



Business Principles

We will grow and manage a diversified portfolio of metals and mining businesses with the single aim of delivering industry-leading returns for our shareholders. We can achieve this only through genuine partnerships with employees, customers, shareholders, local communities and other stakeholders, which are based on integrity, co-operation, transparency and mutual value creation.

- 1 Statement from the Chief Executive
 - 2 We Work Ethically
 - 3 We Work Responsibly
 - 4 We Work Openly
 - 5 We Work Together and With Others
 - 6 Ethics Line
- External Enquiries

This Statement of Business Principles applies to every Xstrata managed operation. Non-managed operations in which Xstrata has a stake are required to have policies and practices that align with these Principles.

Our Business Principles set out the values to which everyone at Xstrata subscribes. They are supported by the specific commitments, expectations and guidelines set out in our policies, Sustainable Development Standards and procedures.

Statement from the Chief Executive

We are employed by the owners of Xstrata to create value for them from their investment. Our Mission Statement sets out our challenge, and makes absolutely clear, that success is possible only through creating and maintaining genuine partnerships with our stakeholders, which are characterised by integrity, co-operation, transparency and mutual value creation.

At Xstrata, we devolve maximum responsibility and authority to our global commodity businesses, maintaining a lean corporate centre and minimising the burden of overhead. I firmly believe that this devolved management structure directly benefits our operations and our stakeholders by creating a strong sense of ownership and responsibility at the local level. Empowered to act, our businesses can engage with and respond to local stakeholders, challenges and opportunities in the most appropriate manner – a vital requirement given the diversity associated with our operations worldwide.

Nonetheless, the largely autonomous teams within our commodity businesses are bound together by the common set of values and beliefs about the way we work set out in this Statement of Business Principles. Specifically, these principles recognise that our commitment to genuine partnerships with our stakeholders requires that:

- we work ethically
- we work responsibly
- we work openly, and
- we work together and with others.

Our real challenge is to ensure that these aspirations are reflected in our daily actions, attitudes and decisions. For that to happen, each of us must take personal responsibility for implementing them in that part of the business for which we are responsible, and for promoting their application by our business associates, including our joint venture partners and contractors. It is each person's responsibility to speak out about any concerns about compliance with Xstrata's Business Principles, in the first instance through their line manager. An anonymous, independently run 'ethics line' is also provided in every country in which Xstrata operates for occasions when this is not possible and details are provided on the back cover of this document.

Our business principles are not intended to function as a prescriptive set of corporate rules. Still less do they set out the specifics of our particular responsibilities at work. They articulate our commitment to each other and to our stakeholders about how we will work. Our business principles provide an ethical framework and reference point for our corporate culture for Xstrata's businesses around the world, where an unremitting focus on value means an uncompromising commitment to ethical and responsible behaviour.

I am proud of the corporate culture within Xstrata where our focus on value creation for the Group's owners is linked inextricably to our commitment to the highest standards of integrity and transparency. Notwithstanding the different cultures, customs and laws within which we operate, our principles should never be compromised.



M L Davis
Chief Executive, Xstrata plc

We Work Ethically

We are committed to the highest standards of personal and professional ethical behaviour at all times.

We act with integrity in our relationships with stakeholders and fulfil our promises and obligations to them.

We comply in full with the laws and regulations in each country where we operate. In addition, we operate in accordance with Xstrata's sustainable development framework, aspiring to achieve the highest international standards regardless of location and without exception.

We require our business partners to uphold Xstrata's Business Principles, Policies and Sustainable Development Standards.

We uphold and promote human rights within our areas of influence, respecting the cultural heritage, customs and rights of communities, including indigenous peoples.

We do not offer, solicit or accept any form of bribe or anything that could be construed as a bribe.

We do not make donations to any political party, political organisation, politician or candidate for public office.

We do not tolerate any form of fraud, including theft and the improper use of Company resources for personal benefit.

We do not allow our personal financial interests to be brought into conflict with the interests of the Company.

We support free enterprise and will compete fairly for business, with scrupulous regard for those regulations which promote competition and protect consumers.

We honour all contracts with suppliers and customers and pay commercial rates for goods and services.

We are committed to robust and accountable corporate governance.

We Work Responsibly

We are committed to the goal of sustainable development. We balance social, environmental and economic considerations in how we manage our business.

We identify and manage the financial, operational, health, safety, environmental, political, social and reputational risks in our business to allow us to pursue opportunity with an entrepreneurial spirit.

We provide visible leadership; clear priorities, objectives and targets; and the necessary financial and human resources to achieve our strategic objectives.

We implement strategies, policies, standards, systems and procedures to achieve our objectives that are implemented at and aligned between Group, commodity business and operational levels.

We aim to operate a safe workplace that is injury- and fatality-free and to enhance the well-being of employees, contractors and communities.

We are responsible for our own safety and well-being and for the safety and well-being of others around us in the workplace and in the community.

We act as responsible stewards of our owners' assets and aim to preserve the long-term health, function, and viability of the natural environments affected by our operations.

We strive for continuous improvements in every aspect of our business.

We Work Openly

We are committed to the maximum transparency that is commercially possible in our business.

We publicly report our financial, operational and sustainable development performance regularly and in accordance with all relevant legislation and leading practice standards.

We report financial and business performance information that is complete, accurate, honest and timely.

We communicate in advance the potential impacts and benefits of all proposed major changes to our operations, projects or activities to all relevant stakeholders in a transparent, comprehensive and culturally appropriate manner.

We use credible, independent third-party experts to audit and provide assurance of our management systems and business performance at Group, commodity business and operational levels.

We regularly benchmark our performance against international standards and leading practice with the objective of maintaining industry-leading performance.

We Work Together and With Others

We are committed to open and two-way engagement with employees, employee representatives, communities, customers, suppliers, shareholders and other stakeholders.

We identify the stakeholders in our activities and communicate honestly and engage in good faith with all stakeholder groups.

We foster a high performance and entrepreneurial culture and devolve maximum responsibility and authority to our global commodity businesses and operations, embedding ownership at the local level.

We aim to attract and retain the best people at every level of our business and to provide industry-leading career development opportunities and competitive remuneration.

We value the contribution made by employees and contractors, and our policies and practices respect their personal dignity and rights.

We value diversity and treat all employees and contractors fairly, providing equal opportunity at all levels of the organisation without bias according to race, nationality, religion, gender, age, sexual orientation, disability, political or other opinion or any other basis.

We recognise and uphold the rights of our workforce to a safe workplace, collective representation, just compensation, job security and opportunities for development.

We do not tolerate any form of workplace discrimination, bullying, harassment or physical assault.

We do not tolerate child labour or any form of forced or tied employment at Xstrata or our business partners.

We work with governments, local authorities, community representatives, inter-governmental and non-governmental organisations and other interested parties to develop and support projects that benefit the communities associated with our operations globally.

We contribute to the social and economic development of sustainable communities associated with our operations.

We respect the culture, customs, interests and rights of communities, including indigenous peoples and vulnerable or previously disadvantaged groups.

We actively establish relationships with our stakeholders at an international, national, regional and local level and seek ongoing, broad-based support for our activities from the communities associated with our operations.

We work with our customers, suppliers, industry peers and associations to improve overall industry performance and to mitigate the environmental, safety or health impacts associated with our products.

Ethics Line

Each Xstrata employee and contractor is responsible for acting in accordance with our Business Principles. Any concerns about compliance should be raised with your immediate supervisor/manager or with the general manager at your operation, including concerns over fraud, theft, dishonest business activities, misappropriation of Company resources, incorrect health and safety practices, corruption or any other unethical behaviour in the workplace.

However, for instances where it is not possible to speak to your supervisor or general manager, for whatever reason, a toll-free telephone number has been provided for each country in which Xstrata operates. The ethics line is independently run by KPMG and any concerns reported through the telephone line will be relayed in confidence and on an anonymous basis to the Head of Internal Audit for appropriate action. Alternatively you can use the confidential email address: ethics@xstrata.com.

Concerns, questions or disputes associated with typical human resource issues such as salaries, working hours or duties should continue to be raised with your supervisor, human resource personnel or manager as appropriate.

Argentina	0800 555 5764	Papua New Guinea	000861140
Australia	1800 987310	Peru	0800-5-2757
Belgium	0800 715 10	Philippines	1800 161 10175
Brazil	0800 890 069	Republic of Congo (Brazzaville)	+27 12 543 5363
Canada	866 311 5773	South Africa	0800 20 43 07
Chile	123 0020 9952	Spain	9005 06915
China	1-0800-265-2608	Swaziland (reverse charges)	+27 12 543 5407
Dominican Republic	888 751 0471	Switzerland	0800 000 998
Germany	0800 18 13622	Tanzania (reverse charges)	+27 12 543 5449
Mauritania	+27 12 543 5363	United Arab Emirates	800 50 37283
New Caledonia	00 687 28 66 60	United Kingdom	0800 0151 846
Norway	+ 47 40639400	United States	18 009 881 645

Email: ethics@xstrata.com

External enquiries

For further information on Xstrata, please contact:

Claire Divver

Tel: +44 20 7968 2871

cdivver@xstrata.com

Pamela Bell

Tel: +44 20 7968 2822

pbell@xstrata.com

Brigitte Mattenberger

Tel: +41 41 726 6071

bmattenberger@xstrata.com

www.xstrata.com

Additional languages: This booklet is also available in Afrikaans, French, German, Inuktitut, Norwegian, Portuguese, Setswana, Sepedi, Sotho, Spanish, Swahili, Quechua, Xhosa and Zulu.

Designed & produced by Cre8