



## **XSTRATA COMMUNITY PARTNERSHIP PROGRAM QUEENSLAND (XCPPQ)**

### **PROGRAM GUIDELINES**

#### **Overview**

Xstrata plc contributes a minimum of one percent of its pre-tax profit to fund Corporate Social Involvement (CSI) initiatives in each of the continents in which it operates.

The Xstrata Community Partnership Program Queensland (XCPPQ) is one of the company's CSI initiatives in Australia. The program reflects Xstrata's belief that communities should benefit from our operations, both in the short and long term.

XCPPQ currently comprises 13 partnerships and is providing more than \$11 million over five years to support Queensland communities.

The program – launched in March 2006 as an extension of the Xstrata Community Partnership Program North Queensland – supports State-wide initiatives in the areas of health, education, social and community development, enterprise and job creation, environment and arts and culture.

Details of the XCPPQ's existing partnerships can be found in the program brochure, which can be downloaded from the Xstrata website at [http://www.xstrata.com/assets/pdf/xcu\\_cpp\\_qld\\_nqld\\_2008.pdf](http://www.xstrata.com/assets/pdf/xcu_cpp_qld_nqld_2008.pdf). For a hardcopy brochure, please contact Melissa Bowerman at Xstrata on 07 3295 7519.

For further information regarding the program's governance and management structure please refer to the XCPPQ Terms of Reference (Appendix A).

#### **Xstrata in Queensland**

Xstrata Copper's north Queensland division comprises the Mount Isa Mines copper mining and processing operations, Ernest Henry Mine and the Townsville copper refinery and port operations.

Xstrata Zinc's operations in north Queensland comprise the Mount Isa Mines zinc mining and processing operations and the Bowen Coke Works.

Xstrata Coal's Queensland operations include coking and thermal coal mines in the State's Bowen Basin, including the Oaky Creek, Newlands, Collinsville, Rolleston and Cook mines and the Abbot Point Coal Terminal.

## **What we are looking for (priority areas)**

To receive funding from the XCPPQ, applicants must provide services or manage community initiatives that contribute to the wellbeing and development of Queensland communities. Funding is provided over a three-year period.

XCPPQ will fund partnerships between the company and community organisations, and State and Local Government that support initiatives in Xstrata's six CSI areas: health, education, social and community development, enterprise and job creation, environment and arts and culture.

Applications that satisfy the criteria outlined below will be more attractive to Xstrata and therefore have a greater chance of securing funding.

XCPPQ supports community initiatives that:

1. have potential to create economic and social benefits for Queensland communities
2. provide ongoing benefits rather than one-off events
3. demonstrate the applicants' expertise and ability to manage the proposed initiative in a professional manner
4. create opportunities for recognition of Xstrata's partnership and contributions
5. favour achievement and skills development rather than welfare, and likewise focus on the prevention of problems, and
6. have measurable outcomes.

## **What we do not support**

In line with Xstrata plc's CSI policy guidelines, the XCPPQ will not support:

1. applications from individuals, including those seeking support for activities such as academic studies, competing in a sporting event, travel or raising funds for another organisation
2. political parties, political organisations, politicians or candidates for public office
3. church or religious activities which are exclusive to one faith community
4. requests to sponsor events such as conferences or speakers at conferences or symposia
5. organisations producing, distributing or seeking advertising in audio-visual media including print or electronic media, or
6. requests to fund touring sport teams.

## **Application format**

While there is no set format, applications should be a maximum of six pages and include the following information:

1. brief overview of the organisation applying for funding
2. details of the proposed service or community initiative, including how it addresses the six XCPPQ funding criteria (listed above)
3. breakdown of how the funds will be allocated (eg. salaries, equipment, administration, etc)
4. key milestones or outcomes over the three-year partnership
5. proposed reporting and evaluation schedule

## **Reporting and evaluation (partner obligations)**

Xstrata will work with successful applicants to determine a reporting and evaluation schedule for their project. This will be used to ensure targets are met and partnerships achieve their stated goals. Depending on the nature of the agreement with Xstrata, funding for some initiatives may be paid in instalments dependant on stated outcomes being achieved.

## **How to apply**

XCPPQ funds have been committed for 2009 and 2010. Supplementary funding may be available from 2011.

For further information please contact Xstrata's Corporate Affairs Unit:

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## **Procedure for processing applications**

Applications will be assessed by the Xstrata Community Partnership Program Queensland Management Committee and External Advisory Committee. Xstrata may seek more information and choose to meet with applicants to discuss proposals. The company may also consult with communities to help evaluate the suitability of the partnerships proposed by applicants.

Please note:

The program will always receive applications from more worthy initiatives than it can fund. Therefore, while every application will be given full consideration, the company will not be obliged to give reasons for their decisions regarding any application. Decisions will be final and no correspondence will be entered into.



## **XSTRATA COMMUNITY PARTNERSHIP PROGRAM QUEENSLAND (XCPPQ) TERMS OF REFERENCE**

### **Overview**

Xstrata has demonstrated a strong commitment to social responsibility in Queensland since 2005. The Xstrata Community Partnership Programs in Queensland and North Queensland are now providing almost \$22 million over six years to support Queensland communities.

A brochure about the programs is available at  
[http://www.xstrata.com/assets/pdf/xcu\\_cpp\\_qld\\_nqld\\_2008.pdf](http://www.xstrata.com/assets/pdf/xcu_cpp_qld_nqld_2008.pdf)

XCPPQ commenced in 2006 and was built on the company's extensive community support activities in north Queensland. The \$11 million program is delivering benefits to the people of Queensland on behalf of Xstrata's copper, zinc and coal commodity businesses.

Now in its fourth year, the program has delivered many benefits particularly in the areas of health, education and social and community development.

### **Objectives**

1. Protect and enhance Xstrata's reputation as a leader in social responsibility in Queensland
2. Invest in medium and long-term programs which provide measurable benefits for the people of Queensland
3. Support wider community initiatives in addition to the support provided to the communities of north Queensland through XCPPNQ

### **Governance Structure**

In the light of current best practice in community investment in Australia and the significant funding levels involved, a new level of transparency and accountability was introduced to the management of the Xstrata Community Partnership Program Queensland at the beginning of 2008 with the formation of a Management Committee and an External Advisory Committee.

#### Management Committee

- Six members comprising two from each business unit operating in Queensland (copper, zinc and coal)
  - Members nominated by each business unit
  - Review and advise on program rationale, strategic focus areas and partner performance
  - Propose and assess future partnerships and program initiatives
  - Provide business unit data on available CSI funding
  - Review annual program budgets
  - Provide updates to their business unit on program activities
  - Advocate the program to key external stakeholders
- Chairperson – GM Corporate Affairs Queensland, Xstrata Copper
  - Chair committee meetings
  - Foster discussion and contributions from committee members at meetings
  - Act as a spokesperson for the committee
- Meetings to be held quarterly in Brisbane, preferably scheduled around key milestones such as budget review and assessment of future partner applications

### External Advisory Committee

- Four members from the business community selected for their commitment to community development and involvement and/or members of community organisations
  - Members nominated and agreed by the Management Committee
  - Voluntary position
  - Meet bi-annually or as needed in conjunction with the management committee
  - Provide an additional level of transparency and accountability to the management of the program
  - Provide a broader perspective to the program at a strategic level
  - Have a passion for Queensland

### **Administration**

XCPPQ is administered by Xstrata Copper Corporate Affairs' Brisbane personnel.