently built such systems and supporting facilities as ultrafiltration and the one-stage reverse osmosis membrane treatment system with a capacity of 200 m<sup>3</sup>/hour, and the fresh water thereby produced flows into the pipeline facilities of the production water system and the concentrated water is transmitted for flushing slag at the lead-drum fuming furnace and volatility kiln.



After being treated with deep purification membrane, the wastewater can be used for raising goldfish.

### 3. Reclamation of Mining Land

The mining enterprises subordinate to the Corporation highly value ecological protection and strive to accomplish the goal of “exploiting gold and silver mountains while maintaining clear rivers and green mountains”. Each year, they invest a large amount of funds in mining afforestation and land reclamation to try to reduce water and soil loss and protect the ecological environment of the mining areas.



Case: Hunan Shizhuyuan Nonferrous Metals Co., Ltd. has built Chenzhou Shizhuyuan National Mining Park into an ecology-friendly mining park. In 2010, the company made a master plan for the mining park, invested RMB9.1 million in ecological protection and vegetation restoration, completed the design for the closure of the 1,000-ton tailings pond covering a land area of 850 mu (or about 56.67 hectares), and began the coverage of land to restore greenery in the pond area.



Case: In the mining area of Huangshaping Mining Branch of Hunan Nonferrous Metals Co., Ltd., the greening area is up to 765,000 m<sup>2</sup>, the greening saturation rate is 97.17% and the greening coverage rate is 48.40%. The fresh air and graceful environment of the mining area create a graceful and comfortable working and living environment for the employees of the enterprise.



BOOSTING SUSTAINABLE ECOLOGICAL CONSTRUCTION



## (V) Strengthening Management to Protect the Ecological Environment

The Corporation actively protects the local ecological environment, highly values the environmental restoration of mines and the management of tailings pond, and protects the bio-diversity of the mining areas.



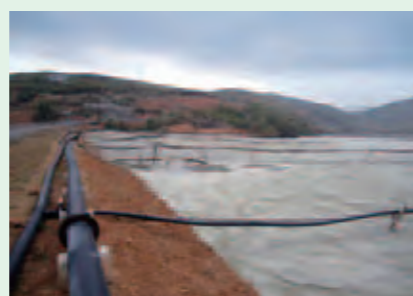
**Case: Assisting the Construction of the Yangtze River Ecological Civilization**  
 In 2010, the Corporation donated RMB30 million to the "Greening the Yangtze River, Chongqing Action", which aimed to afforest 3.8 million mu (or about 253,333 hectares) along the banks of the Yangtze River in Chongqing in the next 3-5 years and increase the forest coverage rate there from the current 22% to 65%. This will be of great significance for building the ecological barrier in the Yangtze River valley, promoting the greening of the ten-thousand-li Yangtze River, ensuring the functionality and safe operation of the Three Gorges Project, building the ecological civilization demonstration area in the upper reach of the Yangtze River and promoting sustainable economic and social development in the Yangtze River valley.

### 1. Strengthening Management of Tailings Pond

The Corporation values the control and regulation of tailings pond and endeavors to construct environmental protection projects to reduce the impact on the environment.



In 2010, Jiangxi Xiushui Xianglushan Tungsten Co., Ltd. invested more than RMB 9 million in the comprehensive control and regulation of tailings pond to realize the up-to-standard discharge of sewage.



Facilities for controlling the air-borne dust of the tailings dam



**Case:** To check the impact of the air-borne dust of the tailings pond on the environment, Hunan Nonferrous Metals Co., Ltd. invested more than RMB800,000 in controlling the dust and achieved fairly good environmental benefits.

## 2. Protecting Bio-Diversity

The Corporation follows the natural laws of the locations where it operates, makes efforts to maintain ecological balance and protect bio-diversity to provide a favorable living environment for the local people.



Tailings dam with restored vegetation

**Case:** Minmetals Hanxing Mining Co., Ltd. covered the surface of the tailings dam with earth to plant vegetation and grasses. Over two years, it added 92,000 m<sup>3</sup> of earth and planted 93,600 sallow thorns suitable for growing in the tailing sand and this has securely fixed the sand and effectively prevented the dam surface from being washed away by rainwater. In the shaped vegetation of the sallow thorn, wild animals regularly appear and the natural ecological condition has been restored.



Siam Crocodile — a local wild species on the verge of extinction

**Case:** The Corporation vigorously carried out the bio-diversity plan in Laos and protected the living environment for the last Siam Crocodile; and in the process of our protection work, we also found a new bird — the bald nightingale. Through the protection of bio-diversity, we have left a precious heritage to future generations.



BOOSTING SUSTAINABLE ECOLOGICAL CONSTRUCTION

## 3. Conducting Education on Environmental Protection

The Corporation and its subordinate enterprises strengthen the publicity and education of environmental protection in various forms such as setting up publicity columns on the website, making publicity exhibition boards, showing environmental protection films and conducting trainings, which has raised the environmental protection awareness of all employees, embedded the environmental protection concept into their daily behavior and created the atmosphere of everyone being engaged in environmental protection.



The publicity film played by China Minmetals during China's Energy Saving Publicity Week in 2010



Publicity board for energy saving and emission reduction by Jinrui New Materials Sci-Tech Co., Ltd. under Changsha Research Institute of Mining and Metallurgy Co., Ltd.

Gala Performance Celebrating the 60th Anniversary of China Minmetals

# 和譜共贏

## ACHIEVING SUSTAINABLE HARMONY AND WIN-WIN RESULTS

Valuing Employees and Strengthening  
Development Impetus



Serving Customers and Broadening  
Development Space



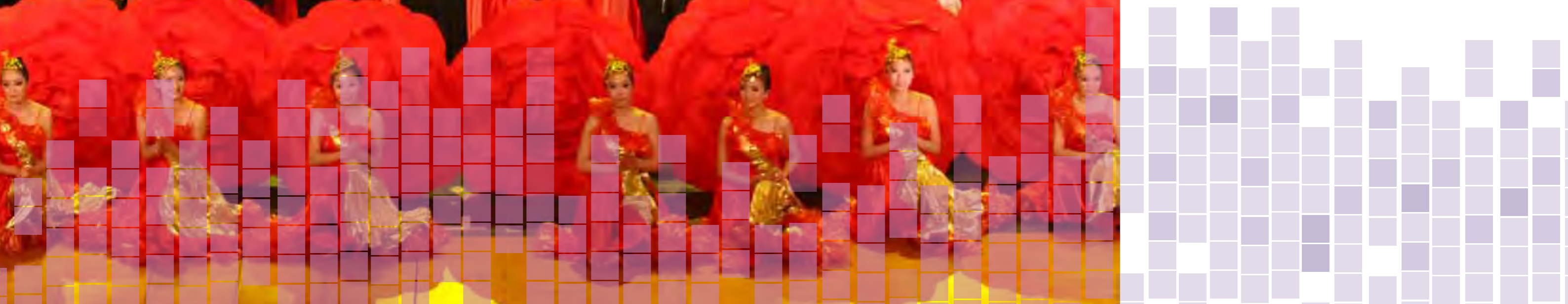
Responsible Procurement Extending  
Development Responsibility



Improving the Development  
Environment through Cooperation  
with stakeholders



Compliant Operation Preventing  
Development Risks



China Minmetals considers the development of mutually-beneficial cooperation with stakeholders as the basic requirement for performing social responsibilities, positively strengthens relationship management with stakeholders in operation, sticks to common growth with employees, continuously improves service for customer, positively builds a responsible supply chain, operates strictly in accordance with laws and regulations and endeavors to realize a harmonious win-win situation with partners.



## (I) Policies

- ◆ Employee policy: To adhere to the talent philosophy of “people-oriented and exerting talents for suitable posts”, positively respond to demands of employees, comprehensively safeguard their rights and interests, provide them with a favorable growth platform and a complete training system, motivate their enthusiasm and creativity, strengthen the company strategy of building a competitive enterprise based on talents, and facilitate the common progress of the enterprise and employees.
- ◆ Customer policy: To persist in the operational principle of “customers first and services foremost”, improve the ability to deliver services, provide globally superior quality services to customers, continuously innovate and explore service models, establish a long-term, stable relationship with customers through mutually beneficial cooperation and achieve the common growth of both the enterprise and customers while continuously exploring development space.
- ◆ Supplier policy: To improve supplier management, gradually promote responsible procurement and extend social and environmental responsibilities into more enterprises via the supply chain.
- ◆ Partner cooperation policy: To stick to the principle of “sincere cooperation, mutual benefit and win-win outcomes”, strengthen cooperation with partners including regional partners, financial institutions, enterprises in the same industry and science and research institutions, complement advantages and share benefits, improve the environment for sustainable development and strive for sustainable development together.

## (II) Valuing Employees and Strengthening Development Impetus

Talent is the driving force of promoting enterprise innovation and realizing sustainable development. The Corporation adheres to the philosophy that talent is the primary corporate resource, promotes scientific and people-oriented management, positively safeguards the rights and interests of employees, commits to enhancing their quality, provides equal development opportunities and comprehensive development space for employees, endeavors to construct harmonious labor relations and realizes common growth between enterprise and employees.



## 1. Safeguarding Rights and Interests of Employees

The Corporation has strictly abided by the Labor Law of the People’s Republic of China, the Labor Contract Law, the Collective Contract Provisions and other relevant laws and regulations, and the full-time employee contract conclusion rate reached 100% in 2010.

the full-time employee contract conclusion rate reached

**100%**

The Corporation has insisted on equality among employees, guaranteed that it will not allow any discrimination on the grounds of race, gender, age or other factors, strictly prohibits child labor, and opposed any form of forced labor. In 2010, the Corporation had a total of 168,333 employees (both active and retired employees included), of which the number of in-service employees was 114,584 and female employees accounted for 23.68% of the total. The Corporation’s workforce also included 1,112 ethnic minority employees and 6,271 foreign employees.

Trade unions have been established by affiliated units at all levels, which have continuously promoted democratic management work in enterprises with the Employees’ Congress as the core, adhered to open management information, promoted democratic management and democratic supervision, strengthened consultation and communication between enterprise and employees, and guaranteed the right of employees to participate in important decision making of the enterprise.



Case: In 2010, the Corporation convened a special Employees’ Congress in which important motions were reviewed and approved by the majority, including the Enterprise Annuity Plan of the Corporation, Enterprise Annuity Plan of the Headquarters, and Establishment Plan of China Minmetals Co., Ltd., which were fully endorsed by employee’s representatives.

The Corporation has established a competitive remuneration system, punctually and sufficiently paid “Five Insurances and One Fund” for employees with a social insurance payment rate of 100% for full-time employees. It has also established the enterprise annuity system, completed a multi-pillar pension system and enhanced the treatment level for retired staff; strictly abided by the State regulations regarding vacations and guaranteed the vacation rights of its employees.

social insurance payment rate of

**100%**

for full-time employees.

It has attached importance to increasing employee satisfaction and published and implemented *the Guidance Opinions on Improving Satisfaction of Employee Selection and Placement* in 2010. Meanwhile, the Corporation has positively established a smooth employee complaint channel, seriously investigated and verified employee complaints and properly solved them.

It has focused on employees’ health, enriched the entertainment available to them, safeguarded rights and interests of female employees, positively encouraged staff to develop cultural and sporting activities which benefit their body and mind as well as advocating the development of balance between themselves, their families and careers.



ACHIEVING SUSTAINABLE HARMONY AND WIN-WIN RESULTS



**Case: Hunan Nonferrous Yaogangxian Mining Co., Ltd. cares about the rights and interests of female employees**  
 In 2010, the trade union of Hunan Nonferrous Yaogangxian Mining Co., Ltd. tailored to female employees and national laws and regulations, signed a special collective contract regarding protection of rights and interests of female employees, by which the Four Periods scheme for female employees has been basically put into practice and rights and interests in terms of relaxation, vacation and maternity of female employees have been basically guaranteed. By the end of March, 2011, the company had also paid for the gynecological examination of more than 1,200 female employees and their family, and established files for 15 single-parent female employees, which had effectively prevented the occurrence of serious gynecological diseases and improved the fitness of female employees.

## 2. Promoting Employee Development

The Corporation has positively promoted the strategy of building a competitive enterprise through talents, adhered to the principle of "Valuing Both Ability and Integrity and Putting Integrity First" and the concept of "Matching People with Posts, Exerting Talents for Suitable Posts and Making the Best Use of Talents", and established the talent evaluation criteria of "Considering Integrity First and Giving Concurrent Consideration to Knowledge, Ability, Vision and Performance", continuously optimized the recruitment, cultivation, evaluation and promotion mechanism of talents, provided space for diversified development of employees, created a high-quality talent team, facilitating the sustainable development of enterprise.



**Case: "Man of Mine Prospecting" and National Model Worker — Wang Jionghui**  
 Mr. Wang Jionghui is now the Assistant President of China Minmetals Corporation, the General Manager of the Mineral Resources Department, and the General Manager of Minmetals Exploration and Development Co., Ltd.  
 Since 2005, Wang Jionghui has innovated the resource achievement model and led his team to start from scratch by which more than ten projects have been successively prospected on sites in Qinghai, Gansu, Anhui, Henan, Guangdong and alike, and breakthroughs have been achieved in fields of non-ferrous metals, ferrous metals, rare and precious metals with the potential economic value of prospected resources reaching over RMB100 billion, greatly promoting the strategic transformation from trade to industry for China Minmetals and making it become the vanguard of central SOEs in the prospecting industry. The Nihe Model and Songxian Model created by him have been listed as the new approach to geological prospecting in the new era, being promoted as exemplary in the whole nation and advancing the transformation of the development style of the domestic geological prospecting industry.  
 Geological prospecting is an arduous and lonely industry, but Wang Jionghui has carried forward the three honors spirit, that is, he is honored by dedication to the geological cause, honored by arduous efforts, and honored by prospecting and by achieving meritorious work. He has had a strong sense of responsibility and mission regarding this undertaking. Wang Jionghui, based on his solid professional knowledge, strict working attitude and Iron Man spirit of being first, has inspired the rapid growth of the prospecting team of the company. In 2010, he has been conferred the honorable title of National Model Worker by the State Council.



*"I deeply believe the principle that fortune always appreciates a hardworking person, therefore I am working hard. With the strong sentiments of two generations of geologists, I consider geological prospecting a passion rooted deeply in my heart. Due to rapid changes, I have to ask myself to continuously innovate ideas and to think about how to develop geological work in the new era. I will strive to make achievements and not to let the elder generation down, and to repay the company that allowed me to develop. If I can exert myself in the development of the mining industry through my own efforts, it will be the greatest honor in my life!"*

— Wang Jionghui

### ◆ Employee Recruitment

In 2010, the Corporation positively responded to the society by providing employment opportunities, based on the recruitment concept of professionalism, high-efficiency and humanity, explored recruitment channels and vigorously introduced talents, with 1,009 newly recruited employees in the year. By these means it has optimized the talent team structure of the Corporation, laid a solid foundation regarding competitiveness of the company and made the contribution to easing the employment pressure of the society.



China Minmetals is granted the 51 Job Best Human Resources Model Enterprise of China in 2010

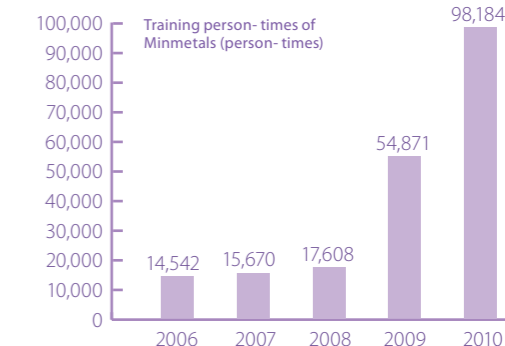
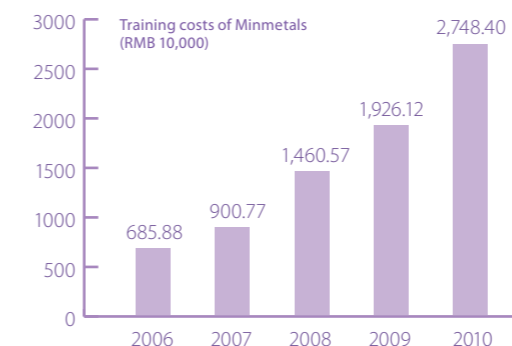


China Minmetals is granted the Eighth ChinaHR Best Employer for Chinese Graduates in 2010

### ◆ Employee Training

In order to enhance the quality of employee training, in 2010, the Corporation continued to improve the hierarchical management training model, set up the multiple training management system with highly-efficient operation, positively carried out professional training, and gradually established the lifelong career training system for all staff.

In 2010, the Corporation invested RMB27.484 million on training with 98,184 people trained in total, among which 12,163 are managerial staff. The headquarters of the Corporation has organized and implemented all kinds of training on 30 sessions, including middle and senior management training, general knowledge and skills training for employees, training for junior management from functional departments and the like, selected students to participate in 14 themed training courses organized by superior units and directed on 34 sessions of expert knowledge and skills training for all functional departments of the Corporation. There were 3,842 attendances person-times of training in total, and 94,342 person-times of training for personnel from affiliated enterprises of the Corporation in total.



**Case: "Six Thinking Hats" Thinking Exercises**  
 In 2010, the Corporation introduced the administrative concept and application method of the "Six Thinking Hats" for key employees, by which it enabled trainees to rapidly understand and accept this methodology in the course of solving problems, thus strengthening interactivity and improving working efficiency.



**Case: The Employee Independent Training Has Been Carried forward by the Minmetals Hanxing Mining Co., Ltd.**  
 Minmetals Hanxing Mining Co., Ltd. has actively promoted the idea that employees can self-teach in the form of correspondence course and participating in self-taught examinations, taking the path of self-teaching for personal development. In the whole year, there were 166 employees who achieved a record of formal schooling and academic degrees approved by the State through the method of independent training, by which the Corporation has increased the study initiative of employees, further strengthened the knowledge upgrade of professional technicians and comprehensively enhanced the quality of professional technicians.



ACHIEVING SUSTAINABLE HARMONY AND WIN-WIN RESULTS

### ◆ Employee Professional Development

The Corporation has positively built up the internal platform for talent mobility and promoted reasonable mobility of the management and employees. In 2010, it drafted the Administrative Measures on Open Recruitment of Internal Talents of the Corporation (Draft for Discussion), initiated internal open recruitment, and put great efforts into creating an internal talent market, providing rich professional development opportunities for employees and promoting the development of employees' careers.

In 2010, the Corporation continued to carry out the evaluation work on professional technicians, and there were a total of 385 people who passed the professional technological title evaluation.



#### Case: Zhuzhou Smelter Group Co., Ltd. Allocated Personnel for Circular Economic Project Scientifically

In 2010, human resources for the circular economic project have been allocated in accordance with the thought of New Project, New Concept and New Mechanism by Zhuzhou Smelter Group Co., Ltd.. The company has adhered to the general principle of increasing efficiency without increasing employees, and efficiently used existing stock; set up a scientific qualification system for selecting technical personnel required by the cyclic economy; selected excellent talents for special training; and established the post dynamic exchange mechanism and salary stimulation plan. Aforementioned measures have promoted the internal mobility and optimized allocation of talents, providing a better development platform for employees.

The Corporation has adhered to the principle of "specifying salary according to post, awarding remuneration based on performance" and put efforts in optimizing the incentive and restraint mechanism. In 2010, the Corporation initiated the Corporation Salary System Planning to establish work, re-planned the direction and goal of salary management by considering the new development environment of the Corporation and according to the strategy of the Corporation, and increased salary management capability. It comprehensively planned the performance management work for the whole staff focusing on enhancing and optimizing the comprehensive appraisal and evaluation of leading groups and leaders of the secondary unit directly under the Corporation, and completed the initial establishment of a performance management system for the staff.



#### Case: Huangshaping Branch Office of Hunan Nonferrous Metals Holding Group Co., Ltd. conducts performance appraisal according to employees professional development direction

Huangshaping Branch Office of Hunan Nonferrous Metals Holding Group Co., Ltd. has comprehensively understood employees' basic skills, and helped them to determine their professional development direction. On the basis of reaching agreement by both parties, employees have developed according to the professional direction and path provided by the enterprise, and the company has made performance appraisal of employees based on their professional development.

This measure has helped employees design a scientific and reasonable professional development path, encouraged them to participate in enterprise management, and made the better use of their potentials.

### 3. Adhering to Employee Localization

The Corporation has attached great importance to the localization of overseas employees, positively helped them to enhance their overall quality and competencies, and strengthened their sense of pride and sense of belonging and identification. By the end of 2010, the total number of overseas employees of the Corporation was 6,271, among which there were 101 dispatched from China and 6,170 employees from Hong Kong, Macao, Taiwan as well as other foreign countries and regions.

the total number of overseas employees of the Corporation

**6,271**

employees from Hong Kong, Macao, Taiwan as well as other foreign countries and regions

**6,170**



#### Case: Employees' Loyalty in MMG

The Corporation has successfully purchased the Australian OZ Minerals and set up MMG Company. After the establishment of the new company, it has seriously realized its promises made upon the acquisition, used the original OZ management team, retained 5,500 original employees and also comprehensively performed the social responsibility of the enterprise for those overseas employees. Within one mining area of MMG Company in Tasmania, the average age of workers has reached 45 years old, and some mineworkers have been continuously working for over 40 years in the mining area, while three generations of the family of some mineworkers are working in the mining area concurrently, making it a pretty harmonious mining area. The mineworker has extremely high loyalty for the mining operation, because the management of the mining operation considers and solves problems in the interests of mineworkers, making them value the mining area as part of their own family from the bottom of their hearts.

The company has presented people-oriented care in the details of its operation. For instance, in order to guarantee safety of employees, the company, according to suggestions from them, has promptly replaced the single removable hook of the lanyard on the chest plate with a two-hook system. To bring sufficient sense of safety through care in the details for employees so as to produce the sense of belonging to a family has become the key content of performing the social responsibility of the enterprise in the interim period of MMG and also achieved the loyalty of employees to the enterprise.



#### Case: Employee's Localization of the Indian Project of Ershisanye Construction Group Co., Ltd.

In 2010, during the construction process of the Indian Comprehensive Steel Plant Project Department of Ershisanye Construction Group Co., Ltd., it has positively trained local workers. In this project, it has provided around 1,000 employment posts for the local people in the whole year, and trained around 2,000 local workers, greatly increasing their technical skills and also their salary.



### 4. Helping Needy Employees

The Corporation has attached great importance to helping needy employees, put great efforts into initiating heart-warming activities, adhered to going into the grassroots, strengthened communication, and rapidly grasped the thinking and dynamics of the lives of needy employees so as to help them out.

In 2010, the headquarters of the Corporation offered RMB86,370 of heart-warming subsidies and relief payment. The leaders of the Corporation have kept visiting and caring the needy staff. They have also set up needy-employee files and implemented dynamic management, in order to better perform supporting work accordingly.



#### Case: Establishing the Help Center for Needy Employees

Hunan Shizhuyuan Nonferrous Metals Co., Ltd. has established the help center for needy employees, through which it has built up an important platform for helping needy employees and created an important means for safeguarding the interests of staff and achieving actual benefits for needy staff. In 2010, the help center collected RMB167,000 of funds and provided RMB87,000 for 24 seriously ill patients who suffered cancer, uremia and the like. In addition, the company has appropriated RMB200,000 from the welfare funds to use as general subsidies for needy employees. In 2010, there were 114 people subsidized with a subsidy of RMB169,000; during autumn, the company granted RMB27,000 of schooling subsidy to 24 students.



ACHIEVING SUSTAINABLE HARMONY AND WIN-WIN RESULTS

## 5. Building Up Enterprise Culture

The enterprise culture of China Minmetals is an inclusive and harmonious culture and also a responsible culture. The Corporation has considered the enterprise spirit of **Unity, Practicality, High-efficiency and Dedication** as its core, promoted enterprise culture construction and integration, stimulated creativity and cohesiveness of employees, and driven the sustainable development of enterprise through advanced culture.

The Corporation has put emphasis on culture integration with newly merged enterprises and used a melting culture integration model by which both parties can mutually permeate in terms of culture to effect adjustment at different levels so as to increase the cohesiveness and competitiveness of the enterprise.



**Case: The Course of Integration between China Minmetals and MMG Company**  
After purchasing OZ Minerals (establishing MMG Company), China Minmetals has started positive discussions and integration with MMG regarding enterprise culture, increased identification, and used the integrating method of highly efficient integration and complete coordination.

In the process of integration, the Corporation has used the method of Empowerment And Authorization for MMG, and continued supporting the work done by Andrew Michelmore, CEO of MMG Company, and his management team so as to bring their capabilities into full play. MMG has also adhered to the attitude of willingness to understand and endeavor to recognize and implement shareholders' requirements, making the integration of both parties smoother. Moreover, MMG has specially invited teachers from the Confucius Institute at the University of Melbourne to teach Chinese culture in the company. Although it is far from possible for employees to gain an understanding of China and Chinese culture within half a day, MMG has used this to deliver the concept of trying to understand and accepting new shareholders.

In the process of integration with MMG, China Minmetals has inculcated the concept of responsible communication, such as timely information disclosure of important affairs of the company on the company website of MMG; established the dialogue mechanism with employees at basic

levels and alleviated doubts for employees through company transformation.

The Corporation has carried out several exchange activities with MMG and strengthened mutual understanding and learning. MMG Company has invited Chinese employees of the Corporation to participate in all kinds of training and discussion activities annually organized in Australia, whereas the Corporation has on a non-regular basis dispatched domestic young people with management potential to serve half-year management internships in Australia. Since 2010, China Minmetals has newly set up a talent exchange project with the Australian arm.

These series of joint efforts have strengthened mutual trust between China Minmetals and MMG, increased information symmetry and communication efficiency, promoted cultural integration, and laid a solid foundation for realization of personnel integration, business integration and strategy integration.



**Case: Enterprise Culture Integration between the Corporation and former Hanxing Metallurgical Mine Administration(Hanxing Bureau for Short)**  
After restructuring of the Corporation and the former Hanxing Metallurgical Mine Administration, the Corporation has used the permeated model to promote integration of enterprise culture. The first aspect was to set up the common vision and goals, based on which Hanxing Bureau has established its own long-term development goal under the strategic vision of the Corporation. The second was to be people oriented, based on which the Corporation has focused on solving the problems of greatest concern to cadres and staff; increased investment and support to help Hanxing Bureau to break the confines of Hebei and move towards the international arena. The third was to mutually respect each other's original cultures, respect each other, seek common ground while reserving differences, and realize cultural concord. The fourth was to communicate feelings between people, based on which the Corporation has provided opportunities to participate in all kinds of meetings, training courses and activities for Hanxing Bureau, publicized important news of Hanxing Bureau inside the Corporation, and reported and recommended the experience of Hanxing Bureau and excellent talents to the top management.

With the joint efforts made by the Corporation and Hanxing Bureau, the cultural integration has been driven by people's integration, by which it has promoted coordination in work and strengthened employees' identification, sense of belonging and cohesiveness with the Corporation.

Units at all levels of the Corporation have carried out rich and varied activities so as to enrich the spiritual life of employees, promote employees' identification with enterprise culture and strengthen the cohesiveness of the enterprise.



- 1
- 2
- 3
- 4

1. Zhou Zhongshu, President, Cordially Meeting Representatives of Performers at the New-year Concert 2010
2. New-year Concert of the Corporation 2010
3. Badminton Match at the Staff Sports Meeting of Zhuzhou Smelter Group Co., Ltd.
4. The Trade Union of the Corporation Conducting Celebration Activities to Mark the Corporation's 60th Anniversary

## (III) Serving Customers and Broadening Development Space

During operation, the Corporation has accepted the mission of **Providing Quality Service and Striving for Excellence**, made integrity the bond between company and customer and the foundation stone for the development of the company, and continuously strengthened 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: Being Close to End-users and Developing Processing and Distribution Business**

The strategic business unit of ferrous circulation, based on the strategic guide of Considering Customers as the Center and Emphasizing Supply Chain Management, has made comprehensive arrangements in key ports and key cities in inland areas, set up storage processing centers, been convenient for customers and promoted development of business. To date, the steel company has 5 steel processing and distribution centers, and this model has become one of the most important orientations for the development of ferrous circulation business in the future.



ACHIEVING SUSTAINABLE HARMONY AND WIN-WIN RESULTS

## 1. Improving the Global Service Network

The Corporation has positively carried out acquisition of overseas marketing network, set up and completed the global marketing system and promoted the integrated operation of circulation business globally.



### Case: Accelerating the Global Service Network Arrangement

The Corporation, through acquisition of overseas marketing network, has advanced the global operation of ferrous circulation business and established the global marketing system. Europe, North America and South East Asian regions have composed the main areas for M&A of overseas marketing networks and processing centers.

## 2. Innovating the Customer Service Mode

The Corporation has adhered to the win-win operating concept, continued innovating service modes in the process of operation and established, on the basis of mutual benefit, a long-term, solid and cooperative partnership with customers.



Case: Zhuzhou Smelter Group Co., Ltd., according to problems submitted by new customers regarding time-consuming unloading when entering the plant, has set up the One-stop Service Station to compress time for each link so as to enable raw materials to be unloaded after entering the plant with an evident rapid inspection speed, by which customers could appreciate the integrity and efficiency of Zhuzhou Smelter. With the high-quality service and accelerated settlement and payment speed, it has retained new customers through their satisfaction and gained customers by reputation and results. The company, as the first brand for zinc in China, has achieved a customer loyalty rate of 90%.

## 3. Increasing Customer Satisfaction

The Corporation and all affiliated companies have comprehensively launched customer satisfaction surveys to find out existing problems by surveying and understanding customers' requirements so as to promptly correct these problems and better serve customers.



Case: Minmetals Nonferrous Metals Co., Ltd. Launching Customer Satisfaction Survey  
In 2010, China Minmetals Nonferrous Metals Co., Ltd. has distributed the satisfaction survey questionnaires to 185 customers, with 176 customers returning feedback and a feedback rate of 95.41%. Analysis of the survey indicated that proportions of satisfaction and relative satisfaction on service (responsiveness to customers' requirements), product quality and delivery (timeliness and accuracy of delivery) were 98.86%, 98.29% and 98.86% respectively with an overall satisfaction of 98.67%.

The image shows a customer satisfaction survey form with various fields for customer information, product details, and satisfaction ratings. The form is titled '客户满意度调查表' (Customer Satisfaction Survey Form).

Pictured is the customer satisfaction survey table of Minmetals Nonferrous Metals Co., Ltd.

## (IV) Responsible Procurement Extending Development Responsibility

In 2010, the Corporation has positively carried out responsibility procurement and advanced the implementation of the (Trial) Administrative Measures of the Corporation for Customers and Suppliers.

### China Minmetals Responsible Procurement Policies

Supplier evaluation: To evaluate suppliers once a year and divide them into the four levels of excellent, good, average and bad, and to penalize the suppliers who used unfair means to disturb the market and interfere with the normal operation of the bidding work.

Supplier evaluation content: legal qualification of supplier; capability, experience and reputation in providing products on schedule and quality guarantee; operation conditions for products in the enterprise; price, delivery time, after-sales service and technical support capability; records in terms of safety, health and environment in the process of product production by suppliers.

Supplier's rights and interests: The supplier has the right to report to the Corporation in signed written form regarding bid evaluation results and opposition in the process of contract implementation. The Corporation carries out classified registration for each visit made by suppliers and ensures that no records and data will be lost.

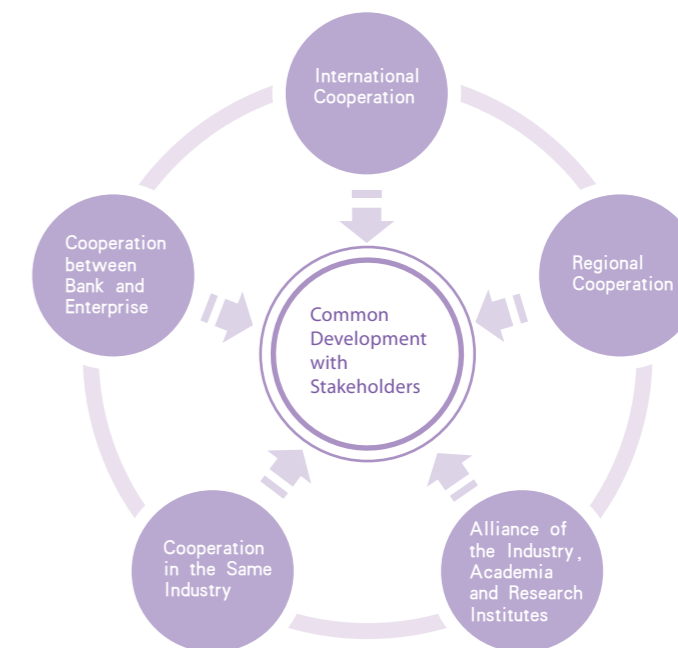
Supplier communication: To regularly convene supplier meetings and promptly communicate suppliers' existing problems.



Case: Huangshaping Mining Co., Ltd. of Hunan Nonferrous Metals Corporation Limited requests that suppliers be equipped with related safety, environmental protection and professional qualifications and pass certification by the related industrial inspection institution at the State level.

## (V) Improving the Development Environment through Cooperation with Stakeholders

China Minmetals has been dedicated to strengthening exchange with the host government and related institutions regarding operation and created a friendly external environment for the internationalization process of the Group. It has positively participated in regional cooperation and driven regional economic development; innovated cooperation between bank and enterprise so as to provide fund guarantee for the operation of the Corporation; played the role of industrial leadership to drive industrial development; and realized common development between enterprise and stakeholders.



## 1. Exploring International Cooperation

China Minmetals is one of earliest enterprises launching the international business and implementing the "Going Global" strategy. The Corporation, from the viewpoint of strategy, has comprehensively launched international cooperation and exchange, put great efforts into exploring international markets, increasing the degree and level of foreign cooperation, and providing strong support for the strategic transformation of enterprise and international business. By the end of 2010, the Corporation had set up 45 companies overseas in 22 countries and regions, launching international trade, production and operation activities.

the Corporation had set up **22** companies overseas in **45** countries and regions



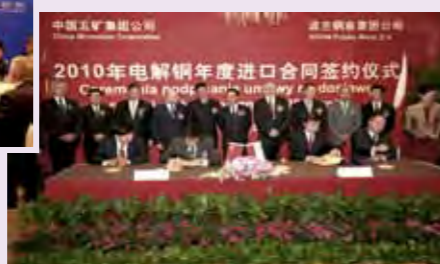
**Case: China Minmetals Signing the Annual Electrolytic Coppers Procurement Contract with Poland Copper Corporation**  
In November 2010, Zhou Zhongshu, the president, led the delegation of China Minmetals Corporation accompanied by Jia Qinglin, the Chairman of the Chinese People's Political Consultative Conference, in a visit to Poland. During Poland visit, Mr. Zhou, the president, signed the 2011 electrolytic coppers annual procurement contract with Mr. Vader, the chairman of Poland Copper Corporation, with Jia Qinglin, the President, and Pawlak, the Vice Premier and Minister of Economic Affairs presenting at the signing ceremony.



Zhou Zhongshu, the president, signing with Vader, the chairman of Poland Copper Corporation, with the attendance of leaders of both countries



Zhou Zhongshu, the president addressed the breakfast meeting at which Sino-Polish entrepreneurs were in attendance.



China Minmetals signing annual procurement contract for USD400 million electrolytic coppers with Poland Copper Corporation



**Case: Zhou Zhongshu, the president, leading the delegation to visit Chile**  
In December 2010, Zhou Zhongshu, the president of the Corporation, led the delegation to visit Chile and presented at related activities regarding the 40th anniversary of diplomatic relations between China and Chile. During the Chile visit, Zhou Zhongshu attended and addressed the opening ceremony of the seminar on Chile And China, 40 Years, which was held by Sino-Latin American Research Center, and hosted the 4th anniversary of the Sino-Chilean Entrepreneur Committee together with Mr. Silva, the president of the Chilean section of the Committee. In addition, Mr. Zhou met Mr. Hernández, the new president of Corporación Nacional del Cobre de Chile.



1. Zhou Zhongshu, the president, kindly visiting Pinera, the President of Chile
2. Zhou Zhongshu, the president, addressing the opening ceremony of the seminar on Chile And China, 40 Years
3. Zhou Zhongshu, the president, meeting Mr. Hernández, the president of Corporación Nacional del Cobre de Chile
4. Certificate of Donation issued by Teleton Foundation of Chile
5. Special letter of thanks addressed to President Zhou Zhongshu from Teleton Foundation of Chile

The Corporation has donated 25 million Chilean pesos to the Teleton Foundation in Chile to support the Foundation in its efforts of rehabilitating the disabled children.



Ximena Casarejos, President of the Teleton Foundation, expressed appreciation for China Minmetals' kind donations in his special letter of thanks. The Corporation's participation in this public welfare activity helped build up a good image of China's enterprise in Chile.



ACHIEVING SUSTAINABLE HARMONY AND WIN-WIN RESULTS





**Case: Participating in China Mining Congress & Expo**  
 On 16 November, 2010, Zhou Zhongshu, the president of the Corporation presented at China Mining Congress & Expo 2010, spoke on the theme of Grasping the Trend, Focusing on the Future and Advancing the Sustained and Stable Development of Mining Industry, analyzed the current global situation and economics and the influence on the mining industry as well as opportunities and challenges facing the mining industry, clearly stated three opinions on promoting the sustained and stable development of the mining industry, and appealed to all parties to accurately grasp the industrial trend, focus on long-term interests and cooperation to promote the sustained and stable development of the mining industry.



## 2. Strengthening Regional Cooperation

The Corporation has positively participated in domestic regional economic cooperation, optimized industrial layout, driven local economic development and promoted transformation of economic development paths.



**Case: The Corporation Strengthening Strategic Cooperation with Qinghai Province**  
 In June 2010, Zhou Zhongshu, the president of China Minmetals, and his accompany participated in "2010 China Qinghai Province Green Economic Investment Trade Fair", and presented at the talkfest on cooperation between Qinghai provincial people's government and central enterprises and project cooperation signing ceremony. The Corporation has invested RMB1.4 billion in Qinghai Province until now, and provided great support in terms of introducing advanced foreign technologies, building a new socialist countryside and performing Yushu earthquake rescue and reconstruction work. At this Qinghai fair, China Minmetals signed three projects with the Qinghai People's Government with the investment of RMB23 billion, assisted in implementation of an ecology-oriented strategy for Qinghai Province, and expanded its contribution to promoting local economic development through tangible action.



*"Currently, China Minmetals is facing two strategic development opportunities of which one is the development in western regions and the other is that the central government has appointed Minmetals especially to help Qinghai"*

— Zhou Zhongshu, the president of China Minmetals



**Case: Driving the Development of the Nonferrous Industry in Hunan Province**  
 In 2010, the Corporation signed a series of strategic cooperation agreements with four municipal governments including Loudi City, Zhuzhou City, Hengyang City and Chenzhou City, aimed at promoting the intensive, large-scale, highly efficient and sustained development of the nonferrous industry in Hunan Province. Meanwhile, the Corporation has, according to relevant policies of the State, carried out comprehensive treatment of Xiangjiang River through cooperation with Hunan so as to improve the local ecological environment.

## 3. Innovating Cooperation between Bank and Enterprise

The Corporation has positively carried out multi-level dialogue and cooperation with all large banks, explored channels for overseas operation of the Corporation, guaranteed capital security, and prevented and controlled financial risks. It has strengthened communication and coordination with local banks, successfully completed credit and appraisal work, promptly grasped national financial policies and related information, achieved an improved exterior financing environment and preferential financing policy, and decreased the financing cost and risks of the company, realizing the integrity, harmony and win-win situation between bank and enterprise. In 2010, the Corporation achieved positive progress in national unified credit work with an overall financing scale of RMB172.8 billion, of which there was RMB95 billion for the unified credit scale within Beijing, effectively supporting smooth and rapid development in the Corporation's business.



**Case: Signing the Developmental Finance Overall Planning and Cooperation Agreement with China Development Bank**  
 On 31 August, 2010, the Corporation signed the Special Planning on Overseas Resources Development of China Minmetals Corporation Supported by Overseas Development Finance with China Development Bank Corporation. Both parties would launch the overall cooperation from the source of planning to set up a long-term, stable and deep strategic partnership on the basis of mutual benefit and common development.

This agreement has strongly supported the resource development business of the Corporation, provided strong capital support and solid credit guarantee in advancing the outward facing strategy for enterprises and implementing international business and development, maximally guaranteed capital security from the source, and prevented and controlled financial risks.



**Case: Enhancing Credit Work by Cooperation between Bank and Enterprise**  
 The Corporation has successively convened the talkfest on cooperation between bank and enterprise with China Merchants Bank and the Agricultural Bank of China and detailed the cooperation between headquarters. The affiliated units and operation-handling branches have jointly discussed the future cooperative issues of both parties and completed wider integration in points and spheres regarding business cooperation between the Corporation and banks.



ACHIEVING SUSTAINABLE HARMONY AND WIN-WIN RESULTS

## 4. Promoting Cooperation within the Industry

The Corporation, as one of the Fortune Global 500 enterprises in the world, has continued deepening the strategic cooperation with enterprises at home and abroad in the same industry, expanded enterprise development space, and promoted industrial development. It has positively launched exchanges with international and domestic counterparts, vigorously advocated and created a healthy industrial development environment, endeavored to win discourse power for China Minmetals and even for the State, and grasped the initiative in international competition. The Corporation has also had important influence in promoting exchange and cooperation between China's enterprises and related enterprises from other countries.



**Case: Setting Up Tianjin Mining Exchange With Minmetals Exploration and Development Co., Ltd. as the largest shareholder, Tianjin Mining Exchange has been set up by uniting related enterprises with joint funds, and is the mining exchange institution appointed by the Bureau of Land Resources and Housing Management of Tianjin Municipal Government. The establishment of this exchange will help realize the unity of mining rights sale and transfer markets, the synchronization of the internal market and network market, and the integration of mining rights and capital market, and to promote the establishment of a unified, developing, competing and orderly mining right transaction system at the State level. China Minmetals has participated in the initiation and establishment of this exchange, promoted development of China's mining right market, increased effective utilization of resources and also strengthened communication with all mining enterprises.**



**Case: In September 2010, the Corporation successfully held the seventh Spring of Minmetals information seminar with the theme of IT Value, in which Shi Zhiping, the Director of the Information Center of the State-owned Assets Supervision and Administration Commission of the State Council, and related leaders of the National Informatization Evaluation Center attended and addressed the seminar, and executive leaders from informatization departments of nearly 30 central enterprises also attended the seminar. In this seminar, the Corporation vigorously promoted the overall enhancement of the informatization level of central enterprises, practiced the social responsibility of China Minmetals and built up a good enterprise image. In addition, the Corporation has positively launched informatization construction assistance for central enterprises, dispatched excellent talents specializing in informatization to take a temporary post in NAM KWONG Group, focused on launching three systems construction and three platforms construction, and guided informatization construction for business segments, making important contributions to the increased informatization of NAM KWONG Group.**



**Case: The Corporation Contracting the Building of Rail Beam Project of the Steel Plant in Chelyabinskaya of Russia**  
On 18 May, 2010, the send-off ceremony was held in the Minmetals mansion for the rail beam project of the steel plant in Chelyabinskaya of Minmetals Engineering Co., Ltd., and Zhou Zhongshu, the president of the Corporation, presented at the ceremony and conferred the company flag to the project team. This project is the first hundred-meter heavy rail production line project under construction in Russia and the largest ferrous metallurgical engineering contract currently held by a Chinese enterprise in Russia and the region of the Commonwealth of Independent States, which has pivotal significance for the development of Russian railway.

## 5. Building up the Alliance of Industry, Academia and Research Institutes

China Minmetals has positively explored the cooperative model of industry, academia and research institutes, fully utilized the comprehensive advantages in terms of mining resources development, driven to establish the resources development and technological innovation alliance mainly based on cooperation among the enterprise, the industry, academia and research institutes, and continuously enhanced the self-innovation and overall competitiveness of the enterprise.



**Case: Changsha Research Institute of Mining and Metallurgy Co., Ltd. Establishing the Alliance of Industry, Academia and Research Institutes**  
In 2010, Changsha Research Institute of Mining And Metallurgy Co., Ltd. signed the strategic cooperation framework agreement with Jiuquan Iron & Steel (Group) Co., Ltd. and Chongqing Iron & Steel (Group) Co., Ltd., jointly promoting the multi-level and all-round cooperation in multiple fields including the development of mining resources, mining and explosives for civil use and the like.



**Case: Cooperation with Industry, Academia and Research Institutes by Minmetals Luzhong Mining Co., Ltd. Increasing Economic Benefits**  
In 2010, cooperative activities of industry, academia and research institutes in multiple aspects have been carried out between Minmetals Luzhong Mining Co., Ltd., and universities and scientific research institutes, including Northeastern University, University of Science & Technology Beijing, Beijing General Research Institute of Mining & Metallurgy, China Jingye Engineering Corporation Limited and the like. These have included the research on fill mining technology in the northern part of the Xiaoguanzhuang iron ore deposit, the research on rapid spraying and brushing support technology of thin polymer on soft surrounding rock, the research on ore selection technology of comprehensive recycling for copper and cobalt using magnetic concentrate, the research on the 370-meter dam building methods and technologies for Yujiakuan tailings pool and so on. These technologies have been comprehensively applied and effectively decreased mining increased metal recovery rate, adding an expected direct economic benefit of over RMB30 million.

## (VI) Compliant Operation Preventing Development Risks

The Corporation has strictly requested affiliated enterprises to operate legally and compliantly, positively advanced anti-corruption system construction, intensified auditing and monitoring work, decreased development risks and guaranteed the normal operation of the company.

### 1. Adhering to Legal and Compliant Operation

The Corporation has set up the legal operating mechanism described as being "Based on the Principle of Central and Unified Management, Supported by Authorized Management, Focused on Prevention in Advance, Supported by Relief after the Event, and Attaching Equal Importance to Management and Services", improved basic legal systems, and provided strong legal security for all business development activities. In 2010, it has emphasized the improvement of the legal classification management system construction, advanced the pilot work for the independent legal institution of affiliated enterprises; focused on the self-handling and inspected-handling of cases and stressed the application and recording management of major legal cases. It has promulgated the emergency response plan management system for legal disputes and took a leading role in successfully settling several litigation cases, strengthened internal supervision and guidance, and maximally safeguarded interests of the company. The Corporation has vigorously increased the contract management level, enhanced contract information management system upgrading and reform; strengthened contract check and training, controlled contract risk, and revised 178 standard contracts and

reviewed all kinds of major contracts for affiliated enterprises, greatly enhancing the standardization level of contract application and review. It has provided highly efficient and professional legal consultation and services in major investment activities, participated in review of over 130 investment projects, involving fields including equity acquisition, asset acquisition, investment in establishment, merger and acquisition with capital of over RMB15 billion, by which it has effectively decreased legal risks for major investment projects.

It has positively launched publicity concerning the law. In 2010, it implemented 19 publicity activities in total at the Corporation level and organized 4 larger-scale business trainings, providing business exchange and promotion opportunities for legal staff of the Corporation system and building up the sharing platform for legal affairs management and legal business experience. A total of 120,000 employees, from the Corporation and all sub-companies, attended the law popularization events. Moreover, the Corporation has solidly implemented the acceptance work of the Fifth Five-year Plan Period law popularization effort by SASAC and put law popularization into effect.



Statistics on Compliant Operating Work of the Corporation in 2010

Index	Unit	In 2010
Fine paid for violating laws	RMB10,000	0
Number of occasions launching law popularization and publicity events	Times	19
Number of occasions providing legal support on projects	Person-time	2,268



Case: In 2010, the Legal Department of China Minmetals Was Selected as the Best Legal Institution in Asia by ALB (Asian Legal Business magazine), the Famous Law Magazine.

## 2. Strengthening Internal Audit and Control

The Corporation has prevented enterprise risks through strengthening internal control, audit and supervision; raised the enterprise management level through propelling audit implementation and rectification; promoted the deep coordination and management integration of audit work through exchange and training of the audit system; made use of the coordination and linkage effect and increased the utility of audit results.

In 2010, with the target of addressing various risks, it utilized audit functions in prevention of, disclosure of and resistance to risks based on internal control and audit, encouraged enterprises to strengthen management and added value, strengthened economic responsibility audit work, and implemented audit especially on newly merged and acquired enterprises and construction projects. There were 300 audit projects for the Corporation (including affiliated enterprises) in the whole year, and 1,480 audit suggestions proposed, with RMB150 billion being the total value of assets audited. It has strengthened audit reform, emphasized the dynamic tracking and inspection of reform conditions of audited enterprises, urged enterprises to seriously reform, and positively encouraged the audit achievements to transfer into management achievements. Meanwhile, the audited enterprises have improved operation and management by taking the opportunity of implementing the audit results.

There were  
**300**  
audit projects for the Corporation in the whole year

**1,480**  
audit suggestions proposed

In consideration of the current situation of the Corporation's construction projects increasing year by year, it has stipulated and published related systems and measures on the settlement audit for construction cost and the final accounts audit for completion of project, by which it has achieved the function of controlling project costs and strengthening project management.



The Internal Auditing Work Training and Experience Exchange Meeting of the Corporation in 2010

The Corporation has also positively advanced the audit system and team building, strengthened the communication and exchange concerning the work done by the auditing department and staff at all levels, especially the newly-added auditing department and staff of the enterprise, propelled internal control and auditing system publicity, organized and convened the internal auditing work training and experience exchange meeting, and further enhanced the level of auditing work and the quality of auditors.

## 3. Driving the Anti-Corruption Effort

The Corporation adheres to a policy of "seeking both temporary and permanent solutions, aiming at comprehensive control, taking both punitive and preventive measures, and focusing on prevention", and has energetically strengthened anti-corruption and anti-business-bribery work, providing a sound guarantee for the transformation and sustainable development of the Corporation.

In 2010, the Corporation positively improved the system construction of corruption punishment and prevention and integrated it into the operating management system of the company, revised regulations and systems such as the Detailed Implementation Rules on Business Ethics for Executives of the Corporation, drafted the Implementing Measures of China Minmetals Corporation on Further Advancing the "Three Major Decisions and Use of One Major Fund" Decision Making System, used A Window on Anti-corruption and the information platform of its prevention and punishment system on the Corporation's intranet, and strengthened education on anti-corruption and upholding integrity, including workshops on typical cases.

The Corporation has widely launched efficiency inspection, and conducted efficiency supervisions over nearly 80 enterprises, put forth 25 supervisory suggestions and revised 3 rules, leading to the saving of over RMB50.08 million of funds; worked out inspection plans in respect of the "Special Treatment for Prominent Problems in Engineering and Construction Fields" and the "Three Major Decisions and Use of One Major Fund", randomly checked 15 subordinate enterprises, focused on the inspection and evaluation on the decision-making mechanism establishment and operating procedures of the "Three Major Decisions and Use of One Major Fund".

It has strengthened the inspection work. In 2010, it made 8 inspection reports and situation reflection reports, put forward 4 suggestions for inspection, organized and convened the South China region inspected enterprises meeting, and analyzed related cases occurring in recent years in consideration of actual conditions of inspected enterprises, further strengthening the sense of responsibility of inspectors and promoting the legal operation of inspected enterprises.

put forth  
**25**  
supervisory suggestions

save RMB  
**50.08**  
million of funds

Statistics on Anti-Corruption in the Corporation in 2010

Index	Unit	In 2010
Training events on anti-corruption	Times	30
Personnel attending training on anti-corruption	Person-time	3,762
Number of enterprises covered by efficiency supervision	Case	80
Number of cases of petitions, visits and complaints received	Case	35
Number for cases of petitions, visits and complaints handled	Case	35
Conclusion rate	%	100%

(Note: The Corporation has seriously organized and launched the reception, mediation and disposition work for petitions and visits, received 46 batches of petitions and visits in the whole year, and effectively handled and resolved all types of conflicts and disputes.)



ACHIEVING SUSTAINABLE HARMONY AND WIN-WIN RESULTS

President of China Minmetals Zhou Zhongshu together with representatives of the Australian Aboriginal

# 全球社區

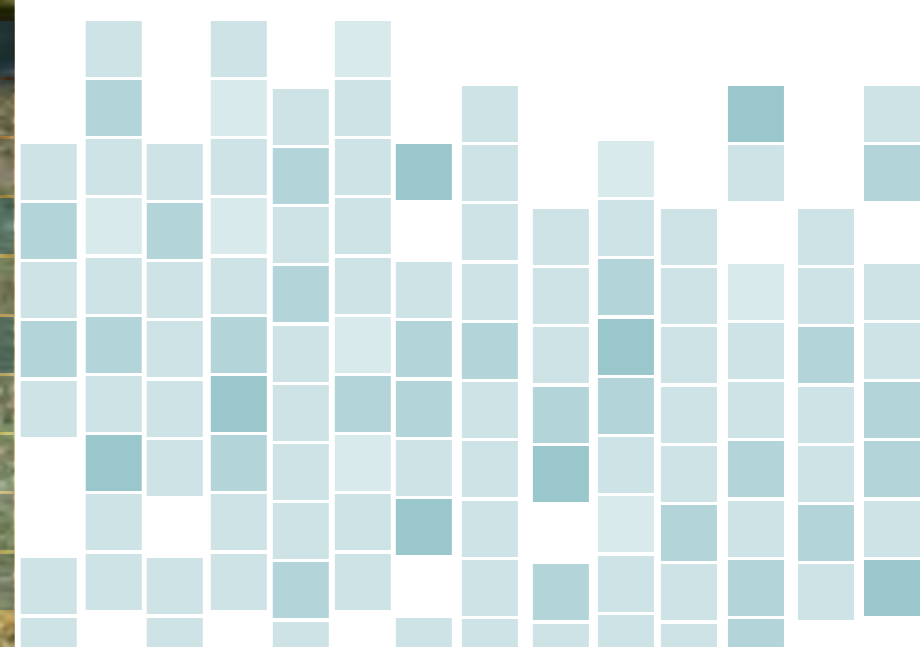


## CO-CREATING A SUSTAINABLE GLOBAL COMMUNITY

Promoting Community Development  
through Mutual-beneficial Cooperation



Enthusiastically Supporting Social  
Undertakings



In its global operations, China Minmetals is committed to "promoting social progress and advancing world harmony", actively supports the social economic development of local communities, participates enthusiastically in philanthropy, strives to repay the society, earnestly fulfills the achievement of UN MDGs, and promotes the sustainable development of community.



## (I) Policy

- ◆ To promote localized 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 social welfare activities in the long-term.
- ◆ To respect local culture, strengthen community involvement and build harmonious community relationships.

## (II) Promoting Community Development through Mutual-beneficial Cooperation

### 1. Development Plan of International Community

*"In the course of investment in foreign countries, the host countries pay more attention to environmental protection, work safety and contributions to local communities on the part of the investors, thus an enterprise must make its endeavors to promote community harmony. We have made great contributions in such host countries as Peru, Australia and Laos, allowing the members of the community to benefit from economic growth. These are the mutual benefits and win-win outcomes we have been sticking to!"*

— Zhou Zhongshu, President of the Corporation

With the continuous development of global operation, the scope of social responsibility performed by China Minmetals extends to all corners of the world. In multinational operation, the Corporation strictly follows the laws and regulations of the host countries, operates business lawfully, pays tax honestly, and always pursues equal and non-discriminative employment policy. It continuously increases the proportion of local employees, develops local procurement and community investment, actively participates in local community philanthropy and cultural heritage protection, insists on serving the local communities through various ways and modes, and contributes positively to the local economic development and social prosperity.

The Corporation maintained and expanded the community development projects of the former OZ Minerals with an investment of approximately AUD4.4 million in the construction of local communities, community enterprise development and educational training.



#### Case: "Gulf Community Agreement"

The "Gulf Community Agreement" is a community development agreement signed jointly by MMG, Queensland Government and local aborigines. The aim of the agreement is to provide education, training and employment opportunities for residents in the gulf area with a commitment to protect local cultural heritage and environment.

Many of the employees in Century Company of the MMG are aborigines and the Company carries out pre-employment trainings to young aborigines to make them capable for various jobs in the local mines. By November 2010, 17 of the 60 trainees had completed the training courses and were recruited as full-time staff by the Company.

The Company supported the cooperation between Golden Grove and local enterprises, providing skills training to the enterprises and helping young people seek employment opportunities in mining and other industries.



Celebrating the success of young aborigines' apprentices

The implementation of projects by the Corporation in Laos increases incomes of community residents, and improves their living standards through purchasing foods and work clothes locally and signing such contracts as transportation, air service and energy contracts with local enterprises. The Corporation has established a USD3 million community trust fund jointly managed by the Corporation, Government and community leaders, and provides infrastructure construction, health, education, agriculture and micro-credit for communities together with UN-Habitat and related NGOs. In the operation, the Corporation emphasizes environmental protection and has passed the ISO14001 environmental certification, and formulates biodiversity protection plans to protect the endangered animals.



#### Case: Sepon community trust fund

The community development project is managed by Sepon community trust fund in the Sepon mine in Laos. Since 2003, MMG provided USD500,000 to assist the government annually with accumulative funds up to USD2.90 million so far, mainly applied to community construction, including highway construction, laying of cables, hospital construction, education, tourism and manual manufacture in 73 villages currently.

Meanwhile, the Corporation has set up a rural construction fund to assist rural construction, guiding local residents to develop and improve their current environment. At present, two villages have combined to use the funds and built a road to the school to ensure safe travel to and from school.

The fund provided apprenticeships lasting for six years for high-school students since 2006. Up to now, there are 43 students taking part in the apprenticeship program. The MMG has sponsored pediatric training courses in the local area together with the Royal Children's Hospital of Melbourne and other NPOs.

Sepon community fund provided not only more education opportunities and better infrastructures for community residents, but also reduced their dependence on resources, helped them acquire more skills to increase incomes and improve living standards.



The Corporation has established a USD 3 million community trust fund

Sepon community trust fund assisted

**73**

villages in the Sepon mine in Laos.



MMG builds village primary schools in Sepon



MMG provides clean water for local villages in Sepon



CO-CREATING A SUSTAINABLE GLOBAL COMMUNITY



Case: Providing internships for students  
Minmetals Germany GmbH is a training base authorized by AHK for students from professional management schools. The first trainee, Noah Turkie, was accepted by Minmetals Germany for business practice in October 2008, and graduated in February 2011 with excellent academic performance. The Company also accepted one high school student and one college student for short-term internship for two weeks and three months respectively.



The first trainee, Noah Turkie, in Minmetals Germany from a vocational training school

## 2. Domestic Community Development

The Corporation and its subsidiaries actively advance community development activities domestically, supporting the local government to solve the residents' practical problems encountered in their lives and promoting the improvement of living environments in the community and around the project area.



Case: Minmetals Luzhong Mining Co., Ltd. providing community development  
Minmetals Luzhong Mining Co., Ltd. persisted in the community development goal of "clean and tidy, safe and stable, civilized and harmonious, appreciated by residents", building approximately 10,000m<sup>2</sup> of parking space, formulating and improving a property management system, providing standardized work cards for community doormen, and adding and repairing exercise machines in public places. The Company actively boosted employment among community residents, by the end of 2010, it has provided more than 1,400 employment opportunities for Laiwu City and achieved mutual development of enterprises and communities.



Case: Jiangxi Xiushui Xianglushan Tungsten Co., Ltd. carried out fund-support annually for paddy fields affected by water shortage, with the supporting funds reaching RMB1 million in 2010.



A bumper harvest is anticipated in Dongxia Village.

## (III) Enthusiastically Supporting Social Undertakings

The China Minmetals has been enthusiastically supporting social welfare undertakings for a long time to repay the society. The Corporation actually denoted a total of RMB24,134,600 in 2010.

The Corporation denoted a total of RMB

**24,134,600**

in 2010

### 1. Natural Disaster Relief

Showing its advocacy of the concept that "when disaster strikes, help comes from all sides", the Corporation provided assistance for such disaster areas as Yushu, Zhouqu and southwest areas affected by earthquake, mudslide and drought respectively, helping local residents fight against disasters and rebuild their homes.



Case: A 7.1 magnitude earthquake hit Yushu, Qinghai Province in 2010. Employees from the subsidiaries of the Corporation in Beijing and some non-Beijing resident companies and overseas enterprises donated a total of RMB673,336. Donations were also made locally by other non-Beijing resident companies and overseas enterprises. Based on incomplete statistics, the total amount of donation reached nearly RMB 1 million. The Corporation received a Humanitarian Service Medal from the Red Cross Society of China and certifications awarded by the Red Cross Society of China in recognition of its humanitarian spirit.



Case: All units of the Corporation denoted enthusiastically. Immediately when the Yushu earthquake in Qinghai and the Zhouqu landslide in Gansu took place, staff in the Changsha Research Institute of Mining and Metallurgy Co., Ltd. responded actively with the number of people participating in the donation reaching 1,580, and RMB171,665.5 raised. All donations were sent to Hunan Charity Federation.



As soon as knowing the disaster in Yushu, Qinghai Province, China Minmetals H.K. (Holdings) Limited donated HKD300,000 in the name of the company, and individual donations by staff amounted to HKD28,278. The Hong Kong Chinese Enterprises Association expressed sincere gratitude to the Corporation in its *Bulletin* on 19 May 2010.

### 2. Committed to Poverty Alleviation

The Corporation pursues poverty alleviation as a long-term effort. The Corporation continues making solid progress in targeted poverty alleviation in 2010 on the basis of completing the aid to the three poverty-stricken partner counties of Yiliang, Zhenxiang and Weixin in Yunnan, conducts poverty alleviation in Tujia-Miao Autonomous Prefecture of Huayuan in Hunan and Yecheng county in Xinjiang, and assigns officers on a temporary basis to Tibet and Qinghai to support local construction.



CO-CREATING A SUSTAINABLE GLOBAL COMMUNITY

Statistics of Targeted Poverty Alleviation Efforts of the Corporation in 2008-2010

No.	Indicator	Unit	2008	2009	2010
1	Directly invested capital for targeted poverty alleviation	RMB10,000	130	210	214
2	Number of resident officers dispatched	Individuals	3	3	7
3	Inspection trips to partner counties	Incidents	4	4	3
4	Disadvantaged students subsidized in partner counties	Individuals	105	110	114
5	Labor export from partner counties	Person-time	30,000	10,000	8,000

Summary of Poverty Alleviation Activities of the Corporation in 2010

The total investment for Yiliang, Weixin and Zhenxiong counties was RMB1.50 million.

The individual donations from the Corporation staff totaling RMB647,000 helped three counties in Yunnan to resist drought and disaster, solving the problem of water shortages for both production and personal consumption.

An agreement was signed with Huayuan county to continuously develop poverty alleviation through education with funds of RMB91,200 provided for educational assistance.

Capital in the amount of RMB551,860 was allocated for Yecheng county to help vocational training centers establish multi-media classrooms.



A delegation headed by party disciplinary leader Hai Yan of the Corporation visited impoverished counties in Yunnan



Case: Jiangxi Xiushui Xianglushan Tungsten Co., Ltd. positively led local community development, and established a mechanism to repay the society. It made clear that RMB4 million would be drawn each year from 2010 to 2013 to help nearby towns and villages establish such infrastructures as roads, bridges, irrigation and water conservancy, cultural education and medical and health care, implement such activities as assistance to stricken families, aid to those suffering serious illness, aid to students in poverty and support for the aged (over 80 years old). In addition, more than RMB30 million would be invested to move 300 villagers from downstream of the Yang'ao tailing pond to Liangtang New District in the county, assisting them to improve their living situation, create conditions for shedding deficiencies and become prosperous and thus to enjoy the achievements of corporate development.

Case: Minmetals Luzhong Mining Co., Ltd. carrying out corresponding assistance In 2010, Minmetals Luzhong Mining Co., Ltd. signed a mutual support agreement with Dong'an Village, Sanxing Town, Chongming City, Shanghai to last for three years. The supporting capital of RMB100,000 will be provided annually. The Company provided aids to villagers with poverty, constructed the White Goat base, rebuilt activity spaces, developed Party construction and improved the living conditions of the villagers.

### 3. Supporting Important Social Events

In 2010, the Corporation actively supported such important social events as the Shanghai World Expo and the Asian Games held in Guangzhou, helping ensure that these activities were conducted smoothly.



Case: Support the World Expo  
China Minmetals sponsored the first United Nations Global Compact — China Forum, held in the UN Pavilion of the Shanghai World Expo by the United Nations Global Compact and the Centre Office of Global Compact Network China. The Corporation representatives introduced at the forum the successes of Minmetals in promoting economic development and realizing the MDGs of the United Nation.



Case: Supporting the Chang'e lunar exploration program  
To celebrate the successful launch of Chang'e-2 lunar satellite, China Minmetals donated RMB500,000 in 2010 to support the "Lunar Exploration Program" and promote the development of national aeronautics undertakings.



China Minmetals exhibition board at the 2010 Shanghai World Expo

Case: China Minmetals H.K. (Holdings) Limited participated in the roofing work of 2010 Shanghai World Expo Performance Center and Guangzhou Asian Games Complex Gymnasium and the engineering construction of 2010 Tianjin Davos Forum.

### 4. Education Aid

The Corporation takes an active part in making donations and establishing special funds to help dropout children return to school.



Students from Gangkou No.3 Primary School built by Jiangxi Xiushui Xianglushan Tungsten Co., Ltd.

The Corporation donates to needy students in Hebei Province in an activity organized by the trade union



CO-CREATING A SUSTAINABLE GLOBAL COMMUNITY



Case: Minmetals Finance Education Fund  
After the establishment of Minmetals Finance Education Fund, staff took an active part in donating. The fund subsidized 44 needy freshmen from Dazhou, Sichuan Province by the end of 2010.



*A word of thanks: "The education aid from China Minmetals Corporation provides much needed help for those of us who come from poor families. This great compassion gives us not only economic assistance, but also endows us with courage for our lives and motivation to study, which allows us to feel the warmth of the greater social family at the most important moment in our lives and makes us believe there is love on the earth."*

— Aid-receiving student Liao Renya

## 5. Staff Volunteering in Action

The Corporation encourages its staff to participate in volunteer action in various ways, and the cohesion of the staff team is strengthened when serving the public and repaying the society.



Case: Minmetals Luzhong Mining Co., Ltd. held the activity with the theme of "Carrying forward the spirit of Lei Feng and showing the vigor of youth", developed such activities as voluntary work, services for underground workers and the public, voluntary medical services with the number residents receiving these services in attendance being over 1000. It was generally welcomed by our staff and workers and community residents.



Case: Minmetals (Guizhou Province) Ferro-Alloys Co., Ltd. responded to the call to build Guiyang City into a "National Clean City", "National Environmental Protection City" and "National Cultured City". Over 40 employees were organized to voluntarily clear away plastic bags in the river way on 4 May, 2010.



# Perspectives for 2011

2011 is an important year in which the Corporation begins the 12th Five-Year Plan period, and completes its ownership system reform and promotes corporate governance. It will continue the transformation of development mode, improve its value creation capabilities, avoid market risk, strengthen the capability of sustainable development and seek to build a mineral and metal group with international competitiveness.

The Corporation will fully analyze the market change and various opportunities, to improve development benefits, optimize industrial layout, speed up structure adjustment, innovate business modes, improve development quality, strengthen integrated service and bring into full play management performance to constantly improve its value creation capabilities and realize five fundamental transformations. These are the transformation from focus on growth speed to development quality, the transformation from building a complete industry chain to optimizing the value chain, the transformation from commodity marketing to industrial comprehensive service, the transformation from traditional business governance to modern corporate governance, and the transformation from expanding development space to constructing harmonious environments. The Corporation will work hard to realize RMB400 billion in revenue and a total profit of RMB15 billion in 2015.

The Corporation will adopt the 12th Five-Year Plan Work Safety Plan of the Corporation as a guide and responsibility for work safety as core to standardize and optimize the staff safety responsibility system, highlight major hazard rectification and security system construction, continuously boost HSE system construction and standardize business operations, systematically improve emergency rescue capability, and promote the safe production of the Corporation to a new level.

Under the guidance of 12th Five-Year Plan Special Planning of Energy-Saving and Environment Protection, the Corporation will further strengthen the implementation of energy-saving and environment protection, advance the arrangement and monitoring of hidden problems of environment pollution, promote the remediation of key hidden problems of environment pollution and eliminate outdated capacity and comprehensively propel a clean production strategy.

The Corporation will consolidate strategic human resource management, constantly improve the human resource management and control system, enhance talents team construction, optimize revenue allocation mechanisms, regulate recruitment and labor management, build talent incubation bases, create a harmonious atmosphere in human resources culture, forge a Minmetals talent brand and promote the mutual development of staff and Corporation.

The Corporation will reinforce the exchange and cooperation with stakeholders, constantly increase customer services skills and quality, propel the mutually beneficial cooperation with stakeholders, provide excellent internal and external environments for corporate development and realize harmonious win-win results for each party.

Centering on the MDGs of the United Nation, we will plan actively and participate enthusiastically in community construction and social welfare undertakings, benefiting community members through the achievements of the Corporation and realizing the common development of the Corporation and communities.

The Corporation will further deepen social responsibility management, improve sustainable development reporting, fulfill the commitment of the LEAD program membership of United Nations Global Compact, comprehensively implement the 10 Principles of the Global Compact, boost the blueprint plan of sustainable development leadership, and promote the brand image of a responsible Corporation globally according to the standard of first-class international enterprises.



# Appendices

## Comparison Sheet of the 10 Principles of UN Global Compact

Comparison	Sheet
<p><b>Human Rights</b></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>The Corporation has observed the international treaties and international practices signed or recognized by the Chinese Government; respected conventions and proclamations such as 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 abided by the laws and regulations of the host countries;</p> <p>It has never been complicit in any disrespect of human rights, safeguard the dignity, rights and interests of employees.</p>
<p><b>Labor</b></p> <p>3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining</p> <p>4. Elimination of all forms of forced and compulsory labor</p> <p>5. Effective abolition of child labor</p> <p>6. Elimination of discrimination in respect of employment and occupation</p>	<p>The Corporation has established the system of Employees' Congress and disclosure of factory affairs, and strengthened dialogues and exchanges with employees.</p> <p>The Corporation has set up trade union organizations at all levels, persisted in consultations based on equal footing, and strengthened the democratic management and supervision of employees;</p> <p>It has eliminated forced labor and use of child labor;</p> <p>It has established a selection and appointment mechanism that is open, equal, competitive and selective, and opposed any form of discrimination;</p> <p>The Corporation has established a remuneration system that pegs payment to performance and can effectively stimulate the long-term development of employees; and established a remuneration management system that features unified concepts and suits the characteristics of the Corporation through the two routes of payroll management and income level management; Strengthen the occupational safety and health management of employees and improve working environments.</p>
<p><b>Environment</b></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>The Corporation continued intensifying the construction of the "Three Systems" for energy saving and emission reduction, enhanced comprehensive rectification efforts and leveraged technological advances to continuously level up energy saving and emission reduction. In 2010, focus was concentrated on the efforts to play an important role of science and technology in environmental protection, and raise the level and capabilities of the enterprise through technological innovations;</p> <p>The Corporation actively participated in the activities of the UN Global Compact Environment Stewardship and brought forward many constructive viewpoints and opinions. In 2010, the Corporation worked together with the global expert panel to address environmental issues, with the findings now already published;</p> <p>The Corporation has firmly established the idea of green management, pays close attention to the development of environmental protection projects, improves ecological efficiency, has reduced risks to mankind and environment, strengthens the comprehensive utilization of resources and clean production, vigorously develops recycling economy, energy saving and environmental protection industries, and technologies for recycling of wastes.</p>
<p><b>Anti-corruption</b></p> <p>10. Businesses should work against corruption in all its forms, including extortion and bribery.</p>	<p>The Corporation made revisions to the Detailed Implementation Rules on Business Ethics for Executives of the Corporation, drafted the Implementing Measures of China Minmetals Corporation on Further Advancing the "Three Major Decisions and Use of One Major Fund" Decision Making System, held 30 training sessions for anti-corruption supervisors that involved 3,762 person- times;</p> <p>The Corporation conducted efficiency supervisions over nearly 80 enterprises, put forth 25 supervisory suggestions and revised 3 rules, leading to the saving of over RMB50.08 million of funds;</p> <p>The Corporation held a supervisory symposium involving 30 enterprises in South China and completed 85 supervisory reports and information sharing;</p> <p>The Corporation and its subsidiaries at all levels accepted 35 complaint cases, all of which have been settled, and carried out 19 publicity activities promoting knowledge of law.</p>

## DNV Assurance Statement



### ASSURANCE STATEMENT

#### Introduction

Det Norske Veritas Business Assurance (DNV) has been commissioned by China Minmetals Corporation (China Minmetals) to carry out verification on China Minmetals Sustainability Report 2010 (the Report) against the AA1000 Assurance Standard (2008) (AA1000AS 2008).

China Minmetals is responsible for the collection, analysis, aggregation and presentation of information within the Report, while our responsibility is to perform this work completely in accordance with agreed terms of reference. The stakeholders of China Minmetals are the intended users of this statement. The verification is carried out based on the assumption that the data and information provided to us is complete and true.

#### Scope of Assurance and Limitations

The scope of work agreed upon with China Minmetals includes the following:

- The social, environmental and economic data presented in the Report, covering social responsibility performance from January to December 2010;
- On-site verification on the Report content which covers China Minmetals headquarters and level-two subsidiaries;
- Visited external stakeholder (China Iron & Steel Association) to understand its expectations and appraisals of Minmetals
- Evaluation of Accountability Principles and specified sustainability performance information (Type 2) with a moderate level of assurance, according to AA1000AS 2008;
- Evaluation of specific sustainability performance information:
  - reported progress against the company's 2010 commitments as disclosed in its 2009 Report;
  - the core indicators set forth in the GRI G3 and disclosed in the Report.
- We did not verify the financial data presented in the Report (already verified by another third party);
- DNV has not observed significant factors to limit our assurance activities;
- Verification was completed by DNV during May 2011.

#### Verification Methodology

Our verification was planned and carried out in accordance with the DNV Protocol for Verification of Sustainability Reporting.

The Report has been evaluated against the following criteria:

- Adherence to the principles of Inclusivity, Materiality and Responsiveness, as well as Reliability of specified sustainability performance information, as set out in the AA1000AS 2008;
- Adherence to additional principles of Completeness and Neutrality, as set out in DNV's Protocol.

As part of the verification, DNV has challenged the statements and claims made in the Report and assessed the robustness of the underlying data management system, information flow and controls. For example, we have:

- Examined and reviewed documents, data and other information made available to DNV by China Minmetals;
- Visited the headquarter of China Minmetals and level-two subsidiaries;
- Conducted interviews with 30 representatives from Minmetals, including senior management and relevant employees;
- Performed sample-based reviews of the mechanisms for implementing Minmetals' social responsibility policies, as described in the Report;
- Performed sample-based checks of the processes for generating, gathering and managing the quantitative and qualitative data included in the Report.

#### Conclusions

In DNV's opinion, China Minmetals Sustainability Report 2010 provides a credible and objective presentation of China Minmetals' overall sustainability performance and application of the AA1000 Accountability Principles.

#### AA1000 Principles

**Inclusivity:** Acceptable. Minmetals has established an Identification Procedure on Sustainability Issues to systematically identify and prioritize the concerns of stakeholders. Minmetals engages with a range of stakeholders such as government, employees, customers, business partners and NGOs, through multiple communication channels, such as regular meetings and seminars, questionnaires, and performance conferences, in order to address their concerns.

## ASSURANCE STATEMENT



**Materiality:** Acceptable. Minmetals has identified key materiality content and relative performance index based on the Identification Procedure on Sustainability Issues and special research with third party. The report disclosed choosed key sustainability index and relative performance data..

**Responsiveness:** Acceptable. The Report discloses Minmetals' sustainability performance information for 2010, as a response to main stakeholders' concerns, which embodied feature of mine industry.

**Reliability:** Acceptable. According to verification type II and medium verification requirements, DNV verified disclosed specific performance information in Report. No systematic errors detected during verification, and the disclosed information is reliable in scope of Group headquarter.

#### Additional Principles

**Completeness:** Acceptable. Within the reporting scope and boundary defined by Minmetals, we do not believe that the Report omits significant, relevant information that could influence stakeholders' decisions or that reflect significant sustainability impacts during the reporting period

**Neutrality:** Acceptable. We consider the overall tone of the Report to be neutral and the presentation of information to be balanced. The emphasis on various topics in the Report is basically proportionate to their relative materiality.

#### Opportunities for Improvement

The following is an excerpt from the observations and opportunities reported back to the management of China Minmetals. However, these do not affect our conclusions on the Report, and they are indeed generally consistent with the management objectives already in place.

- It is suggested that procedure on further identification of concerned issues by stakeholders to be strengthened, to improve communication channel and attendance mechanism with dynamic acknowledge. Relative issues need to be disclosed according to industry feature and issues response to different stakeholders.
- It is suggested to disclose more performance indicators according to the requirements of Global Reporting Initiative's Sustainability Reporting Guidelines (GRI G3) and GRI Mining and Metals Sector Supplement, especially the indicators related to environmental issues.
- It is suggested that further clarification on challenges and advantages faced by Minmetals in sustainable environment and actions to these challenges to be disclosed in Report.

#### Statement of DNV's Competence and Independence

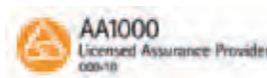
DNV is a global provider of sustainability services, with qualified environmental and social assurance specialists working in over 100 countries. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement. DNV maintains complete impartiality toward the verification by numerous public means to understand positive and negative comments on China Minmetals. DNV expressly disclaims any liability or co-responsibility for any decision a person or entity would make based on this Assurance Statement.

For Det Norske Veritas Business Assurance

Wu,Di  
Lead Verifier

Jasmin Eymery  
Assurance Engagement Reviewer  
Det Norske Veritas

Beijing, China, 30th May 2011



2

In case of discrepancy between the English and Chinese language text, the Chinese text shall prevail

## 挪威船级社 (DNV) 验审声明

## DNV 验审声明



#### 介绍

挪威船级社 (以下简称“DNV”) 应中国五矿集团公司 (以下简称“中国五矿”) 的委托执行对《中国五矿集团公司2010可持续发展报告》(以下简称《报告》) 的验审工作。该验审基于 AA1000验审标准2008(以下简称“AA1000AS2008”)的要求进行。

中国五矿负责《报告》中数据的收集、分析、汇总及信息披露。我们在执行此项工作时, 按照双方商定的条款执行全部验审工作。中国五矿的各利益相关方是本声明的预期使用者。本次验审过程是建立在假设中国五矿提供给我们的数据和信息是完整和可信的。

#### 验审范围及限制

经与中国五矿协商, 此次验审的工作范围包括如下内容:

- 在《报告》中披露的特定的社会、环境及经济数据; 覆盖了中国五矿 2010 年 1 月至 12 月的企业社会责任绩效;
- 访谈了中国五矿总部各相关职能部门及二级公司;
- 访谈了外部利益相关方中国钢铁工业协会;
- 本次验审进行了 AA1000AS2008 的原则遵循情况验审(类型 2), 验审深度为中度验审;
- 特定的可持续发展绩效信息:
  - 2009 年报告中披露的“2010 年可持续发展改进计划”的实施情况;
  - 《报告》中披露的 GRI G3 核心指标
- 没有对《报告》中涉及的业已经其它第三方审计的财务数据进行验审;
- DNV 没有发现影响验审活动的重要因素;
- 验审工作由 DNV 在 2011 年 5 月完成。

#### 验审方法

我们的验审过程是按照《DNV 可持续发展报告验证规章》进行策划及执行的。我们按照以下原则对该《报告》进行评估:

- 遵循 AA1000AS2008 中所规定的包容性、实质性及回应性的原则, 以及特定的可持续发展绩效信息的可靠性原则;
  - 按照《DNV 可持续发展报告验证规章》的要求, 附加了完整性及中立性的原则;
- 作为验审工作的一部分, DNV 对除了《报告》中披露的内容进行核实以外, 同时也对其基础数据管理体系、信息收集过程及控制情况进行了评估, 例如:
- 检验和评审了中国五矿提供给 DNV 的文件、数据和其它信息;
  - 访谈了中国五矿总部各相关职能部门及二级公司;
  - 与约 30 多名中国五矿代表进行了访谈, 包括部门负责人及相关员工;
  - 对报告中描述的公司社会责任政策的落实机制进行抽样评估;
  - 对报告中披露的定性及定量数据的产生、收集和管理过程进行抽样核实。

#### 结论

DNV 认为, 《中国五矿集团公司 2010 年可持续发展报告》对其总体可持续发展绩效的描述是基本可信及客观的, 并符合 AA1000 的原则。

#### AA1000 原则

**包容性:** 良好。中国五矿通过“利益相关方列表”识别了关键利益相关方, 通过定期会议、问卷调查表、绩效汇报等多种沟通方式, 识别了包括政府、雇员、客户、商业伙伴及非政府组织等利益相关方所关心的核心问题, 并据此制定行动计划。

当声明的中文和英文版本有冲突时, 以中文为准。

1

## DNV 审验声明



**实质性:** 良好。中国五矿通过识别利益相关方关注的重要的议题及与第三方机构开展专题研究以确定实质性内容及相应的绩效指标，并在《报告》中披露了所选定的关键的可持续发展指标及相应的绩效数据；

**回应性:** 良好。《报告》披露了中国五矿在 2010 年度内的可持续发展绩效信息，回应了主要利益相关方关心的核心议题，并体现了矿业行业的特点。

**可靠性:** 良好。根据审验类型2及中度审验要求，审验小组对《报告》中披露的特定绩效信息进行了验证，审验过程中没有发现系统性的错误，因此我们认为《报告》中披露的特定绩效信息在集团总部层面具有可靠性。

### 附加原则

**完整性:** 良好。在中国五矿的《报告》范围及《报告》边界中，我们认为该《报告》没有遗漏足以影响利益相关方决定的信息或报告期内可持续发展的重大问题。

**中立性:** 良好。我们认为，《报告》的整体基调基本保持中立和信息披露平衡，对报告中披露各种不同议题的重点与其实质性基本上是成正比的。

### 改进机会


下列建议和改进机会摘自 DNV 向中国五矿管理层提交的审验报告中。但是，这并不影响我们对该《报告》的结论，以下建议事项是与五矿现有的管理目标一致的。

- 建议进一步完善识别利益相关方关注议题的流程，改进与利益相关方的沟通与参与机制，动态地了解相关方关注焦点，并根据中国五矿跨行业经营的业务特点，针对不同行业利益相关方关注的议题，在《报告》中分类予以披露。
- 建议在《报告》中更完整的按照 GRI《可持续发展报告指南 G3》和《GRI 矿业补充指标》的要求披露相关的绩效指标，尤其是与环境相关的指标。
- 建议更清楚说明公司面临的可持续发展环境的挑战和优势，以及应对这种挑战所采取的措施

### DNV 的独立性声明:

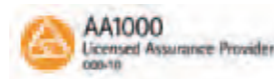
DNV 是一个全球性的可持续发展服务提供方，在超过 100 多个国家中都有合格的环保及社会责任方面的审验专家。除了本审验声明以外，DNV 没有参与准备该报告中的任何内容及数据。DNV 在审验过程中，通过验证大量的有关中国五矿的正面及负面公开信息，以保持完全中立。DNV 明确表示对任何个人或实体根据此报告审验声明作出任何决策不负有责任或义务。

Det Norske Veritas Business Assurance

  
吴迪  
审验组长

  
Jasmin Eymery  
Assurance Engagement Reviewer  
Det Norske Veritas

中国北京，2011 年 05 月 30 日



2

当声明的中文和英文版本有冲突时，以中文为准。

## Comparison Sheet of GRI Indicators

Irrelevant ○ Partially adopted ◐ Fully 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	●
	1.2	Description of key impacts, risks, and opportunities.	P2-3	◐
2. Organizational Profile	2.1	Name of the organization.	inside front cover/P14-15	●
	2.2	Primary brands, products, and/or services.	P14-15/P29-32	●
	2.3	Operational structure of the organization	P14	●
	2.4	Location of organization's headquarters.	P15	●
	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.	P3-/P76-77/P86-88	●
	2.6	Nature of ownership and legal form	P15	●
	2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	P29-35/P38-39	●
	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)	P4	●
	2.9	Significant changes during the reporting period regarding size, structure, or ownership	P10-11/P14-15/ P34-35	●
	2.10	Awards received in the reporting period	P21/P25/P58/P69/P89	●

	Sequence of Indicator	Content of Indicator	Disclosure Location	Adoption
3. Report Parameters	3.1	Reporting period (e.g., fiscal/calendar year) for information provided	inside front cover	●
	3.2	Date of most recent previous report	inside front cover/P21	●
	3.3	Reporting cycle	inside front cover/P21	●
	3.4	Contact person for questions regarding the report or its contents	inside front cover/P107	●
	3.5	Process for defining report content	inside front cover	●
	3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers)	inside front cover	●
	3.7	State any specific limitations on the scope or boundary of the report.	inside front cover	●
	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	●
	3.9	Data measurement techniques and the bases of calculations	inside front cover	●
	3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	inside front cover	●
	3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	inside front cover	●
	3.12	Table identifying the location of the Standard Disclosures in the report	inside front cover/P99-106	●
	3.13	Policy and current practice with regard to seeking external assurance for the report.	inside front cover	●
4. Governance, Commitments, and Engagement	4.1	Governance structure of the organization	P15	●
	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)	P15	●
	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.		⊗

	Sequence of Indicator	Content of Indicator	Disclosure Location	Adoption
4. Governance, Commitments, and Engagement	4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	P15	●
	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)	P15	●
	4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	P15	●
	4.7	Process for determining the qualifications and expertise of the members of the highest governance body	P14-15	●
	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	P15	●
	4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance	P14-15	●
	4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	P15	●
	4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	P42/P81-83	●
	4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives which the organization subscribes to or endorses.	inside front cover/ P21/P24/P59	●
	4.13	Memberships in associations and/or national/international advocacy organizations which the organization holds.	P20	●
	4.14	List of stakeholder groups engaged by the organization.	P18-19	●
	4.15	Basis for identification and selection of stakeholders with whom to engage.	P18-19	●
	4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	P18-19	●
	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	P18-19/P74	●

	Sequence of Indicator	Content of Indicator	Disclosure Location	Adoption
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)	P3-4/P28-29/P86-91	●
	EC2	Financial implications and other risks and opportunities for the organization's activities due to changes in the macroeconomic environment.	P2-3	◐
	EC3	Coverage of the organization's defined benefit plan obligations.	P67	●
	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.	P67	●
	EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	P75	●
	EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	P70-71	●
	EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	P86-92	●
	EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts (e.g. driving local economic development)	P86-92	●
6. Environmental Performance Indicators	EN1	Materials used by weight or volume.	P56	◐
	EN2	Percentage of materials used that are recycled input materials.	P60-61	●
	EN3	Direct energy consumption by primary energy source.	P56	●
	EN4	Indirect energy consumption by primary source.	P56	●
	EN5	Energy saved due to conservation and efficiency improvements.	P58	●
	EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	P58-59	●

	Sequence of Indicator	Content of Indicator	Disclosure Location	Adoption
6. Environmental Performance Indicators	EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	P60-61	●
	EN8	Total water drawn by source.		◐
	EN9	Water sources significantly affected by draw of water.		◐
	EN10	Percentage and total volume of water recycled and reused.	P61	◐
	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.		⊗
	EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	P63	●
	EN13	Habitats protected or restored.	P63	●
	EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	P63	◐
	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.		⊗
	EN16	Total direct and indirect greenhouse gas emissions by weight.		◐
	EN17	Other relevant indirect greenhouse gas emissions by weight.	P56	●
	EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	P58-59	●
	EN19	Emissions of ozone-depleting substances by weight.		◐
	EN20	Nitric oxide (NO), sulfur oxide (SO), and other significant air emissions by type and weight.	P56	◐
	EN21	Total water discharge by quality and destination.	P61	◐
	EN22	Total weight of waste by type and disposal method.		◐
	EN23	Total number and volume of significant spills.	P61	◐

	Sequence of Indicator	Content of Indicator	Disclosure Location	Adoption
6. Environmental Performance Indicators	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.	P61	◐
	EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	P62/P63	●
	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.		◑
	EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	P62	◐
	EN30	Total environmental protection expenditures and investments by type.	P61/P62	◐
	7. Labor Practices and Decent Work Performance Indicators	LA1	Total workforce by employment type, employment contract, and region.	P67/P70-71
LA2		Total number and rate of employee turnover by age group, gender, and region.	P67/P70-71	●
LA3		Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	P67-68	●
LA4		Percentage of employees covered by collective bargaining agreements.		◑
LA5		Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	P67	●
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.	P51	●
LA7		Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region.	P46	●
LA8		Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	P51/P53	●
LA9		Health and safety topics covered in formal agreements with trade unions.	P46-51	◐

	Sequence of Indicator	Content of Indicator	Disclosure Location	Adoption
	LA10	Average hours of training per year per employee by employee category.	P69	●
	LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career outcomes.	P68-70	●
	LA12	Percentage of employees receiving regular performance and career development reviews.	P69-70	●
	LA13	Composition of governance bodies and breakdown of employees by category according to gender, age group and other indicators of diversity.	P67	●
	LA14	Ratio of basic salary of men to women by job category.	P67	●
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.	P75	◐
	HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	P75	◐
	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.	P69	●
	HR4	Total number of incidents of discrimination and actions taken.	P71	●
	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.		◑
	HR6	Operations identified as having significant risk for incidents of child labor, and (core) measures taken to contribute to the elimination of child labor.	P67	●
	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.	P67	●
	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.	P71	●
	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.	P86-92	◑
SO2	Percentage and total number of business units analyzed for risks related to corruption.	P81-83	●	

	Sequence of Indicator	Content of Indicator	Disclosure Location	Adoption
9. Society Performance Indicators	SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	P81-83	●
	SO4	Actions taken in response to incidents of corruption.	P81-83	●
	SO5	Public policy positions and participation in public policy development and lobbying.	P86	◐
	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.	P81-82	●
	SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.	P81-82	●
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.	P74	●
	PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	P74	◐
	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.		◐

## Form of Feedback on Report

Respected readers,

Thank you for reading this report. To improve our efforts relating to corporate social responsibility and enhance our fulfillment thereof, 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:

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 Email: csr@minmetals.com

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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?  
 Yes  Neutral  No
3. Do you think this report is a complete reflection of the environmental responsibilities undertaken by China Minmetals?  
 Yes  Neutral  No
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 Yes  Neutral  No
5. Do you think this report has disclosed sufficient quantifiable data?  
 Yes  Neutral  No
6. Do you think it is necessary for China Minmetals to expand the scope of the report to its secondary enterprises?  
 Yes  Neutral  No
7. Do you think the content and form design of this report facilitate reading and understanding?  
 Yes  Neutral  No
8. The following space is for your comments and suggestions on China Minmetals Corporation Sustainability Report 2011:

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