



MINING RESPONSIBLY FOR A BRIGHTER FUTURE

2012 SUSTAINABILITY REPORT





**CARMEN
COPPER
CORPORATION**

A SUBSIDIARY OF ATLAS
CONSOLIDATED MINING &
DEVELOPMENT CORPORATION



ABOUT THE COVER

The reforested area from the Carmen Copper mine is laid out in the extended cover design illustrating the Company's commitment to responsible, safe and sustainable practices for its employees, its host communities and the environment.

Carmen Copper Corporation (Carmen Copper) is a wholly-owned subsidiary of Atlas Consolidated Mining and Development Corporation (Atlas Mining) and shares the same core values and commitment to sustainable development with the parent company.

CORE VALUES

PROFESSIONALISM

GENUINE CONCERN
FOR THE COMPANY

TEAM ORIENTATION

INNOVATION

GENUINE CONCERN
FOR SAFETY, SOCIAL
DEVELOPMENT
AND SUSTAINABILITY

COMMITMENT TO SUSTAINABLE DEVELOPMENT

Carmen Copper is a steward of its people, its community and the environment. We are committed to protect the welfare of our employees, provide our host communities with opportunities for employment, education and entrepreneurship, and contribute in the protection and restoration of the environment. Guided by the principles of safety, social development and sustainability, we will ensure long-term growth for the future and the succeeding generations.

CONTENTS

- 1 Corporate Profile
- 2 Message from the Chairman and President
- 3 Message from the Executive Vice President
- 4 Sustainability Policy
- 5 Sustainability Strategy and Materiality Analysis
- 6 Stakeholder and Risk Management
- 7 Ethics and Human Rights
- 10 Sustainable Communities
- 15 Environment, Safety and Health Policy
- 16 Environment
- 22 Workplace Health and Safety
- 25 Our People
- 28 Economic Contribution
- 31 Key Sustainability Data

ABOUT THE REPORT

This is the first Sustainability Report of Carmen Copper reflecting the passion and commitment of the Company in doing business responsibly. This report provides information about the various sustainable development programs for the year 2012. It also clearly defines the systems, policies and processes, including the monitoring and evaluation of community engagements that altogether comprise the sustainability framework.

For more information on Carmen Copper's financial performance, please refer to the 2012 Annual Report of Atlas Mining.



SCOPE

This report will focus on the various sustainable development programs implemented following the rehabilitation of Carmen Copper in 2007. Every effort has been undertaken to report all issues material to Carmen Copper.



REPORTING PERIOD

This report covers the period as of December 31, 2012 and will be produced annually henceforth. Selected key 2011 data and figures have also been included for comparison.



CASE STUDIES

This Report is supported by case studies on specific activities that detail the Company's approach to sustainable development.



AUDIENCE AND DISTRIBUTION

This report is made publicly available, especially to all Atlas Mining and Carmen Copper shareholders and key stakeholders including business partners, regulators, industry groups, media and the community. The electronic version of this report is also available online on www.atlasphilippines.com.

CORPORATE PROFILE

Carmen Copper Corporation

Carmen Copper is a wholly-owned subsidiary of Atlas Mining and is one of the largest operating copper mines in the country. It was incorporated in September 2004 and has the existing operating rights over the Toledo Copper Mine under a Mineral Production Sharing Agreement (MPSA) with the Philippine Government.

The Toledo Copper Mine is located in Barangay Don Andres Soriano, Toledo City, Cebu. Carmen Copper's operational area covers 1,676 hectares while the actual pit mining area is about 393 hectares.

Carmen Copper sources and extracts its ore from two active mine open pits, namely: Lutopan Pit and Carmen Pit. The Toledo Copper Mine has an estimated mineral resource of 2.04 billion tonnes at 0.25% copper at a 0.10% copper cut-off grade equivalent to about 5.1 million tonnes of copper. Total proved and probable reserves as of December 31, 2012 based on AMC estimates reached 444 million tonnes at an average grade of 0.34% copper at 0.20% copper cut-off grade.

Copper ore is processed on site at the Carmen Concentrator Plant with an average milling tonnage of 42,000 tonnes per day in 2012.

Waste components (tailings) produced in processing the copper ore are piped from the mill and permanently deposited at the Biga Tailings Storage Facility (TSF) which is formerly a mine open pit converted into a waste containment site with operating life of 11 years with the current mill capacity.

Copper concentrate output produced from the mill is transported by 20-tonne dump trucks to the Sangi Terminal where it is stored in ore bins prior to shipment. Bulk loading of concentrate is facilitated by a conveyor-loader system that directly discharges the cargo to the berthed vessels.

For more information, visit our website at www.atlasphilippines.com.

Financial and Operational Highlights:

Financials (in million Php)	2011	2012
Revenues	12,498	14,411
EBITDA	4,178	5,861
Core Income	2,283	3,222
Net Income	2,541	3,320

Production	2011	2012
Copper Metal - Gross (in million pounds)	71.01	89.92
Daily Milling Tonnage (in thousand DMT)	38	42
Copper Head Grade	0.298	0.327
Copper Recovery Rate	79%	82%

Shipments	2011	2012
No. of Shipments	24	32
Copper Metal - Gross (in million pounds)	70.46	91.41

AWARDS & RECOGNITION



DENR Environmental Management Awards 2012

- Plaque of Recognition for Best National Greening Program Implementor for Operating Mines & Quarries in Central Visayas
- Plaque of Recognition for being an active partner and collaborator in clearly stating and clarifying the principles and practices of Responsible Mining

PMSEA Annual National Mines Safety and Environment Conference 2012

- Best Mining Forest Awards for Metallic Category (Second Runner-up)
- Gintong Pala Award for ardent efforts to serve and save lives

Good Corporate Citizenship Awards

- Top Corporate Taxpayers Award, City of Toledo (First Place)
- Top Real Property Taxpayers, City of Toledo (Fifth Place)
- Top Exporter, Bureau of Customs, Cebu Port (Top Five)
- Top Importer, Bureau of Customs, Cebu Port (Top Seven)

MESSAGE FROM THE CHAIRMAN AND PRESIDENT



The publication of this Sustainability Report, the first in the history of Carmen Copper, is a clear manifestation and reflection of our longstanding effort to maintain a harmonious relationship with our employees, our host communities and, most importantly, our environment. While Atlas Mining's 2012 Annual Report detailed the operational and financial performance for the year, it is our hope that this Sustainability Report will shift the spotlight to our shared commitment to doing business responsibly and sustainably - something that we are equally passionate and proud of.

Our focus remains on the principles and practices of safety, social development and sustainability, and these are ably demonstrated by the contents of this Sustainability Report.

It highlights our milestones in 2012, notably, the achievement of 10 million man-hours without lost-time accident as well as the substantial amount invested for projects that improve health, education, security and livelihood for the communities in our area of operations, Toledo City, Cebu.

For the environment, we have planted 418,000 seedlings within our coverage area from 2008 until 2012, and we will plant more seedlings in the foreseeable future because we see how dramatic and defining the results of these activities have been.

Lastly, we continued to live up to our promise of providing employment to our community, with 82% of our workforce coming from the city of Toledo.

With these programs in place, we will continuously endeavor to be a role model for sustainability and responsible mining, and ensure that the benefits from our operations accrue to as many people as possible within our host communities and to the nation as a whole.

I ask that our partners, employees, stakeholders and community members remain with us in this noble and worthy quest.

Thank you,


Alfredo C. Ramos

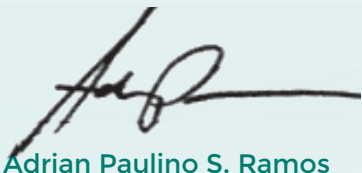
MESSAGE FROM THE EXECUTIVE VICE PRESIDENT

I am proud to present our 2012 Sustainability Report which provides an insight to our approach to sustainable development. Our strategy is based on our commitment to perform in an ethical and responsible manner that creates long-term value for our stakeholders. Our production and financial milestones have empowered us to contribute more for our employees, our host communities and the environment.

Our conscious and sincere efforts to uplift the lives of those around us and our long-term programs to rehabilitate and rejuvenate the environment have been our main focus. Our genuine concern for safety, the environment and the community forms part of our core values which comes at the forefront of the various sustainability programs, projects and activities we implemented in 2012.

We thank our people and our community for continuing to help in achieving our goals for sustainable development.

We will remain true to our advocacy to become an instrument of growth and progress and we will continue to mine responsibly to provide a brighter future for our communities.



Adrian Paulino S. Ramos





Carmen Copper Corporation

Sustainable Development Policy

Our Vision

It is our vision to create continuing value through the exploration, mining and processing of mineral resources in Cebu, but only when such resources are used and managed in a manner that is sustainable, as to meet the requirements and aspirations of current and future generations. We recognize that to be truly successful we must continue to work with our neighbors and host communities to maintain and continuously enhance our reputation in the areas of safety, environment, social impact and business ethics.

The minerals and metals produced at our operations contribute to society's needs, creating wealth to support community infrastructure, health care and education programs, and delivering financial dividends for our shareholders. Our activities also provide the means and opportunity to develop new approaches to assist in solving some of the environmental and human development challenges in the Philippines, such as poverty.

We also recognize that, if not managed appropriately, some aspects of our activities have the ability to detract from sustainable development, such as options for the future use of water and land; amenity impacts on local communities; and greenhouse gas emissions from our operations and the use of our products

We work with all our stakeholders to understand the effects that we have on the environment around us, and aim to progress our business in a way that delivers annual improvements in our performance.

Our Commitment

It is our goal to be recognized as a model company. We are therefore committed to creating sustainable opportunities and value for our host communities, employees and contractors, customers, suppliers and business partners. The continued success and growth of our business is dependent on strong commitment to all aspects of sustainable development - incorporating an integrated approach to safety and health, social and environmental management as well as a goal to achieve economic prosperity, simultaneously, maintaining the highest level of ethical corporate governance and decision-making principles.

Our Strategy

We continue to develop, implement and continuously improve our business framework to ensure that we meet the goal of contributing to the transition to sustainable development. This framework involves the implementation of a series of Standards, which represent Carmen Coppers business, ESH and Community Care drivers.

Our Success

Carmen Copper Corporation will only be successful in creating real sustainable value when:

- Our Shareholders are in receipt of returns on their investment;
- Our customers and suppliers are benefiting from our relationships;
- The environments in which we operate are not adversely impacted;
- Our neighbors and host communities value our citizenship; and
- Our employee's are safe, healthy and proud to be one of our employees.

It is vital for Carmen Copper Corporation to strive towards providing lasting social, environmental and economic benefits to society. We realize that failure to do so, could risk or revoke our license to operate. Success can only be achieved by striving to be the best we can, meet our sustainable development vision, goals and targets and continue to do what we say are going to do.

**The Board of Directors of Carmen Copper Corporation acting through its
Chairman, Alfredo C Ramos**

SUSTAINABILITY STRATEGY

Strategic Focus

Carmen Copper's firm commitment and strategy in optimizing production and improving efficiency stretched beyond, to its employees, host communities and the environment.

The Company's conscious effort to be a responsible corporate citizen is consistent with the vision to become a leading copper producer in the Philippines and role model for responsible mining.

Towards this goal, Carmen Copper anchors its sustainable development practices on four (4) focus areas: Community, Environment, Workplace and Ethics. This is in line with the company's core values of

professionalism, genuine concern for the Company, team orientation, innovation and genuine concern for safety, social development, and sustainability.

Carmen Copper operates its business in a way that is environmentally responsible, benefits its host communities, cares for the well-being of its employees, contributes to good governance, and leaves a positive social legacy.

Carmen Copper believes that a sustainable corporate responsibility framework that is fully integrated with its business model will drive shareholder value and brand affinity.

MATERIALITY ANALYSIS

Relevant areas have been identified and a materiality matrix is used to map issues and rate them according to the following levels of significance:

High – Issues that are most relevant to the business and have high potential impact on both the bottomline and the stakeholders.

Medium – Issues that are reported but not necessarily with quantitative indicators. Some issues only partially impact the business and the stakeholders.

Low – Issues that are of low materiality, with minimum impact on business and are not reported in detail.

Carmen Copper aims to integrate this materiality matrix into future stakeholder engagement processes to align business and stakeholder concerns more effectively. Using the matrix, the Company has likewise provided the needed resources and taken action to address the identified stakeholders concerns.

The main areas that pose the highest level of materiality to Carmen Copper are safety, community relations, environmental issues, resource management, waste management, and regulatory requirements.

CARMEN COPPER'S SUSTAINABLE CORPORATE RESPONSIBILITY FRAMEWORK



STAKEHOLDER MANAGEMENT

Believing that continuous stakeholder engagement is integral to the success of its business, Carmen Copper communicates with seven (7) major stakeholder groups using diverse channels.

STAKEHOLDERS	METHOD OF ENGAGEMENT	CONCERNS	RESPONSIVENESS
Offtakers	Regular meetings	Clean concentrates Uninterrupted shipments Transparency Clear policies	Quality of product Regular feedbacks
Suppliers, contractors and business partners	Regular meetings Procurement management	Clear procurement policies Transparency Long-term contracts Ethical behavior	Sourcing "green" supplies and equipment
Investor community	Annual Stockholder's Meeting Annual Report Analyst briefings Quarterly reports and press releases	Higher financial returns Long-term growth	Dividends Strong financial performance ROI action on measurement
Employees and labor unions	Focus group meetings Performance appraisal (semi-annual) Training and awareness initiatives Labor Management Relations Council	Career development plans Safe work environment Open dialogue Compensation and benefits	Trainings Townhall meetings Kapihan sessions
Local communities, non-government organizations, community-based organizations	Social activities (donations, education and collaboration with non-government organizations)	Support to the community Development programs	Social Development and Management Program (SDMP)
Government authorities and regulators	Compliance to regulatory requirements	Regulatory disclosures Transparency Accountability Building partnerships Policy agreement	Annual Report Quarterly Report Sustainability Report Public disclosures
Industry associations and media	Participation in industry activities and initiatives Conferences and meetings Industry workshops	Building partnerships	Sharing of expertise and resources

RISK MANAGEMENT

Carmen Copper adopts a risk management approach that allows for the execution of adequate mitigation measures without imposing constraints upon the ability of the enterprise to optimize business opportunities.

The Enterprise Risk Management Committee of the Company that is composed of members of senior management continually reviews the efficacy of existing risk assessment protocols and the adequacy of the risk reduction strategies being implemented within the organization.

The Company has taken the critical initial steps to formalize a risk management program for itself and its subsidiaries that will allow for the formulation and documentation of policies to be adopted and implemented for the purpose of moderating, in the most comprehensive manner achievable, the various forms of economic and operational risks to which the business enterprise is exposed.

Currently, the managers of all the organizational units of the Company are required to present, as part of their monthly reports, (i) the results of their regular assessments of risks attending such aspects

of the operations to which their functions pertain, and (ii) the remediation measures that they have adopted to address such risks. Material and high-probability risks that are identified are immediately reported to senior management for immediate action.

At the board level, the governance of the Company's internal systems for managing risks falls within the purview of the Audit and Risk Management Committee that is mandated to regularly examine and evaluate the Company's exposure to existing risk sources to guide the institution of policies that will diminish the likelihood and impact of risk realization.



“We respect and uphold human rights in all aspects of our operations.”

Ethical Behavior

Carmen Copper strives to achieve an ethical, open and responsible work practice in all aspects of its operations.

The Company is committed to operate in accordance with the United Nation (UN)'s Universal Declaration of Human Rights and the UN Global Compact Principles. Carmen Copper also complies with all relevant Philippine laws and regulations while exacting the highest standards of personal and professional ethical behavior from its people.

Carmen Copper's employees, contractors, and suppliers are oriented about its Business Principles, Code of Conduct and respect for Human Rights through training programs that include assessing risks associated with fraud, corruption or bribery. Employees are deemed accountable to act in accordance with these policies while suppliers, contractors and partners are likewise informed and are expected to act ethically.

Extractive Industries Transparency Initiative

Carmen Copper supports the Extractive Industries Transparency Initiative (EITI) which aims to enhance transparency regarding company payments and government revenues in the extractive industry. The Philippine Government itself supports and promotes EITI.

On 06 July 2012, President Benigno Aquino III issued Executive Order No. 79 providing for policies and guidelines to ensure environmental protection and responsible mining as well as to improve transparency, accountability and governance in the mining sector.

The Philippines hopes to become an EITI implementing country and has filed its application to the Oslo-based EITI Secretariat in 2013, making it an EITI candidate country. Carmen Copper and its parent company, Atlas Mining, fully support this endeavor.



Clockwise from left: Miner starts duty at Lutopan pit, An employee flanked by schoolchildren of Brgy. Biga, Meeting at the Carmen Pit.



Labor

Guided by the Philippine Labor Code, Carmen Copper fully supports the elimination of all forms of labor malpractices including forced or compulsory labor and child labor.

The Labor Code prescribes a minimum employable age of 15. In 2012, the age of the Company's youngest employee and contractor is 21. There are no incidents related to forced or compulsory labor among its employees, suppliers and contractors during the reporting period.

Security

Carmen Copper's security framework requires all operations to identify and manage security-related material risks to people and property as well as to uphold human rights and fundamental freedoms.

While it is occasionally necessary to provide armed security protection for the safety of people and property, all security personnel are oriented on policies based on Republic Act No. 5487 (An Act to Regulate the Organization and Operation of Private Detective, Watchmen or Security Guard Agencies) and the Philippine National Police Guidebook on Human Rights-Based Policing.

CASE STUDY

EDUCATIONAL MINE TOURS

1,691
MINE TOUR
PARTICIPANTS
in 2012



Students at the Carmen Concentrator during a plant visit.

Carmen Copper has been consistently supporting the promotion of responsible mineral development in the Philippines by hosting and organizing educational mine tours for academic institutions, private companies, non-government and civic organizations, and government agencies.

The Company opened the doors of its sprawling mining complex in Toledo City to these groups to show first-hand Carmen Copper's mining operations and the benefits that mining brings to uplift the quality of life of the people living in Toledo City.

Carmen Copper has thus become an invaluable partner of colleges and universities in the country that offer engineering courses, geology

and exploration and other related disciplines by providing an avenue for students for supplementary first-hand application of various theories taught in classrooms.

Carmen Copper also partnered with other mining companies such as Rio Tuba Nickel Mining Corp. and Sagittarius Mines, Inc. (SMI), for educating their stakeholders about responsible mining.

The Company facilitated the "Seeing is Believing" program of SMI by opening Carmen Copper's doors to the latter's stakeholders, in the process earning positive reviews from the participants for its best practices in safety and health, community development, safety programs, and environmental protection and enhancement efforts. SMI acknowledged Carmen Copper

for being instrumental in the successful implementation of their "Seeing is Believing Program" which enabled more than 800 stakeholders of the Tampakan Copper-Gold Project to learn about the responsible management of impacts and benefits of mining in 2012.

This aided SMI to achieve a 95% increase in the approval rating of Tampakan Copper-Gold Project after the visit as of May 2013, from a base of less than 50% in January 2012.

In the conduct of its educational mine tours, Carmen Copper demonstrated that responsible management of environmental and socio-economic impacts of mining can bring about sustainable development to the community and to the environment that would last even beyond the life cycle of the mining operations.

Breakdown of Mine Tour Participants for 2012





SUSTAINABLE COMMUNITIES

“We ensure meaningful and open engagement with our stakeholders for long-term mutual benefits and inclusive growth.”

Php69 Million

Social Development and Management Program

Engaging communities, the government and other stakeholders ensure that Carmen Copper’s activities positively affect the lives of communities and the society in general. Regular engagements improve understanding of potential issues regarding Company operations and create opportunities that align to the interest of stakeholders.

The Company defines stakeholders as those who are directly affected by its operations or who have influence over the practices of Carmen Copper. Key stakeholders include the investor community, customers, media, business partners, employees, contractors, local communities, industry associations, suppliers, government agencies, non-government organizations, community-based organizations, labor unions and regulators.

Community Development Programs

The Company’s community development programs are selected on the basis of their feasibility to improve the quality of life of people in the host communities.

Carmen Copper assists in the development of host and neighboring barangays (villages) where it operates through projects and activities that address issues on human resource development & institutional building; enterprise development; assistance to infrastructure development & support services; access to education & educational support; access to health services, health facilities & health professionals; protection and respect of socio-cultural values; and use of facilities/ services inside the mine camp.

These social development initiatives are financially supported through the allocation of a fixed annual budget equivalent to 1% of the Company’s direct mining and milling costs.

The barangays, the city, and its people, directly benefit from these projects, providing them with better access to basic services.

Carmen Copper spent Php69.4 million for its Social Development and Management Program (SDMP) in 2012.

Clockwise from left: A recipient gets free medicines during a medical mission, Storytelling at Biga Elementary School, Façade of the 3-classroom building at Biga Elementary School.



Under the principle of promoting self-sustaining livelihood activities, a portion of the SDMP budget was used as direct financial and technical assistance to multi-purpose cooperatives engaged in shoemaking, furniture crafting, rubber-making, livestock raising and the establishment of small business enterprises for residents of depressed barangays.

Education

In June 2012, Carmen Copper completed and turned over a three-classroom building to Biga Elementary School in time for the start of the school year, providing more classrooms for the increasing student population.

The Company also continued to provide financial support for scholarships, books and school supplies amounting to Php2.72 million which benefited more than 2,212 students in Toledo City.

Health

Carmen Copper protects the health and welfare of its host communities through feeding programs and comprehensive medical and dental missions benefiting more than 5,879 individuals in Toledo City. In 2012 alone, Carmen Copper spent Php2.11 million on the provision of health services, medicines and health seminars.

Infrastructure

Carmen Copper constantly works to increase the scope of its SDMP programs by assisting in the construction or rehabilitation of local community infrastructure and by providing emergency rescue vehicles and ambulances.



Clockwise from left: turnover of ambulance to Brgy. Biga, Furniture set made out of recycled tires, Feeding program of Brgy. Don Andres Soriano



To support and promote the local government unit's peace and order program, Carmen Copper facilitated the renovation of the Cebu Provincial Public Safety Company barracks in Barangay Don Andres Soriano. The Company's strengthened partnership with the Philippine National Police and barangay officials help keep the peace and order in Toledo City and in the province of Cebu.

Stakeholder Consultation

Carmen Copper enhances social value by investing in and engaging communities, barangay officials, city officials and other stakeholders through its Social Impact Assessment process that features open and transparent consultation activities.

As community leaders promoting the general welfare of the people they serve, barangay officials were engaged in the identification and formulation of projects to address problems besetting their barangays such as needed infrastructures to address issues on water and sanitation, health and malnutrition, accessibility, education and peace and order.

SOCIAL DEVELOPMENT AND MANAGEMENT PROGRAM

	2012
Livelihood	Php3,698,864
Infrastructure	48,566,670
Education and Health	11,663,656
Information and Communication	5,517,958
Total	Php69,447,148

Grievance Mechanisms

In the past two years, there have been some disputes pertaining to informal settlers, illegal cutting of trees within company-owned land and claims of damages on crops affected by the Company's mining operations.

In 2012, Carmen Copper received a total of 19 community complaints, most of which are not formal grievances but notifications of community-related conflicts regarding illegal structures, all of which were addressed through barangay consultations.

Carmen Copper's grievance resolution mechanism captures and addresses both formal grievances and general community complaints and enquiries. A key part of the process is engaging a contact person to resolve the issues with third party consultations, if needed.

Artisanal and Small-Scale Mining

From 2011 to 2012, periodic field investigations by personnel of the Mines & Geosciences Bureau - Region VII (MGB-VII) noticed two entities conducting small-scale gold mining activities within company-owned and managed mineral lands in the Guiniquotan and Sigpitan areas, prompting MGB-VII to issue cease and desist orders to these small-scale miners after it found out that the small-scale miners have no mining permits.

At present, there are no existing artisanal and small scale mining operation within or adjacent to the Company's operating sites.

Resettlement

Carmen Copper's resettlement consultations are designed to provide opportunities for engagement that ensure the interests of affected communities are properly represented. Consultations are primarily done in the presence of third parties, mostly barangay officials.

There are 74 families that were resettled on the old airport area after their houses were affected by the Ilag River Diversion Project to mine the south block of the Lutopan Orebody. Most of the resettled families were company employees whose livelihood were not affected, but those whose livelihood were impacted were given alternative sources of income, such as shoemaking, furniture making, hog-raising and glove-making through the company-sponsored 4H Club near the resettlement site.

Indigenous People and Cultural Sustainability

There are no disputes relating to ancestral rights of local communities and indigenous peoples since the start of operations because the lands being utilized for mining do not overlap with any cultural communities and/or ancestral domains.

Boundary Disputes

Resolving boundary issues is the direct responsibility of local government units although the Department of Environment and Natural Resources and the Department of Interior and Local Government facilitate negotiations.

There was a total of 19 land use disputes in 2012, of which 18 were illegal structure cases while one was an informal settlement case.

The grievance mechanism for cases of illegal structures and informal settlers is addressed at the barangay level where parties are summoned to amicably settle the matter.

Generally, Carmen Copper strives to amicably resolve cases in the barangay level and only resorts to filing court cases if no resolution is achieved at this level.

CASE STUDY

BRGY. BIGA BAGONG BUHAY MULTI-PURPOSE COOPERATIVE



A farmer of Brgy. Biga Bagong Buhay Multi-Purpose Cooperative harvests his produce.

Php3.70M

Livelihood projects including livestock and poultry-raising, cottage industries, and high-value crops production

In 2008, Carmen Copper formed the Brgy. Biga Bagong Buhay Association. Starting with 20 members, the association is primarily engaged in coffee, vegetable farming and livestock breeding.

The association converted four (4) hectares of idle land on the outskirts of the mines into a flourishing vegetable plantation with the help of a seed capital and technical assistance provided by the Company.

In addition to farming and livestock breeding, the beneficiaries are engaged in jute-bag making and retail trading.

They are also into seedling plantation as a response to the DENR's National Greening Program, supplying a total of 10,500 forest tree seedlings that now cover 6.3 hectares of mined out areas.

Carmen Copper allotted Php3.70 million in 2012 for its livelihood projects including livestock and poultry-raising, cottage industries and high-value crop production.

Since then, the association has been converted into a multi-purpose cooperative with 126 members.



Carmen Copper Corporation

Environment, Safety and Health Policy

Carmen Copper Corporation believes that all work-related injuries, illnesses and environmental incidents are preventable. The Company will manage all its activities with concern and respect for its employees, contractors, host communities, stake holders and the environment. Business will be conducted for the benefit of society and without compromising the quality of life of existing and future generations. To do this, we aim to:

- Develop and implement management systems which will ensure that risk based environmental, safety and health performance goals are achieved and performance is continuously improved;
- Set challenging targets and continuously measure our progress;
- Communicate openly to all our stakeholders about our activities and report progress on our performance;
- Always guarantee the legislative requirements to which we must comply, be viewed as the minimum standard of compliance;
- Ensure our facilities operate to the highest standards;
- Provide the necessary level of training for Employees and Contractors to obtain the skills to ensure the highest standards of safety, minimize the incidence of occupational health diseases and protection for the environment;
- Encourage Employees and Contractors to apply lessons and initiatives learnt at work in the home and in their host communities that contribute to a safer, healthier and improved environment;
- Seek to develop new or improved products and processes to improve the role we play in improving the quality of people's lives and to minimize the impact on the environment;
- To efficiently manage and use materials, products and energy in a manner that where possible, waste or emissions are eliminated, reduced, reused, recycled or replaced;
- Provide appropriate information and/or training on the safe use and disposal of our products to our customers and consumers; and
- Sell only those products that can be produced, transported, stored, used and disposed of safely.

"We pledge to this commitment of performance to our Employees, Contractors, Host Communities, Stakeholders, Customers and Shareholders".

**The Board of Directors of Carmen Copper Corporation acting through its
Chairman, Alfredo C Ramos**



ENVIRONMENT



“As our operations grow, we seek to minimize the ecological impact of our operations and at the same time contribute to regenerating the environment.”



Carmen Copper continues to deepen its understanding of resource use, environmental degradation and impact and as such aims to minimize the effects through careful assessment, planning and mitigating material environmental risks.

Environmental Protection

Carmen Copper is committed to establishing and supporting its key Environmental Protection and Enhancement Programs in partnership with stakeholders. It spent more than

Php123 million for the implementation of these programs in 2012, although this amount was lower than the environmental protection expenditure in 2011 since many projects were completed during the previous year and others were deferred for 2013.

The table below provides a breakdown of Carmen Copper’s environmental initiatives, in 2012, including major investments for the maintenance and improvement of its tailings disposal facilities.

ENVIRONMENTAL PROTECTION AND ENHANCEMENT PROGRAMS

	2012
Climate Change Mitigation/Adaption <small>(includes nursery management and tailings disposal facility management)</small>	Php37,626,948
Capital Outlay (includes waste management)	9,895,783
Environmental Maintenance <small>(includes operation and maintenance of tailings disposal system and water sprinkling)</small>	73,417,869
Research and Development	1,881,160
Monitoring Trust Fund <small>(includes seminars, short courses, and mine cross-visits)</small>	361,036
Total	Php123,182,796



Clockwise from left: Aerial view of the reforested area at Biga Pit, Carmen Copper's Nursery, Arbor Day tree-planting activity.



Biodiversity and Land Management

Carmen Copper gives importance in preserving biodiversity. Thus, one of the essential components of Carmen Copper's commitment to operate responsibly and sustainably is to carefully and effectively manage land access.

The Company is also continuously improving the way it manages land and protects biodiversity. As a result, Carmen Copper started to lay the groundwork for the application for an ISO 14000 (Environmental Management) certification in 2013.

As operations expand in the future, the Company will engage stakeholders to ensure the proper understanding and protection of biodiversity in the area.

Rehabilitation

Since operations restarted in 2008, Carmen Copper has rehabilitated large areas in the Toledo Copper Mine Complex. In support of the government's National Greening Project, the Company reforested a total of 145 hectares (with an equivalent of 242,000 seedlings).

Also, more than 75,000 seedlings were donated outside the Toledo Copper Mine area to support the tree planting activities of public schools, LGUs, religious organizations, and various civic and private organizations.

All seedlings planted were produced from the Carmen Copper Main Plant Nursery Facility and two satellite nurseries operated by company-assisted community organizations.



In 2012, annual energy consumption was 12% lower at 288.55 million kilowatt hours (electricity generated with coal from Semirara Mining Corporation) with the continued implementation of energy conservation initiatives. Carmen Copper's organization-wide cost reduction program included switching-off lights and turning-off equipment when not in use, as well as using energy-saving equipment wherever possible and feasible. Continuous efforts are implemented to increase employee awareness on the Company's initiatives to improve energy efficiency.

Carmen Copper also controls ozone-depleting substances emitted by maintaining the levels at very minimal amounts. In 2012, nitrous oxides and sulphur oxides from operations registered at 192 and 9 milligrams per normal cubic meter (mg/NCM), respectively. These are below the standards set by the National Emission Standards for Source Specific Air Pollutants of 2,000 mg/NCM for NOx and 700 mg/NCM for SOx. No data was recorded in 2011 since stack sampling of the two (2) units of Pielstick Generator set started only in 2012.

Waste Management

Mining and ore processing produce large quantities of mineral waste such as waste rock and tailings, which are managed effectively and efficiently. Waste management plans are in place

to address waste minimization, storage, transportation, and disposal and are implemented to control the risk of adverse impacts on the environment and Carmen Copper's host communities.

Tailings dams and waste rock dump sites are constructed and operated to monitor, assess and manage material risks including the risk of failure. Mineral wastes are analyzed for physical and geochemical characteristics to identify potential impacts arising from erosion, rock drainage, and salinity, among others.

The Biga Pit was converted into a strong, safe and secure tailings storage and disposal facility given its landlocked feature. The water in the Biga Tailings

Solution Facility has a PH of between 7.5 and 8, which allows fish species such as tilapia to thrive in it.

Studies are underway to evaluate other potential areas to locate the next-generation tailings solution options to supplement the current facility.

Hazardous wastes are transported and disposed to third-party providers transport and treat hazardous waste (e.g. fuel oil and batteries). No waste is transported internationally. Those that are not disposed of by third-party providers are stored and monitored inside the camp.

KEY ENVIRONMENTAL PARAMETERS

PARAMETERS	2011	2012	Notes
Water Management			
Fresh Water Usage (in mcm)	16	13	Freshwater source from Malubog Dam
Recycled (in mcm)	31	22	Recycled water from Tailings Thickeners, Biga Storage Facility and from natural creeks
Total Water Usage	47	35	
Hazardous Waste Management			
Used oil (in thousand liters)	220	146	Oil generated from preventive maintenance of heavy equipment and light vehicles.
Polychlorinated Biphenyls (in thousand liters)	19	19	Polychlorinated Biphenyls – Coolants of transformers
Air Emissions			
NOx (mg/NCM)	-	192	No data available for 2010 and 2011 since stack sampling of the 2 units of Pielstick Generator Set started only in 2012
SOx (mg/NCM)	-	9	National Emission Standards for Source Specific Air Pollutants (NESSAP) o SOx = 700 mg/NCM o NOx = 2,000 mg/NCM
Energy Use			
Annual Energy (in million kwh)	329	289	
Monthly Energy (in million kwh)	27	24	



From left: A view of the Malubog Dam, Inspection at the Malubog Dam.

Carmen Copper has been consistently cited by the Department of Environment and Natural Resources and the Mines and Geosciences Bureau for its successful reforestation activities. In 2012, the Company was adjudged 2nd runner-up in the Best Mining Forest category during the 59th Annual National Mine Safety and Environment Conference in Baguio City.

Water Management

The main water source is the Malubog Lake located within the Toledo Copper Mine Complex. A dam was built to manage water flows and secure downstream supply.

In 2012, total water usage registered at 34.99 million cubic meters. Overall water consumption was reduced by approximately 26% due to improved water conservation practices implemented across the organization. In the same year, 64% or 22.33 million cubic meters of water was recycled from the tailings thickeners and the Biga tailings storage facility.

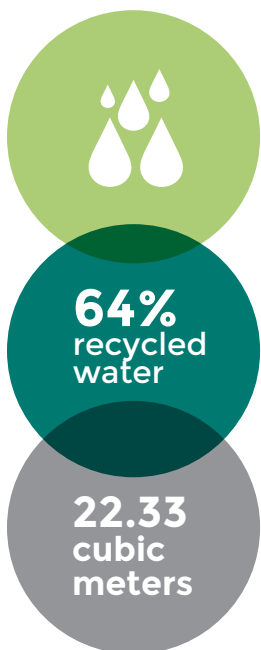
Climate Change

Carmen Copper's operation is exposed to potential financial risks from regulations to control emissions. The Company realizes the potential impact in its cost structure with regard to changes in regulatory requirements for greenhouse gas (GHG) emissions.

The Company strives to continually understand the risks and opportunities on climate change issues and how it may affect the organization. As part of its commitment to minimize its carbon footprint, Carmen Copper monitors and controls its energy use and GHG emissions, and it also implements organization-wide energy conservation efforts.

Energy Use and Air Emissions

Some of the key considerations in Carmen Copper's operations strategy are emissions abatement and energy savings. In all aspects of its operations, the Company strives to ensure that the project's carbon footprint is minimized.



Closure Planning

Closure planning is a key consideration in developing a mining project. Closure plans provide the basis for estimating the closure costs and the associated accounting closure and rehabilitation provisions.

In compliance to Republic Act 7942 (the Philippine Mining Act of 1995), Carmen Copper has a Final Mine Rehabilitation and Decommissioning Plan for the Toledo Copper Mine approved by Department of Environment and Natural Resources on November 5, 2012.

This plan covers the major environmental risks and impacts relative to Carmen Copper's mining operations, rehabilitation, and closure which include tailings management, air quality, biodiversity loss and land degradation, among others as well as its impact to social society including unemployment and household income generation. Where possible, rehabilitation and mitigation activities should be progressive in order to achieve minimal effort in the application of mine rehabilitation activities after the mine closes.

Carmen Copper has identified and developed measures to address the following issues:

- Compliance of surface and groundwater quality to agreed conditions and standards;
- Stability and ability of landform to support intended final land use by ensuring that topography conforms to the requirements of ultimate land users;
- Ecosystem is established and progressing as required;
- Future risk assessment is conducted and residual risk is managed appropriately;
- Waste dumps and pit subsidence are not visible from the national road;
- Soil erosion and siltation of rivers and streams is controlled to acceptable levels;
- Recruitment/habitation of wildlife species in re-vegetated areas is evident; and
- Dust is within acceptable levels.

Internal monitoring is conducted regularly by the Safety and Environment Division taking into consideration the performance standards set vis-à-vis the management strategies applied in order to address both environmental and social risks. Post-closure phase will be managed through a monitoring plan and in coordination with the Multipartite Monitoring Team. This shall primarily aim to monitor potential contamination from waste sites and rehabilitated sites. Monitoring shall continue for a period of at least five (5) years after mining, or until a trend is established.

The final rehabilitation and decommissioning plan has been communicated thoroughly with our stakeholders, with their respective inputs integrated in the closure plan. However, it will still undergo regular review to ensure it remains current and meets the host community's expectations.

Product Responsibility

There are many producers and consumers of copper, and it is traded globally. Carmen Copper produces copper concentrates, primarily the raw material for making copper cathodes. Product stewardship commitments are done at the industry association level. At Carmen Copper, toxicity of all products are regularly and strictly monitored.

CASE STUDY

REFORESTATION OF MINE-AFFECTED AREAS

26,722
seedlings
nature forest
and fruit trees
planted



Loay Side, June 2010



Loay Side, May 2013

Carmen Copper has intensified its re-greening and woodland protection efforts since its rehabilitation in 2008, involving the people of its host communities in the Company's highly successful reforestation program.

As of December 2012, Carmen Copper has grown a total of 242,000 seedlings and rehabilitated 145 hectares of barren land. A total of 33,186 grasses and vines planted were planted on steep slopes while 26,272 seedlings of native forest and fruit trees were reintroduced in the forest gaps of previous plantations.

The success of the program can be seen on the areas surrounding the formerly mined Biga Pit which now boasts of lush vegetation.

By accelerating its reforestation efforts, the Company has become instrumental in transforming the once barren and defoliated areas into oases of greens.



WORKPLACE HEALTH & SAFETY



“We strive to provide our people a safe and healthy working environment.”



Health and Safety

Health and safety is core to every aspect of Carmen Copper’s business. The Company’s goal is for its people to return home safe and well at the end of each day and to enable them to retire fit and healthy.

The Company is vigilant in ensuring that appropriate controls are in place to address safety risks and that employees are appropriately trained. Similarly, Carmen Copper ensures that safety rules and definitions that classify incidents are applied uniformly across its workforce. Employees’ health, well-being and fitness are monitored through screening programs, trainings, and in-site facilities.

Strict implementation of workforce safety standards such as wearing personal protective equipment contributed to fewer incidents of physical injuries and property damages resulting in Carmen Copper’s 2012 record performance.

The most notable achievement in 2012 was the attainment of 10,395,599 man-hours worked without incurring a single lost-time accident. This translates to 306 days of continuous safe operations of the Toledo Copper Mine – a safety record that exceeded the 2011 performance of 9,965,527 man-hours.

The number of reported accidents was identical to the 2011 record – one (1) lost-time and 33 non-lost cases. In terms of frequency rate, 2012’s 0.08 rate improved from 2011’s 0.1 registering a 25% increase.

Increase in manpower in 2012 translated to higher man-hour count, and accident severity rate posed a higher value than the previous year because of longer lost days incurred.

Carmen Copper is compliant with government safety regulatory standards and permit requirements in 2012. To bring operations at par with international safety and environmental management standards and practices, the company in 2013 started to lay the groundwork for ISO 18001 (Occupational Health & Safety Management System) certification.

Emergency Readiness

Rapid reaction teams organized and trained by the Loss Control Section are on call round-the-clock to respond to emergency situations. They include fire fighting crews, first aid brigades and mine rescue units.



Clockwise from left: Employees at Carmen Concentrator, Fire drill at Carmen Copper administration office, Staff working at the Machine Shop.

In February 2012, Carmen Copper dispatched a rescue team to the eastern seaboard of Negros Oriental where it successfully conducted a search and retrieval operation in the aftermath of a 6.9-magnitude earthquake. For this humanitarian act, Carmen Copper was commended by the Philippine Mine Safety and Environment Association (PMSEA) during the safety conference in Baguio last November 2012.

In addition, Carmen Copper conducted the following crisis management training and exercises in compliance with the Annual Safety and Health Program submitted to the Mines and Geosciences Bureau to ensure that all employees are prepared to handle emergency situations:

- Evacuation drills involving all response teams and relevant external disaster management agencies
- Fire and earthquake drills at Toledo Copper Mine offices
- Basic life support and standard first aid
- Defensive driving

Occupational Health

Carmen Copper's priority is to control occupational hazard exposure. It has established and implemented systems and processes to assist, identify and treat potential cases.

The Company has a Level-I hospital with a 30-bed capacity inside the camp to monitor and ensure the health and wellbeing of its people.

Carmen Copper also conducted health assessments for its employees as part of its medical and hospitalization benefits program. The assessments are

conducted annually to ensure that employees are not exposed to any risks while performing their roles. All staff who participated were cleared and deemed fit to work.

Carmen Copper expects its people to function at an acceptable level of performance and that they are not impaired by drugs or alcohol while conducting company business.

Employees and contractors are informed of and have accepted their responsibility to be fit for work.

KEY SAFETY DATA

Accident Type/Rate	2011	2012
Non-Lost-Time Accident	33	33
Lost-Time Accident (Non-Fatal)	1	1
Lost-Time Accident (Fatal)	0	0
Frequency Rate	0.1	0.08
Severity Rate	5.85	31.34
Man-hours without Lost-Time Accident	9,965,527	10,395,599

CASE STUDY

NEGROS OCCIDENTAL SEARCH AND RETRIEVAL OPERATION



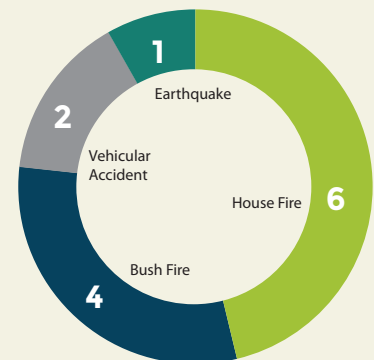
Carmen Copper rescue team doing search-and-retrieval operations in Negros Oriental.

GINTONG PALA AWARD
for immediate response to PMSEA's activation of the Safety Networking Action Program

Emergency response is one of Carmen Copper's recognized strengths. This capability has put the Company's volunteer employees on the frontlines of many crises – from road mishaps along the Naga-Toledo-Cebu highway and fire accidents in recent times to search-and-retrieval operations for victims in the aftermath of a 6.9 magnitude earthquake in Negros Oriental.

The Company's commitment to disaster preparedness includes equipping its own rescue team and its partners in the local communities with trainings and resources to address immediate needs.

Incidents that Carmen Copper's rescue team responded to



This reduced the impact of crises and disasters on vulnerable populations by delivering rapid lifesaving aid that reduce casualties.

Carmen Copper was awarded the Gintong Pala Award for its immediate response to PMSEA's activation of the Safety Networking Action Program, during times of calamity and disaster, particularly after the 2012 Negros Oriental earthquake.

OUR PEOPLE



“We seek to build a high-performing organization through fair reward and recognition.”

Recruitment and Benefits

Carmen Copper recognizes that attracting, employing and developing people with exceptional skills who share its values are critical to the Company’s long-term sustainability and success.

Its employees are encouraged to help deliver the Company’s strategy while embodying corporate values based on professionalism, genuine concern for the company, team orientation, innovation, and concern for safety, social development and sustainability.

As of 31 December 2012, Carmen Copper had a total of 3,319 employees and 530 project employees, of whom 82% are from the host community of Toledo City and the rest from other regions of the Philippines (mostly from Metro Manila).

As a policy, Carmen Copper gives preference to competent and qualified long-term residents in the community. It attracts talents through advertisements in local job portals, job fairs, and community notice boards.

Carmen Copper provides health insurance, housing and transportation benefits, vacation leave, sick leave, birthday leave, and bonus day-off to full-time employees. Its entry-level wages are higher than the provincial minimum wage requirement.

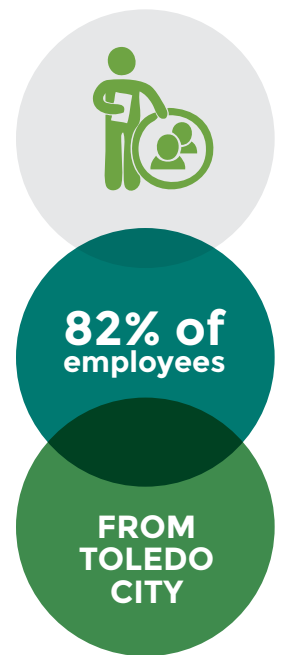
For 2012, employee turnover reached 3% about 105 employees resigned or completed their employment contracts.

Carmen Copper’s retirement plan for regular employees complies with the Philippine Labor Code’s provisions on retirement benefits.

Labor Relations

Carmen Copper upholds the rights of its workforce to a safe workplace, collective representation, fair compensation, job security and development opportunities.

Relationships with employees and stakeholders are based on mutual respect. Carmen Copper believes in ensuring that employees are directly engaged with the business and aligned with the Company’s goals through quality leaderships and effective communication. Significant operational changes are consulted with employees within five days under normal circumstances.



Clockwise from left: Carmen Copper central safety briefing, Company staff meeting, Systems training.



Diversity and Equal Opportunity

Carmen Copper strives to achieve diversity at all levels in the organization. Discrimination, abuse of power, harassment or any type of violence in the workplace is not tolerated. Employee complaint mechanisms that are accessible, just and non-discriminatory are in place, and there are systems to protect their rights and dignity. There were no reported cases of discrimination in 2012. Pay equity across senior officers is based on skills, experience and role size. The youngest employee in 2012 was 21 and the oldest was 73.

Rewards and Development

Carmen Copper fosters professional and personal growth among employees who are encouraged to work to their full potential. Worker skills and capabilities are developed through regular performance reviews combined with training and development programs designed to ensure

that performance is measured on fact-based outcomes and employees are rewarded for their achievements in a transparent process.

Mandatory training requirements for all employees and contractors cover health and safety, leadership, code of conduct, waste and environment management, and anti-corruption.

Governance Bodies

In 2012, about 8.96% of the total workforce became representatives in formal management-worker health and safety committees that help monitor and review occupational health and safety programs.

EMPLOYEE PROFILE

	2011	2012
Regular	2,870	3,000
Probationary	40	319
Project	27	530
Total Workforce	2,937	3,849
Number of Male Employees	2,743	3,643
Number of Female Employees	194	206
Total Employees covered by collective agreements	2,015	2,050
Percentage of Employees hired from Toledo City	79%	82%

EMPLOYEES BY ROLE TYPE

as at 31 December 2012

Position Level	2012
Senior Management	6
General Superintendents & Superintendents	43
Supervisors / Officers	614
Rank and File	3,186
Total	3,849

CASE STUDY

THE GENERATIONS OF AMANTES IN CARMEN COPPER

A pioneering venture nearly 80 years ago would affect five generations of a simple farmer's family that, to this day, remains firmly rooted with the Company.



The Amantes of Carmen Copper. (L-R) Rodelito, Editha Grace, Kathryn Grace, and Rowen.

Don Andres Soriano, the visionary who in 1935 established the Masbate Consolidated Mining Corporation in Aroroy, Masbate, probably never imagined that his pioneering venture nearly 80 years ago would affect five generations of a simple farmer's family that, to this day, remains firmly rooted with the Company.

The farmer, German Amante, would join Masbate Consolidated as a security guard with little military background. Though his connection as Don Andres' security escort, he was able to have his farmer son, Jesus, join the company and be trained as one of the first mechanical shovel operators in the Philippines.

After World War II, Don Andres resumed his quest for the earth's resources, establishing Atlas Consolidated Mining and Development Corporation in 1953 in the island of Cebu.

Word about Don Andres' new venture reached Jesus Amante who, together with his second son, Rodolfo "Rudy" Amante, quickly left for Cebu to rejoin Don Andres. Jesus ended up operating the pier crane for the new company while his son Rudy went to work rigging logs in the rough seas of Sangi pier.

Jesus' eldest son, Wilbur, learning about the great opportunities in the mines, quickly established himself as a well respected milling and crushing expert. One of two sisters, Salven, also convinced her husband

Jose Funtanar to join his brothers-in-law in the mines. Manuel II pursued a Mining Engineering degree from the Mapua Institute of Technology that eventually landed him a top spot in the Company's Mine Underground Engineering Department. The youngest, Leo, eventually followed suit and joined the company as an overhauling mechanic at the Heavy Equipment Division.

Oscar Amante, Wilbur's eldest son, carried the torch for the fourth generation of Amantes to benefit and serve the Company with the same zeal their elders bequeathed on them.

Armed with a mining degree, he secured for himself a fulfilling career in the Mine Open Pit Department while his sister Sonia Amante, a registered nurse, joined the Hospital Department. His other brothers, Emmanuel, a civil engineer, and Wilbur Jr., an electronics engineer, also joined the Company and established their own name in their fields.

Rowen Amante, a Business Administration graduate and Rodelito Amante, an electrical engineer, both sons of Rudy, likewise joined the Company and made their own marks.

Meanwhile, Salven Funtanar's four children also ended up working with Atlas Mining beginning with Rico Funtanar, a chemical



Rodolfo, a third generation Amante.

engineer, Joselito Funtanar, a civil engineer, Joseling Funtanar, a marine engineer, and daughter Nori Funtanar, secretarial administration graduate.

In August 1994, the company fell into an uncertain hiatus but eventually went back to operations in 2008. Among those who first knocked on the doors of the reopened mine was Rodelito Amante who became a general foreman in the Energy Management Section.

He was soon rejoined by brother, Rowen Amante, a unit manager at the mine open pit operations, and sister Grace Amante, who got another career shot as a unit manager at camp administration. The fourth generation lives on.

Kathryn Grace Amante, a registered nurse, eldest granddaughter of Rudy Amante and eldest child of Rowen, soon joined the Hospital staff as administrative/staff nurse, keeping alive the cycle of life in the mines for the Amante family through the fifth generation.

The mine is not only about the vision of Don Andres Soriano. Nor is it all about the legacy of Alfredo Ramos. It is also about the dreams of ordinary mortals whose enduring faith in an industry pioneer refuses to fade with the setting sun.

Mr. Rodelito Amante, the author of this article, is a Senior Energy Management Officer at Carmen Copper Corporation.

ECONOMIC CONTRIBUTION

“We adhere to our commitments and strive to ensure the best outcomes are delivered to all our stakeholders.”



With record production and improved profitability, Carmen Copper is in a strong position to give back to its stakeholders as part of its goal of achieving long-term mutual benefits and realizing inclusive growth. Overall, its total economic contribution has been growing since restarting in 2008 operations.

Carmen Copper contributes to the economy through jobs and livelihood opportunities, taxes paid to the national and local governments, businesses generated by local suppliers, support for community development and public infrastructure programs.

In 2012, Carmen Copper registered Php 14.3 billion in revenues and Php9.5 billion in operating expenditures. Total taxes for 2012 amounted to Php906 million (inclusive of input VAT, customs duties, excise taxes, local government taxes, and withholding taxes), with Php820 million paid to the national government and Php86 million paid to local government units.

The Company also contributed to the economy annual wages of Php759 million in 2012.

Carmen Copper has been awarded as one of the top taxpayers in Toledo City in 2011 and 2012 while the Bureau of Customs also recognized Carmen Copper as one of the top exporters and importers in Cebu.

Local Suppliers

About 80% of the goods and services used in operations were sourced from local suppliers.

Acquisition of goods, equipment and services are in accordance with company policies to ensure quality and value for money.

All suppliers are expected to align with Carmen Copper's business principles and policies including strict guidelines in the procurement process for major supplies, equipment and services indicated in the Company's supplies and materials management policies.

Clockwise from left: Copper loading in progress at Sangi port, Photo of dump trucks.



Suppliers undergo a pre-qualification process to ensure that:

- Their businesses are legitimate and sustainable
- The businesses adhere to ethical business practices
- Supplier contracts are competitive, transparent and provide value for money
- Goods and services are of the highest quality standards
- Purchases are transparent, with no fraud, bribery, extortion or other illegal acts that discourage fair competition and free enterprise



CASE STUDY

MUSEO TOLEDO'S COPPER MINE GALLERY



The Copper Mine Gallery of Museo Toledo.

Educating students and the public on responsible mining

The museum serves not only as a permanent repository of the rich history and cultural heritage of the city but also preserves the lasting legacy of the Company during its peak in the 1960s, significantly contributing to Toledo's cityhood.

Carmen Copper firmly believes that the Copper Mine Gallery is a potent tool in educating students and the public on responsible mining.

The Company allotted more than Php5.2 million for the construction and refurbishment of the gallery under the information, education and communications component of the SDMP.

KEY SUSTAINABILITY DATA



SUSTAINABLE COMMUNITIES

SUMMARY OF KEY PROJECTS

For the year 2012

Location	Projects Implemented	Direct Beneficiary	Project Cost
1. Don Andres Soriano	Construction of Police Community Precinct PNP-Toledo	Toledo Police	Php984,922
	Construction of Computer Room, P. del Rosario Elem. School	Public elementary pupils	57,158
	Facilities Improvement & Signage, DAS Elem. School	Public elementary pupils	410,998
	Facilities Improvement, P. del Rosario Elem. School	Public elementary pupils	42,217
	Vehicles (2 MCs, 1 Isuzu Truck)	Barangay government	1,624,569
	Construction of Our Lady of Mt. Carmel Church	DAS parishioners	1,000,000
2. Cantabaco	Cottage industry	Coop members	739,772
	Phase V Covered Court	Barangay residents	1,650,000
	Renovation of Home Economics Bldg., Cantabaco Elem. School	Public elementary pupils	161,467
3. Biga	Refurbishing of Physics & Chemistry Bldg., Cantabaco NHS	Public secondary students	85,604
	One (1) unit 3-classroom bldg. construction	Public elementary pupils	3,539,437
4. Media Once	Agri-based ventures	Coop members	739,772
	Facilities Improvement, Pandongbato Elem. School	Public elementary pupils	100,675
	Public Toilet, Pandongbato & other barangay activities	Barangay residents	105,937
	Rehabilitation of Water Source	Barangay residents	112,135
5. Toledo City	Agri-based ventures	Coop members	739,772
	1 rescue unit vehicle	Toledo residents	2,900,000
6. Cebu City	Police Safety Headquarters, PNP- Region 7	Regional Police	811,572
TOTAL			Php15,806,000

SOCIAL DEVELOPMENT AND MANAGEMENT PROGRAM

	2012
Livelihood	Php3,698,864
Infrastructure	44,566,670
Education and Health	11,663,656
Information and Communication	5,517,958
Total	Php65,447,148



ENVIRONMENT

ENVIRONMENTAL PROTECTION AND ENHANCEMENT PROGRAM

	2012
Climate Change Mitigation/Adaption (includes nursery management and tailings disposal facility management)	Php37,626,948
Capital Outlay (includes waste management)	9,895,783
Environmental Maintenance (includes operation and maintenance of tailings disposal system and water sprinkling)	73,417,869
Research and Development	1,881,160
Monitoring Trust Fund (includes seminars, short courses, and mine cross-visits)	361,036
Total	Php123,182,796





KEY SUSTAINABILITY DATA



ENVIRONMENT

KEY ENVIRONMENTAL PARAMETERS

PARAMETERS	2011	2012	Notes
Water Management			
Fresh Water Usage (in mcm)	16	13	Freshwater source from Malubog Dam
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Total Water Usage	47	35	
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WORKPLACE HEALTH & SAFETY

KEY SAFETY DATA

Accident Type/Rate	2011	2012
Non-Lost Time Accident	33	33
Lost-Time Accident (Non-Fatal)	1	1
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Frequency Rate	0.1	0.08
Severity Rate	5.85	31.34
Man-hours without Lost-Time Accident	9,965,527	10,395,599



OUR PEOPLE

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as at 31 December 2012

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Rank and File	3,186
Total	3,849



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A SUBSIDIARY OF ATLAS CONSOLIDATED MINING
& DEVELOPMENT CORPORATION