

Kennecott and Rio Tinto in Utah: A Long History of Economic, Community and Environmental Commitment

Kennecott Utah Copper has a long and rich history in Utah, from one of the state's pioneering industrial engines to a leading producer of copper and valuable by-products to an active financial supporter of local projects for more than a century. Both Kennecott and its parent, global mining company Rio Tinto, are leaders in health, safety and environmental efforts to support a sustainable future.

Economic legacy

Since the Utah Copper Company began mining copper ore in Bingham Canyon in 1903, the open pit mine has produced more copper, 18.7 million tons, than any mine in the world. In 2009, Kennecott produced approximately 300,000 tons of copper, 500,000 ounces of gold, 4 million ounces of silver, 25 million pounds of molybdenum, and 1.1 million tons of sulfuric acid, a useful by-product of the smelting process.

Since purchasing Kennecott Utah Copper in 1989, Rio Tinto has invested more than \$2 billion in modernization projects. This includes the \$1 billion renovation of the Refinery and Smelter, finished in 1995 and the largest private investment in the state's history at that time; additions to the Concentrator in 1992 and 2006; \$500 million spent in the late 1990s to expand and upgrade the tailings impoundment; and a \$340 million investment to build a new Molybdenum Autoclave Process facility, announced in April 2010.

In addition, Kennecott has also spent more than \$400 million over the past two decades on the cleanup of historic mining sites and \$100 million on groundwater remediation.

According to the University of Utah Bureau of Economic and Business Research (BEBR), Rio Tinto employs 2,400 people in Utah

and supports an additional 14,800 indirect jobs. In addition, the average pay and benefits for Rio Tinto employees is among the highest in the state at \$93,000, which is double the state average.

According to the same BEBR study, Rio Tinto's annual economic impact in Utah was \$900 million in 2009, up from \$715 million in 2007. That includes payroll and pensions, purchases from some 1,000 Utah companies, utilities and mining support services, professional and business services, and taxes, fees and other government payments.

Commitment to the community

Rio Tinto has been donating funds to worthy causes in the Salt Lake area since 1906. The company reports community giving in annual Sustainable Development Reports and in 2009, gave \$1.1 million to about 150 organizations. In 2008, the company gave \$1.2 million. Organizations supported range from The Road Home to The Nature Conservancy and from the Magna Ethnic and Mining Museum to the Tracy Aviary.

These figures do not include major sponsorships of the Utah Museum of Natural History's new home, to be called the Rio Tinto Center, or Rio Tinto Stadium in Sandy. Rio Tinto announced a \$15 million donation in May 2008 to support construction of the new museum building as well as environmental education programming. The donation, which includes copper from the Bingham Canyon Mine to clad the building's exterior, is the largest single corporate donation in the University of Utah's history.

Rio Tinto's naming rights sponsorship of Real Salt Lake's Major League Soccer stadium was announced in September 2008. This opportunity allows us to educate the public about the importance of mining and reach out to local youth through soccer clinics and community events. Kennecott's Oquirrh Mountains operations are in full view from the stadium's Kennecott Plaza, which features exhibits about Kennecott's mining and community development history.

In addition to corporate contributions, the Kennecott Utah Copper Visitors Center Charitable Foundation, funded by proceeds collected at the mine's Visitors Center, has given more than \$2.2 million over 18 years to help the poor and needy, with an emphasis on the disabled, children, veterans, homeless and the elderly. In 2009, the Foundation donated \$130,000 to support 96 local charities.

Kennecott and its employees also make in-kind contributions, such as the annual holiday food drive, which provided 3,300 pounds of food to food banks in Magna in 2008. The Giving Tree Program provided more than 5,500 items in 2008 to benefit organizations that assist the homeless, battered women, immigrant children, and families needing child and adult day care.

The company also donates copper for various community projects. In 2008, Kennecott donated 7,000 pounds of copper for use in crafting three bronze sculptures as part of the Utah Fallen Officer's Memorial at the Utah State Capitol. Also in 2008, Kennecott donated 12,800 pounds of copper, worth \$49,000, for use in Red Butte Garden's new amphitheatre.

Environmental Commitment

We realize that mining, by its very nature, disturbs the land, uses natural resources and energy, and generates waste. Because of those facts, we are committed to a set of stringent, self-imposed environmental goals. Here are some examples of our commitment:

High-efficiency buildings. We're committed to ensuring that our new buildings are built to meet high-efficiency standards. The Rio Tinto Regional Center in Daybreak is the first building in Utah to earn the LEED Platinum certification. In addition, five other facilities have achieved some level of LEED certification. Kennecott Land's Daybreak community, a very successful example of redeveloping a former industrial site for housing

and commercial uses, is a member of the LEED for Neighborhood Development pilot program.

Environmental management. We have met rigorous international standards in environmental management and have been ISO 14001 certified since 2003.

Biodiversity. Kennecott is committed to preserving biodiversity and partners with a variety of conservation organizations, including The Nature Conservancy, Birdlife International, Tracy Aviary, and others. We're stewards of the Inland Sea Shorebird Reserve, which provides feeding, staging and breeding habitat for thousands of migratory birds on the south shore of the Great Salt Lake. The 3,670-acre reserve is one of the largest wetland mitigation banks in the United States.

Air quality. Kennecott is working with organizations such as the Salt Lake Chamber to identify ways to improve Utah's air quality. In the 2009 Clear the Air Challenge, Rio Tinto employees reduced their driving by 56,000 miles, eliminating more than 96,000 pounds of tailpipe emissions and saving more than 2,500 gallons of gasoline and won the competition.

Environmental recognition. We have received numerous awards for our health, safety and environmental commitments. We received Earth Day Awards from the Utah Division of Oil, Gas and Mining in 2004 for reclamation of Barneys Canyon, in 2009 for the Daybreak development, and in 2010 for reclamation of the Magna Concentrator. We received Awards of Merit from the Utah Safety Council in 2007, 2008 and 2009 for demonstrating outstanding quality in occupational safety and health programs. And we received the 2009 Outstanding Achievement in Pollution Prevention Award from the Utah Department of Environmental Quality for our Idle Management Program.

Additional examples of Kennecott Utah Copper's environmental commitment can be found at www.kennecott.com under Sustainable Development. Kennecott Utah Copper reports the environmental impacts of its operations in a way that goes beyond regulatory requirements in our annual Sustainable Development Report. The latest Sustainable Development Report can be found at www.kennecott.com