



Sierra Rutile Limited

Statement of Business Principles

Message from the Chief Executive

The way SRL operates is central to our goal of creating value for shareholders and the ethical framework for our conduct is embodied in our statement of Business Principles.

Over the last few years the evolution of best practice within the natural resources industry has formalised the process of communication on ethical issues. As a result, the stakeholders in the mining industry have a clear understanding of the commitment of individual companies to the people who are affected by operations.

At SRL we welcome scrutiny in this area and expect our ability to meet high ethical standards to be an important descriptor of our Company as we develop our business in the years ahead. Given the challenging circumstances in which SRL operates, much work needs to be done to achieve our ethical ambitions and that process will be a progressive one.

Currently SRL only has operations in Sierra Leone and we represent a substantial part of the country's export revenue. Our Board believes that the way we work and treat our constituents is an important part of the value which we can bring to the region, in much the same way that our visibility in other parts of the world is an opportunity to promote Sierra Leone as an attractive place to operate and invest.

The basic rights of individuals around the world should not be compromised by international boundaries, whatever their historical background. In reality the rights of individuals do appear different in some areas and SRL does not seek to judge the actions of others nor allow our attention to waiver from our own goals. The approach of our Board is to lead by example and ensure that ethical criteria are a feature of our corporate personality in all that we do every day.

We are a company that has agreed to take on the same performance obligations as members of International Council on Mining & Metals (ICMM)* and we seek continual improvement in our performance and contribution to sustainable development so as to enhance shareholder value.

John Sisay, CEO, Sierra Rutile Limited

Health and Safety

Our operations aim to record zero accidents causing harm to any individual through the following standards:

- We provide adequate control of health and safety risks and regular monitoring to assess the appropriateness of these risks over time.
- We provide appropriate training, equipment and maintenance to prevent accidents.
- We consult with employees at all levels to ensure that their instruction, supervision and levels of competency are appropriate to their position.
- We review and report on health and safety at our operations as part of internal management practice and external communications.

Environment

- We will meet all regulated environmental obligations.
- We will report on progress towards achieving the goals of our Environmental and Social Action Plan (ESAP).
- We will engage with the variety of environmental organisations who review our operations and seek to address issues raised by them.
- We encourage contractors and suppliers to adopt environmental management practice consistent with SRL's policies.

Ethics

As a business and as individuals we aim to reflect a number of standards in business:

- We endorse the United Nations Universal Declaration of Human Rights.
- We support the UK's Combined Code on corporate governance.
- Our practices respect the personal dignity of employees together with their rights to opportunities for development, fair pay and collective representation.
- Our reporting on economic, environmental, social and sustainable development is consistent with Global Reporting Initiative's Mining and Metals Sector Supplement.
- We do not offer, solicit or accept any form of bribe and we support free enterprise.
- We comply with the laws and regulations of the countries in which we operate.
- Given our contractual agreement with the Government of Sierra Leone, we will ensure that all rents, royalties, charges and taxes are paid to the relevant authority in a transparent and auditable way.

Community

- We recognise the disruption which mining activities can have to local communities and we are committed to transparent and open engagement at all levels to safeguard the interests of the community.
- Given the significance of SRL to the economy of Sierra Leone we will deliver social programmes and contribute to the country's transition to sustainable development through the establishment of the SRL Foundation as a separate non-profit entity.
- We will manage any involuntary resettlement of local communities to World Bank/IFC/ OPIC standards and will make fair and full compensation for lost assets and livelihood restoration and improvement.
- Where possible SRL will employ Sierra Leonean nationals and will implement training programmes to help train Sierra Leoneans for management positions.

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1. Implement and maintain ethical business practices and sound systems of corporate governance.
2. Integrate sustainable development considerations within the corporate decision-making process.
3. Uphold fundamental human rights and respect cultures, customs and values in dealings with employees and others who are affected by our activities.
4. Implement risk management strategies based on valid data and sound science.
5. Seek continual improvement of our health and safety performance.
6. Seek continual improvement of our environmental performance.
7. Contribute to conservation of biodiversity and integrated approaches to land use planning.
8. Facilitate and encourage responsible product design, use, re-use, recycling and disposal of our products.
9. Contribute to the social, economic and institutional development of the communities in which we operate.
10. Implement effective and transparent engagement, communication and independently verified reporting arrangements with our stakeholders.

The ICMM has adopted the Brundtland Commission's definition of sustainable development: "development that meets the needs of the present without compromising the ability of future generations to meet their own needs". In the mining and metals sector, this means that investments should be financially profitable, technically appropriate, environmentally sound and socially responsible.

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