

Addressing Climate Change through Commitment

Introduction

Kennecott Land and Kennecott Utah Copper are committed to discovering innovative solutions to address climate change. With increasing energy demands and decreasing resources, we continue to partner with various groups to be a leader in finding results that will benefit future generations. As the nation continues to strive for a decreased reliance of imported sources of energy, the Kennecott Utah companies are working to do our part to promote energy efficiency and the development of alternative energy sources.

Kennecott Land Company - KL

Blue Sky Power - Wind Power

In 2007, Kennecott Land (KL) committed to support renewable wind energy production by signing up for Rocky Mountain Power's Blue Sky program. According to Rocky Mountain Power, Kennecott Land is a leader in its efforts to create a more sustainable business and community, and is likely the first developer to purchase enough renewable energy through Blue Sky to offset the entirety of the electricity used to power its operations. Kennecott Land is also challenging Daybreak community residents to support renewable energy use by individually signing up for Blue Sky. For the first 400 Daybreak households that sign up to buy two blocks of renewable energy per month, Kennecott Land will match the purchase and buy an additional two blocks on their behalf for 12 consecutive months.

Solar Salt Lake City – Solar Power

Kennecott Land support of renewable energy doesn't stop with the wind. We are partnering with Salt Lake City, Salt Lake County, Rocky Mountain Power and Utah Clean Energy to accelerate the development of advanced solar technologies. Our combined proposal called "Solar Salt Lake City" was selected by the Department of Energy for one of 13 Solar America Cities Awards. Kennecott Land is the only developer in the country involved in the partnership. Our intention in this partnership is to plan for solar infrastructure, streamline regulations, and promote the adoption of mainstream solar technology among residents and businesses in the Salt Lake Valley. We will work to remove local market barriers in our sustained efforts to help Salt Lake County become a model for the rest of the U.S.

Energy Star® Homes – Energy Efficiency

Every home at Daybreak is built to United States Environmental Protection Agency Energy Star® program specifications and is the largest community in the

nation to pledge to be Energy Star certified. What are the benefits of owning an Energy Star® home? Lower utility costs for the homeowner and a reduction in harmful greenhouse gas emissions to the environment. The average utility savings per household, based on an average 2,200 square foot house, are approximately \$200 to \$400 annually. That same home will offset greenhouse gas emission by approximately 3.96 metric tonnes of Carbon Dioxide Equivalent (CDE) annually. At full build out, Daybreak's Energy Star® homes will contribute to an overall greenhouse gas emissions savings of approximately 58,569 metric tonnes of CDE annually and removing 12,677 passenger cars from the road.

LEED® Certified Buildings – Energy Efficiency

The U.S. Green Building Council (USGBC) awarded Kennecott Land and the Jordan School District a LEED Silver rating for the Daybreak Elementary School and Community Center in South Jordan, Utah. The USGBC's Leadership in Energy & Environmental Design® (LEED) Green Building Rating System™ certifies buildings that take preventative measures to lessen their impact on the environment. Such measures include the use of recycled materials, increased use of daylight, reduced water and energy consumption and innovative design. This facility became the sixth building and the first public school in Utah to be LEED Certified. The building has a unique design with the Elementary School combined with the Community Center. Despite the longer operating hours that include weekends and evenings, the building uses 25 cents per square foot less energy than the district average for schools. The new Daybreak Corporate Center, which opens in 2008, is also being designed to LEED standards.

TRAX and Trails - Transportation Options

Kennecott Land is a proponent of transit. That's why in 2004, Kennecott Land helped accelerate the Environmental Impact Statement for the Mid-Jordan light rail line. This 10-mile line is the first major West Bench transit corridor off the main north-south TRAX line. It will travel southwest through Murray, Midvale, West Jordan and into South Jordan, terminating in the town center of Daybreak. The Mid-Jordan line could open as early as 2010. This will help reduce the number of vehicle trips to and from the west bench. In addition, Daybreak has been designed to be a walkable community with 37 miles of trails. In addition, Kennecott Land employees are provided annual passes to better utilize mass transit options.

Kennecott Utah Copper (KUC)

Blue Ribbon Advisory Council on Climate Change

KUC is a member of the Blue Ribbon Advisory Council on Climate Change to help evaluate energy policy options for Utah. This climate change council was created by Governor Jon Huntsman Jr. The council is charged with considering the science, economics and policy encompassing climate change in a forum where regulatory, industry and community groups can engage in productive dialogue.

Kennecott Utah Copper Smelter

It is one of the most technologically advanced, energy efficient and cleanest copper smelters in the world. The copper smelting technologies produce about 300,000 tons of 99.5% pure copper anodes per year. The Smelter recovers waste heat from its smelting and acid making processes and co-generates about 22 megawatts (2/3 of the smelters energy supply) of electricity from waste heat. The Smelter produces about one million tons of saleable sulfuric acid and captures 99.9% of the sulfur during the smelting process.

Alternative Energy and Energy Conservation

KUC is evaluating energy efficiency initiatives at each of the operational plants. We are evaluating additional supplemental power generation options such as solar, wind and hydrogenation, and diversifying our energy supply. We have also targeted to reduce our energy consumption by 14% by 2008 from a 2003 baseline, per metric tonne of product. One of the ways we are doing this is attaching an energy use reduction component to employee bonuses. In 2007, new hybrid fleet vehicles were purchased.

Greenhouse Gas Reduction

We have a target of reducing our greenhouse gas emissions by 16% by 2008 from a 2003 baseline, per metric tonne of product. A number of projects in various states of planning or completion are expected to assist us in moving towards this goal. These projects range from reducing diesel consumption through use of fuel additives at the Bingham Canyon Mine to installation of pebble crushers and advanced flotation cells at the concentrator.

LEED® Certified Buildings – Energy Efficiency

The U.S. Green Building Council (USGBC) awarded Kennecott Utah Copper a Silver LEED certification for the Mine Office Building and a Certified rating for the Bingham Canyon Mine Visitors Center. In addition, the new Rio Tinto Distribution Center at Daybreak is being built to LEED standards. The USGBC's Leadership in Energy & Environmental Design® (LEED) Green Building Rating System™ certifies buildings that take preventative measures to lessen their impact on the environment. Such measures include the use of recycled materials, increased use of daylight, reduced water and energy consumption and innovative design.

Both Companies:

US Climate Action Partnership

Rio Tinto joined the US Climate Action Partnership, an alliance of major businesses and environmental groups encouraging federal policy to reduce GHG emissions.

The Climate Registry

Kennecott joined The Climate Registry as founding members. The Climate Registry is a voluntary reporting system for greenhouse gas (GHG) emissions. It was developed in collaboration with 39 states, including Utah, five provinces and three tribes. By joining the Registry, KUC and KL will continue to report publicly on their GHG or CO2 emissions associated with their operations. Currently, GHG emissions are reported in the companies' annual sustainable development reports which are distributed to community stakeholders. According to the Registry on 1/15/2008, Kennecott is the only mining company to join.

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