



SUSTAINABLE DEVELOPMENT POLICY

At Baffinland Iron Mines Corporation, we are committed to conducting all aspects of our business in accordance with the principles of sustainable corporate responsibility and always with the needs of future generations in mind. Everything we do is underpinned by our responsibility to protect the environment, to operate safely and fiscally responsibly and to create authentic relationships. We expect each and every employee, contractor, and visitor to demonstrate a personal commitment to this policy through their actions. We will communicate the Sustainable Corporate Policy to the public, all employees and contractors and it will be reviewed and revised as necessary on an annual basis.

These four pillars form the foundation of our corporate responsibility strategy:

1. Health and Safety
2. Environment
3. Investing in our Communities and People
4. Transparent Governance

1.0 HEALTH AND SAFETY

- We strive to achieve the safest workplace for our employees and contractors; free from occupational injury and illness from the very earliest of planning stages. Why? Because our people are our greatest asset. Nothing is as important as their health and safety.
- We report, manage and learn from injuries, illnesses and high potential incidents to foster a workplace culture focused on safety and the prevention of incidents.
- We foster and maintain a positive culture of shared responsibility based on participation, behaviour and awareness. We allow our workers and contractors the right to stop any work if and when they see something that is not safe.

2.0 ENVIRONMENT

- We employ a balance of the best scientific and traditional Inuit knowledge to safeguard the environment.
- We apply the principles of pollution prevention and continuous improvement to minimize ecosystem impacts, and facilitate biodiversity conservation.
- We continuously seek to use energy, raw materials and natural resources more efficiently and effectively. We strive to develop pioneering new processes and more sustainable practices.
- We understand the importance of closure planning. We ensure that an effective closure strategy is in place at all stages of project development and that progressive reclamation is undertaken as early as possible to reduce potential long-term environmental and community impacts.

3.0 INVESTING IN OUR COMMUNITIES AND PEOPLE

- We respect human rights and the dignity of others. We honour and respect the unique culture, values and traditions of the Inuit people.
- We contribute to the social, cultural and economic development of sustainable communities adjacent to our operations.
- We honour our commitments by being sensitive to local needs and priorities through engagement with local communities, governments, employees and the public. We work in active partnership to create a shared understanding of relevant social, economic and environmental issues, and take their views into consideration when making decisions.

4.0 TRANSPARENT GOVERNANCE

- We will take steps to understand, evaluate and manage risks on a continuing basis, including those that impact the environment, employees, contractors, local communities, customers and shareholders.
- We ensure that adequate resources are available and that systems are in place to implement risk-based management systems, including defined standards and objectives for continuous improvement.
- We measure and review performance with respect to our environmental, safety, health, socio-economic commitments and set annual targets and objectives.
- We conduct all activities in compliance with the highest applicable legal requirements and internal standards
- We strive to employ our shareholder's capital effectively and efficiently. We demonstrate honesty and integrity by applying the highest standards of ethical conduct.

A handwritten signature in black ink, appearing to read "Tom Paddon". The signature is stylized with a large, sweeping initial "T" and "P".

Tom Paddon
President and Chief Executive Officer
September 2011