

BUSINESS MODEL

RESOURCES AND RELATIONSHIPS

FINANCIAL

- Strong cash generation
- Quality of balance sheet

HUMAN

- Skilled workforce
- Health and safety initiatives

INTELLECTUAL

- Culture of innovation
- Technology focus

NATURAL

- Extensive resource-rich deposits and fields

RELATIONSHIPS

- Strong relationships with stakeholders
- Local consent of communities



For more information see pages 30-31

WHAT WE DO

ACROSS OUR VALUE CHAIN WE WORK CLOSELY WITH OUR STAKEHOLDERS TO MAINTAIN OUR LICENCE TO OPERATE

EXPLORE



We invest selectively in exploration and appraisal to extend mine and reservoir life.

DEVELOP



We develop world-class assets, using the latest technology to optimise productivity.

EXTRACT



We operate low-cost mines and oil fields, with a clear focus on safety and efficiency.

PROCESS



We focus on operational excellence and high asset utilisation to deliver top quartile cost performance and strong cash flow.

MARKET



We supply our commodities to customers in a wide range of industry sectors, from automotive to construction, from energy to consumer goods.

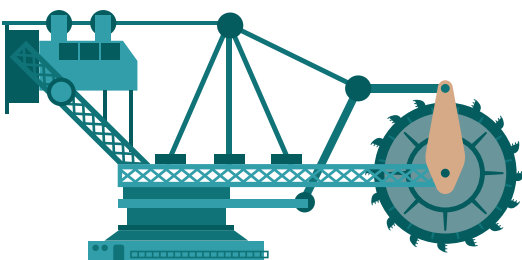
RESTORE



We manage our long-life assets as effectively as possible and return them to a natural state at the end of their useful life.



Divisional reviews see pages 70-103



HOW WE DO IT

WHAT MAKES US DIFFERENT

- Operations are strategically located in India and Africa

- Competitive positioning: all major assets are in first or second cost quartile

- Attractive commodity mix and market-leading position in zinc

- Commitment to create a sustainable future

VALUE CREATION

Our strategy focuses on delivering sustainable growth and long-term value to all our stakeholders

SHAREHOLDERS

- › Dividends through the cycle
- › Total shareholder return
- › Returned c. **\$2 billion** to shareholders since listing in 2003

WORKFORCE


- › Invest in training and development
- › Wages and benefits
- › Gender diversity recruitment drives
- › Focus on zero harm
- › **1.1 million** HSE training hours
- › **9.4%** of employees are women
- › **0.39** LTIFR

COMMUNITY

- › Investment in health, education and training
- › Community programmes
- › Timely and regular engagement
- › Over **2.2 million** beneficiaries
- › **4,176** village meetings held
- › **US\$49 million** spent on environment management
- › Running **20** schools and colleges

GOVERNMENTS

- › Economic value
- › Supporting the host country's focus on economic growth
- › We contribute **US\$6 billion** to the exchequers in the countries in which we operate

 Investment case
see pages 10–11

 Link to Sustainability Report
see pages 46–61



BUSINESS MODEL

CONTINUED

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We invest in best-in-class assets to ensure we operate as efficiently and safely as possible both at our current operations and in our expansion projects.



Chanderiya zinc smelting complex

OUR RESOURCES AND RELATIONSHIPS

RESOURCES

These are the key inputs we require in order to operate and create sustainable value, building on our proven track record.

FINANCIAL

We have a robust financial profile due to our focus on cost optimisation, generating strong free cash flow and strengthening our balance sheet. Our free cash flow in 2017 was US\$1.5 billion and the bond offering in January 2017 has enabled us to proactively extend our maturities. The disciplined ramp up of production since listing has underpinned our strong financial position.

HUMAN

We have approximately 70,000 employees (direct and indirect), of which over 8,000 are skilled professionals, including engineers, geologists and technicians. We believe in developing people and address this by offering training to develop our talent pipeline. By creating a culture based on our values which both engages and empowers, we enable our employees to realise their potential while meeting our business goals.

INTELLECTUAL

Our culture of innovation encourages our employees to come up with innovative ideas to be implemented across our operations and which are rewarded through our awards mechanism. 'Eureka', our web-based platform to nurture and incubate in-house innovation and technology, provides opportunities for our talented young professionals to generate innovative ideas.

NATURAL

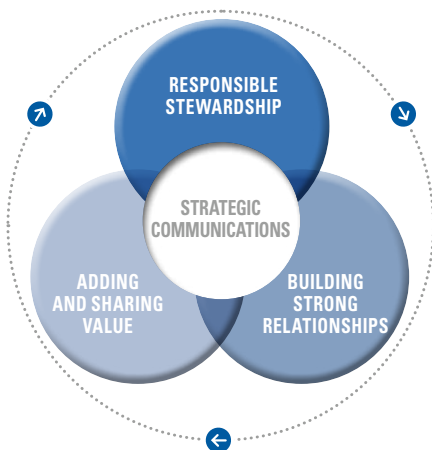
India and Africa are endowed with favourable geology and extensive reserve and resource potential. Operating our mines requires a range of resources including water and energy and we aim to use these resources prudently and sustainably. We recycled 24% of our water this year and implemented a long-term carbon strategy to improve our energy efficiency.


ASSETS

We invest in best-in-class assets to ensure we operate as efficiently and safely as possible both at our current operations and in our expansion projects. While capex budgets have been reduced in recent years, in the sector as whole, we have maintained minimal investment in the property, plant and equipment required for our expansion and improvement projects. We invested US\$668 million in FY2017 in project capex.

RELATIONSHIPS

Building strong relationships with our key stakeholder groups is a key pillar in our approach to sustainable development. We deploy a range of engagement channels across the project life cycle including public hearings, one-on-one discussions and surveys, with a view to understanding stakeholder expectations, aligning our interests and updating them on our intentions and actions. First and foremost, our approach is based on the principle of free, prior and informed consent.

RELATIONSHIPS**OUR APPROACH TO SUSTAINABLE DEVELOPMENT – 4 PILLARS**

 For more information see pages 46–61

OUR KEY STAKEHOLDERS**EMPLOYEES**

We invest significantly in developing and retaining key talent to drive innovation and efficiency within the business and develop potential future leaders. Our number one priority remains achieving the goal of zero harm and we are committed to enhancing a culture of safety across the Company. We delivered 1.1 million hours of safety training to employees and contractors in 2017 and our attrition rate remained at 5%.

COMMUNITIES

We make a positive and important contribution to the communities in which we operate through job creation and the development of local economies and communities. Our community investment strategy focuses on health, education, skills development and the environment, and we contributed US\$18 million to communities in India and Africa in FY2017, benefiting approximately 2.2 million people.

GOVERNMENTS

We build enduring and collaborative relationships with governments in countries we operate in. We created direct economic value for our host governments through the payment of US\$6 billion in taxes, royalties and dividends in 2017. We also work in partnership with governments to help them achieve local and regional development goals through investment and employment opportunities.

SUPPLY CHAIN AND CUSTOMERS

Our operations rely on a broad range of suppliers, and we enable the growth of existing businesses and the development of new supplier businesses along with the corresponding local economic and social benefits.

For our customers, who are predominantly large industrial downstream producers, our resources are crucial to their success and growth; we work closely with them on product development and provide additional technical support to ensure they are achieving maximum value from our products.

SHAREHOLDERS

We regularly engage with our shareholders so they understand our approach and strategy. We are committed to delivering strong and sustainable returns for our shareholders and exposure to an attractive basket of commodities.