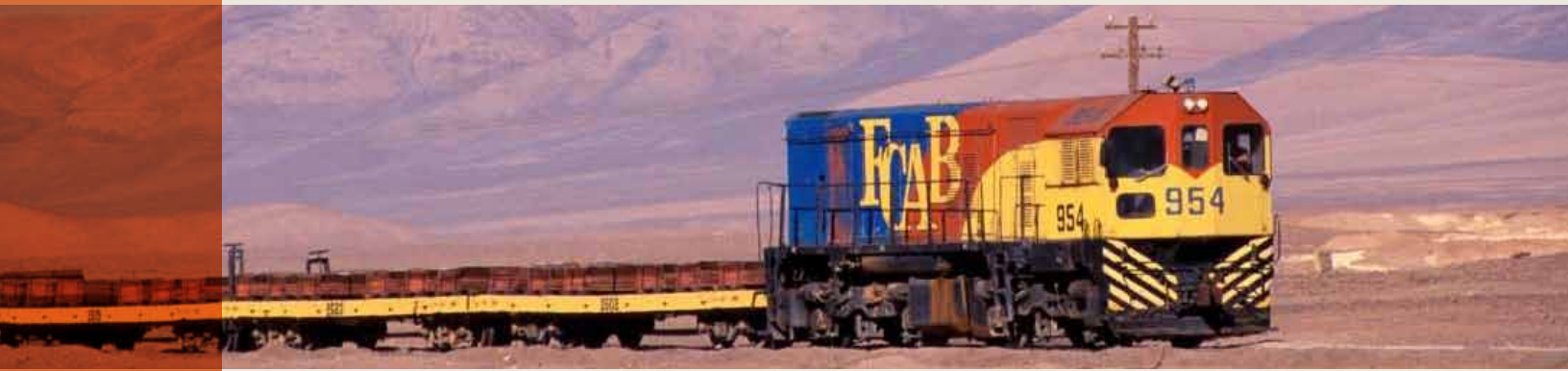


2008

**SUSTAINABILITY** REPORT  
2008  
*HIGHLIGHTS*



# ABOUT THE **SUSTAINABILITY** **REPORT**

Antofagasta plc's second full annual Sustainability Report ("the Report") sets out the economic, social and environmental performance of the Group in the period between January and December 2008. As established in the corporate Terms and Conditions for Drawing up Sustainability Reports, it reflects the performance of the Group's three business divisions: mining (Antofagasta Minerals), transport (Antofagasta Railway Company) and water (Aguas de Antofagasta).

The full Report is based on the Global Reporting Initiative (GRI) Guide for Drawing up Sustainability Annual Reports as well as the two relevant sector supplements: Mining and Metals, and Logistics and Transportation. The GRI Boundary Protocol criteria were used to establish its limits and scope. The self-evaluation questions suggested by GRI were taken into account and an analysis was carried out of relevant issues arising from consultation with stakeholder groups in the United Kingdom and Chile. The full Report seeks to respond to these matters.

The full Report considers more GRI indicators and provides information regarding the Group's governance and management approach to sustainability. It is self declared GRI level C.

The full version of the **Antofagasta plc Sustainability Report 2008** with the GRI index will be available in Spanish and English at the Group's website: [www.antofagasta.co.uk](http://www.antofagasta.co.uk).

This present additional document, **Antofagasta plc Sustainability Report 2008 Highlights** presents a summary version of the full Report. Its aim is to provide easy access to key information about the economic, social and environmental performance of the Group and to encourage stakeholders to read the full Report. This Highlights Report is published in Spanish and English and is available at [www.antofagasta.co.uk](http://www.antofagasta.co.uk).





MESSAGE  
FROM THE CHAIRMAN

**Antofagasta plc** has made sustainability a strategic cornerstone of its management and of the growth in its business. In 2008 we formalised this commitment by publishing our Sustainable Development Principles which govern all companies in the Group and their contractors. We also continued to implement systems which enable us to include social and environmental matters alongside economic considerations in a unified and consistent manner throughout the Group. The challenge now is to embed a culture of sustainability within our organisation so that these three variables are always incorporated into our decision-making processes.

When managing social aspects, particularly in our mining companies, our aim is to create conditions for local development beyond the lifespan of our operations. A significant part of our effort focuses on providing training opportunities to foster skills and employability in the areas in which we operate.

We set ourselves high environmental performance standards. We are studying new ways to control our impacts on air, water and soil. We are investigating alternative and non-conventional renewable energies with the aim of developing cleaner solutions for our energy needs. We have also begun working to measure our carbon footprint.

Antofagasta plc helps to generate growth and value in the communities where its activities take place. That is why we are committed to contributing solutions to the challenges which surround us. We have learned that it is no longer enough just to operate with technical competence. It is also fundamental to engage with local communities –and with society at large– and provide our stakeholders with more and better information about our economic, social and environmental performance. Among other activities our second full Sustainability Report represents our effort to communicate transparently with all our stakeholders.

We trust the full Report as well as this Highlights Report will continue to build our relationships with our stakeholders and deepen our commitment to doing business in a sustainable way.

**Jean-Paul Luksic**  
Chairman

# ABOUT

## ANTOFAGASTA PLC

**Antofagasta plc** is a Chilean-based group listed on the London Stock Exchange. It comprises three business divisions –mining, transport and water– each with its own management structure.

### AMSA

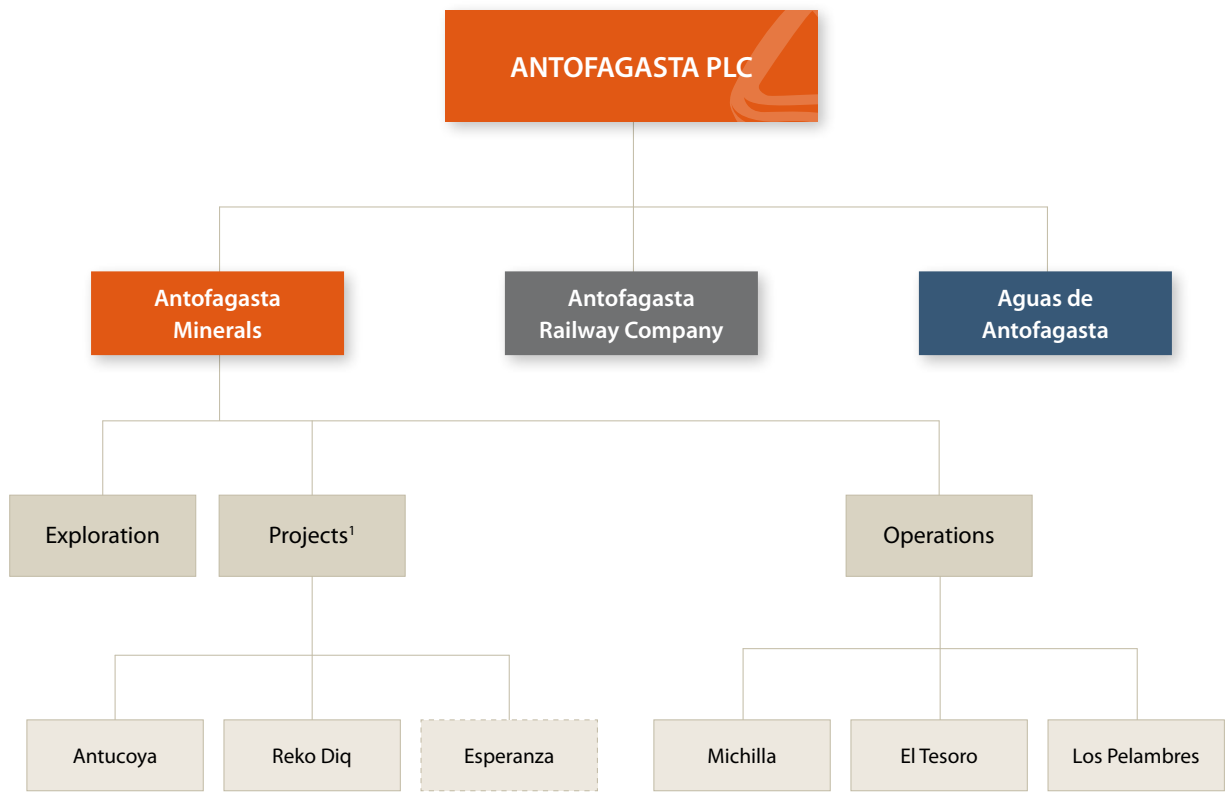
**Antofagasta Minerals S.A.** the mining division, is dedicated to the production and sale of copper concentrate, copper cathodes and molybdenum concentrate. At present it has three mining companies: Michilla and El Tesoro, which produce copper cathodes in the Antofagasta Region; and Los Pelambres, which produces copper and molybdenum concentrate in the Coquimbo Region. The corporate centre in Santiago evaluates and develops business opportunities for the Group and supports its operations and projects. In 2008 the Group had exploration projects in Chile, Pakistan and Zambia. The construction of Esperanza was initiated and this will produce copper concentrate using sea water, the best available technology and an innovative system of thickened tailings. The plant expansion at Los Pelambres continued to make progress. The Tesoro Noreste project also advanced and this extends El Tesoro's mine life. In 2008, the mining division represented 93% of Group turnover.

### FCAB

**Antofagasta Railway Company plc (FCAB)** provides rail and road transport mainly to the mining industry in the Antofagasta Region. Its three principal subsidiaries provide ancillary services: TRAIN focuses on cargo transfer and road transport; FCAB Embarcadores provides services for storage, loading and unloading in ports; FCAB Ingeniería y Servicios provides equipment maintenance and repair for third parties. In 2008, the transport division represented 4.5% of Group turnover.

### ADASA

**Aguas de Antofagasta S.A.** has a 30-year concession for water distribution and treatment in the Antofagasta Region which began in 2003. It provides essential services in the production and distribution of potable water for 138,000 domestic clients in Antofagasta, Calama, Tocopilla, Mejillones and Taltal as well as waste water collection and treatment. It also distributes water to industrial clients. Aguas de Antofagasta seeks to provide a sustainable water supply in the midst of the Atacama desert, gradually increasing the use of sea water through the installation of desalination plants. In 2008, the water division represented 2.5% of Group turnover.



We continue to implement practices and systems that allow us to identify and manage our impact thereby contributing to the creation of social and environmental as well as economic value through our activities.

<sup>1</sup> Esperanza is under construction and is expected to begin production in late 2010. Antucoya and Reko Diq are undergoing feasibility studies.

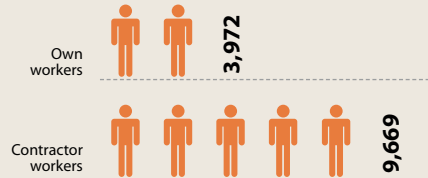
# ANTOFAGASTA PLC: MINING, TRANSPORT AND WATER

	HIGHLIGHTS	FIGURES
<p><b>ANTOFAGASTA PLC (APLC) GROUP</b></p>	<ul style="list-style-type: none"> <li>• Chile's fourth largest producer of copper</li> <li>• Incorporated in the United Kingdom, listed on the London Stock Exchange</li> <li>• Principal provider of cargo transport services and water supply in the Antofagasta Region</li> </ul>	<p>Represents approximately</p> <p><b>9.7 %</b> of GDP of the Antofagasta Region</p> <p><b>15 %</b> of GDP of the Coquimbo Region</p> <p><b>7.8 %</b> of copper exports from Chile</p>
	PRODUCTS / SERVICES	PRODUCTION
<p><b>ANTOFAGASTA MINERALS (AMSA)</b></p>	<ul style="list-style-type: none"> <li>• Copper cathodes</li> <li>• Copper concentrate</li> <li>• Molybdenum concentrate</li> </ul>	<p><b>477,700</b> tonnes of payable copper <i>(11.6% above 2007 production)</i></p> <p><b>7,800</b> tonnes of molybdenum <i>(23.5% below 2007 production)</i></p>
<p><b>ANTOFAGASTA RAILWAY COMPANY (FCAB)</b></p>	<ul style="list-style-type: none"> <li>• <b>Cargo transport:</b> <ul style="list-style-type: none"> <li>· Sulphuric acid</li> <li>· Copper cathodes</li> <li>· Other industrial materials</li> </ul> </li> </ul>	<p><b>5.6 million</b> tons carried by rail</p> <p><b>1.4 million</b> tons carried by road</p>
<p><b>AGUAS DE ANTOFAGASTA (ADASA)</b></p>	<ul style="list-style-type: none"> <li>• Production and distribution of potable water</li> <li>• Collection and treatment of sewage</li> </ul>	<p><b>42.7 million</b> m<sup>3</sup> of water sold</p>


**TURNOVER**  
(US\$)

**US\$ 3,372.6**  
million

**WORKFORCE**



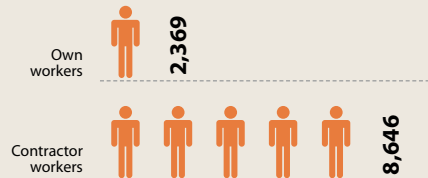
**COUNTRIES IN WHICH WE DO BUSINESS**

-  Chile
-  Bolivia
-  Pakistan
-  Zambia

**TURNOVER**  
(US\$)

**US\$ 3,137.1**  
million

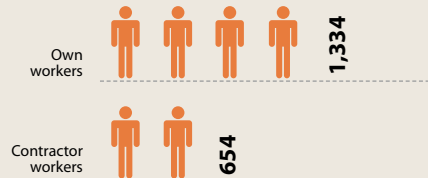
**WORKFORCE**





**COUNTRIES IN WHICH WE DO BUSINESS**

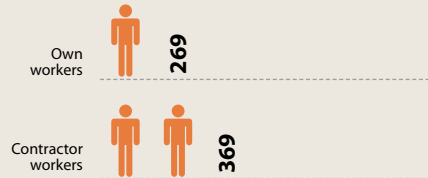
-  **Mining operations:**  
Chile
-   **Mining projects:**  
Chile and Pakistan
-    **Mining exploration:**  
Chile, Pakistan and Zambia

**US\$ 151.0**  
million



-  Chile
-  Bolivia

**US\$ 84.5**  
million



-  Chile

## ECONOMIC CONTRIBUTION

The Group's companies promote local development by creating jobs (with an average of 87% of its own workers from local Regions), providing training opportunities and increasing the employability of its workers and local communities.

Salaries paid in 2008 totalled US\$176.5 million.

The Group actively promotes regional development through a procurement practice for materials and services that gives priority to local suppliers, who constitute almost 50% of the total.

ECONOMIC VALUE GENERATED AND DISTRIBUTED BY THE GROUP	2007 (US\$ m)	2008 (US\$ m)
<b>VALUE GENERATED</b>		
Revenues from net sales, operating income and sales of assets	3,857.9	4,783.6
Investment income	113.4	78.9
<b>TOTAL</b>	<b>3,971.3</b>	<b>4,862.5</b>
Operating costs	1,058.1	2,041.7
Employee wages and benefits	140.5	179.7
Payments to providers of capital	1,186.6	1,000.3
Payments to government	598.7	541.7
Donations	5.9	11.3
<b>TOTAL</b>	<b>2,989.8</b>	<b>3,774.7</b>
<b>ECONOMIC VALUE RETAINED</b>	<b>981.5</b>	<b>1,087.8</b>

Payments to government exclude deferred taxes in accordance with recent GRI guidance and prior year comparatives have been restated accordingly.



## COMMITMENT TO **SUSTAINABILITY**

In 2008, the Board of Directors of Antofagasta plc approved a set of Principles of Sustainable Development which set down basic commitments and guide decisions and activities in economic, environmental and social aspects. Within this framework, Antofagasta Minerals defined and communicated an Environmental Policy and a Social Relations Policy. It also made progress in the development of social and environmental management systems which continue to promote sustainability in all its activities. This commitment is reflected in the publication of Los Pelambres' third Sustainability Report and El Tesoro's first such report. During 2008, Aguas de Antofagasta published an Environmental Policy.

### **CARBON FOOTPRINT**

At the end of 2008, Antofagasta plc began gathering information in order to identify the carbon footprint of each of its three divisions. This inventory will serve as a baseline for the better management of emissions and to respond to the Carbon Disclosure Project (CDP)<sup>2</sup> questionnaire.

It is worth noting that in 2008 Los Pelambres was successful in reducing its electricity consumption by using the braking of its mineral conveyor belts to generate energy. Taking advantage of the difference in height between the primary crusher and the concentrator (1,500 metres), it was able to generate 99,669 GWh, reducing its demand on the central electricity grid.

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<sup>2</sup> Further information at [www.cdproject.net](http://www.cdproject.net)

## WORKFORCE

## SOCIETY

## ENVIRONMENT



Health, safety and training.

All operations certified OHSAS 18001.

Annual preventive health examination.

Specific promotion of women in the workforce (El Tesoro).

68% of own workforce and 43% of contractors are from the Region of each respective operation.

Provide employment for local people and promote long-term development of human capital the relevant area of influence.

Annual reputation review carried out among stakeholders.

Permanent road safety initiative.

Encouraging productivity, providing technical support and irrigation improvement (Los Pelambres).

Training for 1,000 people and development of 130 mining equipment operators (Esperanza).

Impact from exploration to closure is proactively managed. Efficient usage of energy and water.

Carbon footprint assessment.

Approval of closure plan (Michilla) and Environmental Impact Study (Esperanza).

US\$19 million of environmental investment including: monitoring, reforestation, archaeology and fauna management plans.



Health, safety and accident prevention. Attraction and retention of talent.

New gym for workers and families opened with two employed chiropractors and capacity for 30 people per hour.

96% of own workforce and 91% of contractors are from the Antofagasta Region.

Working to preserve and share the region's historic heritage.

First client survey completed.

Renewable Energy Show.

Four thousand visitors to the Cybertrain, a digital literacy initiative supported together with the Luksic Foundation.

Potential impacts identified and controlled. Successful handling and control of dangerous substances during transportation.

Internal campaign to promote the efficient use of energy.

US\$380,000 invested in environmental projects including environmental studies, soil monitoring and improvements in waste management systems.



Accident prevention, positive working environment, attraction and retention of talent.

Successful initiative with contractors to reduce accidents and promote good practice.

Digital literacy of 100% of workers achieved.

100% of own staff and 48% of contractors are from the Antofagasta Region.

Begun new Customer Relations Programme aiming to provide excellent service.

First client survey completed.

Antofagasta's 1st International Desalination Seminar.

Young and student leaders training initiative.

Environmental Policy developed.

Increased availability of sea water for human consumption through use of desalination plants.

Energy savings through optimisation of consumption.

Carbon footprint assessment begun.



## PRINCIPLES OF SUSTAINABLE DEVELOPMENT

The Antofagasta plc group develops exploration activities, projects and mining operations as well as other related business worldwide. The goal is to maximise economic value in a way that is sustainable over time, integrating social and environmental aspects into management and maintaining mutually beneficial relationships with stakeholders including employees, partners, clients, contractors, suppliers, communities, civil society and the authorities. These Principles of Sustainable Development integrate and drive the Group's specific policies.

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People come first.

The development of our business represents our driving force.

Our actions are governed by values.

Management excellence is an imperative.

A preventive approach assures and strengthens the quality of our actions.

Respect is the start of a good relationship.

Respect for the environment is our responsibility.

Communication is the basis of trust.

Customers and stakeholders justify our work.

We comply with the law and our commitments.

**More information:**

[www.antofagasta.co.uk](http://www.antofagasta.co.uk)  
[www.aminerals.cl](http://www.aminerals.cl)  
[www.antofagasta.cl](http://www.antofagasta.cl)  
[www.aguasantofagasta.cl](http://www.aguasantofagasta.cl)  
[www.fcab.cl](http://www.fcab.cl)  
[www.michilla.cl](http://www.michilla.cl)  
[www.mineraesperanza.cl](http://www.mineraesperanza.cl)  
[www.pelambres.cl](http://www.pelambres.cl)  
[www.tesoro.cl](http://www.tesoro.cl)

**Comments and suggestions:**

[reporte@aminerals.cl](mailto:reporte@aminerals.cl)

**Offices:**

5 Princes Gate  
Knightsbridge  
London SW7 1QJ  
United Kingdom

Apoquindo 4001 - Piso 18  
Las Condes  
Santiago, Chile

*Printed in Mohawk Options 100% PCW paper.*

*Manufactured with eolic energy*

*Contains 100% post-consumer fibre*

*Paper certifications: Green Seal, Green -e and FSC*

*Production and Design: M. Loreto Cammas B.*

ANTOFAGASTA  PLC

