

Summary of Key Sustainability Data

Economic indicators

\$ million	2004	2005	2006	2007
Total Group Revenue [†]	6,462	8,050	17,102	28,542
Total Group EBIT [†]	1,498	2,520	5,765	8,792
Employee salaries and benefits	735	878	1,435	2,565
Royalties and taxes	212	611	1,412	3,595
Corporate social involvement	10	25	49	102
Dividends per share	22US¢ [‡]	31US¢ [‡]	42US¢ [‡]	50US¢

[†]Pre-exceptionals, continuing operations

[‡]Adjusted for rights issue impact

Production indicators

	2004	2005	2006	2007
Ferrochrome (kt)	1,225	1,122	959	1,219
Vanadium pentoxide (k lbs)	21,067	20,166	21,651	18,870
Ferrovandium (k kg)	5,791	4,936	4,907	4,280
Thermal coal (mt) ²	48.1	52.2	65.6	69.6
Coking coal (mt)	5.2	4.8	5.6	6.8
Semi-soft coking (mt)	6.7	4.8	5.3	6.4
Total coal (mt) ²	60.0	61.8	76.5	82.8
Total mined copper (contained metal) (kt) ^{1,2}	461	1,023	1,011	987
Total mined gold (contained metal) (koz) ^{1,2}	776	777	787	777
Nickel (kt) ²	–	52.5	51.7	52.1
Ferronickel (kt) ²	–	28.7	29.7	29.1
Cobalt (kt) ²	–	1.4	1.4	1.4
Zinc in concentrate production (kt) ^{2,3}	312	713	670	736
Zinc metal production (kt) ^{2,3}	646	831	878	844
Lead in concentrate production (kt) ^{2,3}	144	260	218	214
Lead metal production (kt) ^{2,3}	126	237	231	190

¹Includes Xstrata Copper's 44% share of Collahuasi and 33.75% share of Antamina

²2005 and 2006 pro forma figures adjusted on a 100% consolidated basis

³Includes Xstrata Zinc's pro rata share of CEZ production (25%) and Antamina production (33.75%)

Environmental indicators

	2004	2005	2006	2007
Direct energy use (PJ)	19.4	21.30	24.2	50.7
Total energy use (PJ)	58.2	55.4	61.9 [†]	112.7
Total water use (ML)	74,900	75,300	85,600	168,700
Direct greenhouse gas emissions (CO ₂ equivalent million tonnes)	8.7	7.6	10.3	15.0
Total greenhouse gas emissions (CO ₂ equivalent million tonnes)	18.6	14.5	17.4 [‡]	24.1
Sulphur dioxide stack emissions (tonnes)	229,291	238,564	252,888	368,264
Oxides of nitrogen stack emissions (tonnes)	1,477	1,112	1,193	1,523
Total recycling and reuse of water (ML)	92,900	98,900	101,300	394,300
Land disturbed (hectares)	2,362	2,142	1,734	3,822
Land rehabilitated (hectares)	659	1,122	992	1,309
Category 1 incidents [#]	580	441	890	1,143
Category 2 incidents [#]	210	158	229	264
Category 3 incidents [#]	35	20	24	11
Category 4 incidents [#]	–	–	–	–
Category 5 incidents [#]	–	–	–	–
Prosecutions	–	–	–	–
Fines	\$1,110	–	\$8,100	\$600

[†]2006 figure restated from 63.2 PJ

[‡]2006 figure restated from 15.9 (CO₂ equivalent million tonnes)

[#]Includes former Falconbridge data from September 2006

Social indicators

	2004	2005	2006*	2007
Total workforce	22,144	24,091	43,732	60,021[†]
Permanent employees	16,766	17,628	28,198	37,698[†]
Full-time contractors	5,378	6,463	15,882	22,323[†]
Total employees covered by collective agreements	13,047	12,639	19,451	20,639
Fatalities	6	9	1	9
Total Recordable Injury Frequency Rate [#]	18.5	15.0	14.1	12.3
Lost Time Injury Frequency Rate [#]	5.3	4.3	3.3	3.0
Disabling Injury Severity Rate [#]	613	575	399	340
Health and safety prosecutions	–	–	–	–
Health and safety fines	–	–	–	–
Occupational illnesses [#]	82	37	58	35
Average hours of training per employee per year	117	69	69	71
Community complaints [#]	490	587	391	577

*Includes Falconbridge from September 2006

[†]Includes Eland, Anvil Hill and Tahmoor from November 2007

[#]Average employee and contractor numbers for 2007

GRI Content Index

Indicator	Description of indicator	Page reference	GRI indicator	UN Global Compact	ICMM Principle
Strategy and analysis					
1.1	Statement from the most senior decision maker about the relevance of sustainability to the organisation and its strategy	p2-3	✓		2
1.2	Description of key impacts, risks, and opportunities	p2-3, p14-19	✓		2
Organisational profile					
2.1	Name of the organisation	Inside cover	✓		10
2.2	Primary brands, products, and/or services	Inside cover	✓		10
2.3	Operational structure of the organisation	Inside cover	✓		10
2.4	Location of organisation's headquarters	Inside cover	✓		10
2.5	Number of countries where the organisation operates, and names of countries	Inside cover	✓		10
2.6	Nature of ownership and legal form	Inside cover	✓		10
2.7	Markets served including geographic breakdown, sectors served, and types of customers/beneficiaries	AR p32-38	✓		9,10
2.8	Scale of the reporting organisation	Inside cover	✓		9,10
2.9	Significant changes during the reporting periods	p10-12	✓		2,10
2.10	Awards received in the reporting period	p70	✓		10
Report parameters					
3.1	Reporting period for information provided	p10	✓		10
3.2	Date of most recent previous report	p10	✓		10
3.3	Reporting cycle	p10	✓		10
3.4	Contact point for questions regarding the report or its contents	p12, Back cover	✓		10
3.5	Process for defining report content	p12	✓		10
3.6	Boundary of the report	p10	✓		10
3.7	State any specific limitations on the scope or boundary of the report	p10	✓		10
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities	p10-11	✓		10
3.9	Data measurement techniques, and the basis of calculations	p10-12	✓		10
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and reasons	p10-11	✓		10
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied	p11-12	✓		2,10
3.12	Table identifying the location of the standard disclosures report	p100-102	✓		10
3.13	Policy and current practices with regard to external assurance	p12	✓		10
Governance, Commitments and Engagement					
4.1	Governance structure of the organisation	p21	✓		1
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	p21	✓		1
4.3	State the number of members of the highest governance body that are independent, and/or non-executive	p21	✓		1
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	p27, AR p116-117	✓		1
4.5	Linkage between compensation and the organisation's performance (including social and environmental performance)	AR p121-135	✓		2
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	AR p21	✓		1
4.7	Process for determining the qualification and expertise of Board members on economic, environmental, and social topics	p21	✓		1
4.8	Statements of mission or values, codes of conduct, and principles	p23	✓	1,2	1
4.9	Procedures for overseeing the identification and management of economic, environmental, and social performance	p23-25	✓	1,2	1
4.10	Processes for evaluating Board performance, particularly with respect to economic, environmental and social performance	p21-22	✓		2
4.11	Explanation of whether and how the precautionary approach or principal is addressed by the organisation	p25	✓	7	2,4
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses	p23	✓		1,10
4.13	Memberships in associations and/or national/international advocacy organisations	p31-32	✓		1,10
4.14	List of stakeholder groups engaged by the organisation	p29-32	✓		10
4.15	Basis for identification and selection of stakeholders	p29	✓		10
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	p29	✓		10
4.17	Key topics and concerns raised through stakeholder engagement, and how the organisation has responded	p29	✓		10

✓ Fully reported GRI indicator
 ✗ GRI indicator not reported
 ○ Partially reported GRI indicator
 n/a = Not applicable

1-10 UN Global Compact Principle by number
 1-10 ICMM Principle by number
 AR = Xstrata Annual Report 2007

Indicator	Description of indicator	Page reference	GRI indicator	UN Global Compact	ICMM Principle
Economic indicators					
EC1	Direct economic value generated and distributed	p54	✓		
EC2	Financial implications, other risks and opportunities for the organisation's activities due to climate change	p77	✓		
EC3	Coverage of the organisation's defined benefit plan obligations	p49	✓		
EC4	Significant financial assistance received from government†	n/a	n/a	10	
EC6	Policies, practices and proportion of spending on locally-based suppliers at significant locations	p55-56	✓		
EC7	Procedures for local hiring, and proportion of senior management hired from the local community	p57	✓		
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit	p57-58	✓		
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	p53	✓		
MM1	Identification of sites where the local economic contribution and development impact is of particular significance	p54	✓		
MM2	Value added disaggregated to country level	p54	○		
Environmental indicators					
EN1	Weight of materials used by weight or volume	Datasheet**	✓		6
EN2	Percentage of materials used that are recycled input materials	Datasheet**	✓	8	6,8
EN3	Direct energy consumption by primary energy source	p80	✓		6
EN4	Indirect energy consumption broken down by primary source	p80	✓		6
EN5	Energy saved due to conservation and efficiency improvements	p79-81	✓	8,9	6,8
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements	p80-81	✓	8,9	6,8
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	p79-81		8	6,8
EN8	Total water withdrawal by source	p82	✓		6,8
EN9	Water sources significantly affected by withdrawal of water	p82	○		
EN10	Percentage and total volume of water recycled and reused	p85	✓	8	6,8
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	p85	✓	8	7
EN12	Description of significant impacts of activities on biodiversity in protected areas and areas of high biodiversity value	p85	✓	8	7
EN13	Habitats protected or restored	p86	✓		7
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	p86	✓	8	7
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	p87-88	✓	8	7
EN16	Total direct and indirect greenhouse gas emissions by weight	p73	✓	8	6
EN17	Other relevant indirect greenhouse gas emissions by weight	p74	✓	8	6
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	p73, p96	✓	8	6,8
EN19	Emissions of ozone-depleting substances by weight	Datasheet**	✓	8	6
EN20	NOx, SOx, and other significant air emissions by type and weight	p90-91	✓	8	6
EN21	Total water discharge by quality and destination	p85	✓	8	6
EN22	Total weight of waste by type and disposal method	p92-93	✓	8	6,8
EN23	Total number and volume of significant spills	p70	✓	8	6
EN24	Weight of transported, imported, exported, or treated hazardous waste	p92-93	✓	8	6,8
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by discharges of water and runoff	p87-88	✓	8	8
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	p71, p75-77	✓	8	8
EN27	Percentage of products sold and their packaging materials that are reclaimed by category		✓	8	8
EN28	Value and number of significant fines and non-monetary sanctions for non-compliance with environmental laws and regulations	p70	✓	7,8	6
EN29	Significant environmental impacts of transporting products and other goods and materials		✗	8	8
MM EN23	Total amount of land owned, leased, and managed for production activities or extractive use; total land distributed, total land rehabilitated	p89	✓	8	7
MM3	The number/percentage of sites identified as requiring biodiversity management plans, and with plans in place	p85	✓	8	7
MM4	Percentage of product(s) derived from secondary materials	p93	✓	8	8
MM5	Policies for assessing the eco-efficiency and sustainability attributes of products	p93-94	✓	8	8
MM6	Approach to management of overburden, rock, tailings, and sludges/residues	p93-94	✓	8	6,8

*'Additional' GRI indicator **Sustainability datasheet is available from www.xstrata.com/sustainability

†No governments are shareholders in our operations

GRI Content Index

Indicator	Description of indicator	Page reference	GRI indicator	UN Global Compact	ICMM Principle
Labour Practices and Decent Work					
LA1	Total workforce by employment type, employment contract, and region	p47	✓	6	3
LA2	Total number and rate of employee turnover by age group, gender, and region	p49	✓	6	3
LA4	Percentage of employees covered by collective bargaining agreements	p48	✓	3	3
LA5	Minimum notice period(s) regarding significant operational changes	p48	✓	3	3
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region	p34-35, 39	✓		5
LA8	Education, training, counseling, prevention, and risk-control programmes in place regarding serious diseases	p42-47	✓		5
LA9*	Health and safety topics covered in formal agreements with trade union	p34	✓		5
LA10	Average hours of training per year per employee by employee category	p49	✓		2
LA11	Programmes for skills management and lifelong learning	p49, p58-59	✓		3
LA12	Percentage of employees receiving regular performance and career development reviews	p49	✓		3
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	p50	✓	6	3
LA14	Ratio of basic salary of men to women by employee category	p50	✓	6	6
MM12	Approach to identifying, preparing for, and responding to emergency situations	p26, p64	✓		4
MM13	Number of new cases of occupational disease by type. Programmes to prevent occupational disease	p39-41	✓		5
Human Rights					
HR1	Percentage and total number of significant investment agreements that include human rights clauses or human rights screening	p27	○	1,2	1,3
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	p27	✓	1,2	1,3
HR3	Employee training on policies and procedures concerning aspects of human rights	p27-28	✓	1,2	1,3
HR4	Total number of incidents of discrimination and actions taken	p48	✓	6	6
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk	p48	✓	3	3
HR6	Operations identified as having significant risk for incidents of child labour	p28	✓	5	3
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour	p28	✓	4	3
HR8	Percentage of security personnel trained in policies or procedures concerning human rights	p27-28	✓	2	3
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	p28	✓	2	3
MM11	Process for identifying local communities' land and customary rights, including those of indigenous peoples, and grievance mechanisms used to resolve any disputes	p63	✓		3
Social Performance Indicators					
SO1	Nature, scope, and effectiveness of any programmes and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting	p53	✓		4,9
SO2	Percentage and total number of business units analysed for risks related to corruption	p26	✓	10	10
SO3	Percentage of employees trained in organisation anti-corruption policies and procedures	p26	✓	10	1,10
SO4	Actions taken in response to incidents of corruption	p27	✓	10	10
SO5	Public policy positions and participation in public policy development and lobbying	p31	✓		1
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	p26	✓		1
SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes	No incidents	✓		1
SO8	Monetary value of and total number of fines or non-monetary sanctions for non-compliance with laws/regulations	p70	✓		1
MM7	Description of significant incidents affecting communities during the reporting period, and grievance mechanisms used	p60-61	✓		3,9
MM8	Description of programmes in which the reporting organisation has been involved that addressed artisanal and small-scale mining (ASM)	n/a	n/a		
MM9	Description of resettlement policies and activities	p65	✓		3,9
MM10	Number or percentage of operations with closure plans, company policy, stakeholder engagement processes, frequency of plan review, and amount and type of financial provisions for closure	p88-89	✓		2,9
Product Responsibility					
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement	p96	✓		8
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	p96	✓		8
PR6	Programmes for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	n/a	n/a		-
PR9	Monetary value of significant fines for non-compliance with laws/regulations concerning the provision and use of products and services	None	✓		1,8

✓ Fully reported GRI indicator ✗ GRI indicator not reported ○ Partially reported GRI indicator n/a = Not applicable

1-10 UN Global Compact Principle by number 1-10 ICMM Principle by number AR = Xstrata Annual Report 2007

Independent assurance report by Deloitte & Touche LLP to Xstrata plc on its Sustainability Report 2007 ('the Report')

What we looked at: scope of our work

Xstrata plc ('Xstrata') has engaged us to give assurance on:

- **Group sustainability reporting using the AA1000 principles** – Xstrata's description on page 12 of its approach to sustainability reporting at Group level using the principles of materiality (how they identify material issues), completeness (how they report comprehensively on all material issues) and responsiveness (how they respond to stakeholder concerns) set out in the AccountAbility 1000 Assurance Standard (AA1000 AS); and
- **GRI application level** – whether Xstrata's self-declared application level of the Global Reporting Initiative's (GRI) G3 sustainability reporting guidelines on page 12 is not materially misstated.

What standards we used: basis of our work and level of assurance

We carried out limited assurance in accordance with the International Standard on Assurance Engagements 3000 (ISAE 3000). Limited assurance is designed to give a similar level of assurance to that obtained in a review of interim financial statements. To achieve limited assurance ISAE 3000 requires that we review the processes, systems and competencies that deliver the information in the areas on which we provide assurance. It does not include detailed testing of source data or the operating effectiveness of processes and internal controls. This provides less assurance and is substantially less in scope than a reasonable assurance engagement.

The evaluation criteria used for the first subject matter above are based on the AA1000 AS principles of materiality, completeness and responsiveness and Xstrata's application of these principles in preparing the Report, as described on page 12. This subject matter and criteria are primarily of a qualitative nature, assessing whether the reporting provides the main audience for the report (i.e. the investment community as defined on page 10) a useful understanding of Xstrata's sustainability approach taken as a whole. To perform this evaluation, limited review of reported quantitative performance information and, where relevant, review of the supporting evidence for such information has been performed. However, it does not provide assurance of performance information in the Report.

What we did: key assurance procedures

Considering the risk of material error, a multi-disciplinary team of Corporate Responsibility and assurance specialists planned and performed our procedures to obtain the information and explanations we considered necessary to provide sufficient evidence to support our assurance conclusion. Key procedures included:

- Review of Xstrata's own Sustainable Development (SD) assurance programme for 2007 to evaluate its quality and consistency in supporting Xstrata's Group SD framework. This included interviewing the process owner of Xstrata's SD assurance programme; reviewing the documentation used for the SD assurance framework; and reviewing 2007 SD assurance

- reports for four sampled Xstrata operations;
- Interviews with five managers at Xstrata head-office, including those responsible for Xstrata's Group sustainability approach and reporting to understand Xstrata's approach to sustainability management and reporting;
- Review of meeting minutes from 2007 meetings of Xstrata's Board HSEC committee and selected meeting minutes of 2007 meetings of Xstrata's executive management to assess their deliberations on sustainability management and reporting;
- A limited analysis of public information relating to Xstrata and industry practices regarding sustainability performance during the year;
- Visits to one commodity business (Xstrata Copper) and four sampled operating sites across different commodity businesses; and
- Analysis and high-level review of sampled documentation to obtain a high-level understanding of the key structures, systems, processes, procedures and controls relating to:
 - Stakeholder identification, engagement and responsiveness, including reviewing stakeholder outcomes and how stakeholder concerns are reflected in the report;
 - Management and governance structures used for managing sustainability;
 - Presentation of the Sustainability Report against GRI G3 guidelines;
 - Implementation of sustainability related policies, internal audit and other monitoring activities; and
 - Sustainability Report development and approval process, including the selection of material issues to be reported on, related key performance indicators, review of draft and final reports, and other features of the Sustainability Report.

What we found: our assurance conclusion

Based on the assurance work we have concluded that:

- **Group sustainability reporting using AA1000 principles** – Nothing has come to our attention indicating that Xstrata's description on page 12 of how it uses the AA1000 AS principles of materiality, completeness and responsiveness in preparing the Sustainability Report is materially misstated; and
- **GRI application level** – the reported application level of GRI on page 12 is not materially misstated.

Our further comments

In accordance with the requirements of the AA1000 AS and without affecting our assurance opinion, Xstrata has also asked us to provide our key observations and recommendations for improvement.

Xstrata has made the following key improvements in its sustainability approach since last year:

- Improved environmental performance reporting with key performance indicators and targets on emissions of CO₂-equivalents, energy usage and water consumption being normalised to tonne of production (intensity measures);
- Developed and further integrated the SD assurance process into the business, with the ownership of the process having been devolved

to commodity businesses and by streamlining the process further;

- Improved the Report's stakeholder responsiveness by further clarifying stakeholders' general concerns and expectations on page 29; and
- Completed a review on its sustainability approach resulting in an improved SD Governance framework being approved by the Board at the end of 2007.

Our key recommendations to Xstrata for future improvement in its sustainability approach are to:

- Improve further the quality of sustainability performance information, especially by improving the quality of operational data-input into the Group sustainability database;
- Continue to improve the SD assurance process by integrating it further with other internal assurance processes and ensuring it supports the quality of Group sustainability performance information; and
- Consider expanding the description of how the SD management framework operates at commodity business level to increase the understanding of how Xstrata manages sustainability.

Responsibilities of Directors and independent assurance provider

The Directors are responsible for the preparation of the Sustainability Report and for the information and statements contained within it. They are responsible for determining Xstrata's objectives in respect of sustainability performance and for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.

Our responsibility is to independently express conclusions on the reliability of management's assertions on selected subject matters as defined within the scope of work above.

Our team performed the engagement in accordance with Deloitte's independence policies, which cover all of the requirements of the International Federation of Accountants (IFAC) Code of Ethics and in some areas are more restrictive. We confirm to Xstrata that we have maintained our independence and objectivity throughout the year, including the fact that there were no events or prohibited services provided which could impair that independence and objectivity in the provision of this engagement.

This report is made solely to Xstrata plc in accordance with our letter of engagement for the purpose of the Directors' governance and stewardship. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Xstrata plc for our work, for this independent assurance report, or for the conclusions we have formed.

Deloitte & Touche LLP
London, United Kingdom, 17 April 2008

Glossary

AA1000 Assurance Standard (AA1000AS)

– the first non-proprietary, open-source Assurance Standard that covers the full range of an organisation's disclosure and performance, based on assessment of reports against three Assurance Principles: Materiality; Completeness; and Responsiveness.

AIDS – Acquired immune deficiency syndrome.

AS/NZS 4801 – Australia/New Zealand Standard specifying requirements for an occupational health and safety management system.

BEE (black economic empowerment) – a South African government policy to increase the participation of black people in the ownership, management and control of economic activities.

Biodiversity – Biodiversity is an abbreviation of 'biological diversity' and means the variability among living organisms from all sources, including land based and aquatic ecosystems, and the ecosystems of which they are part. These include diversity within species, between species, and of ecosystems.

Biodiversity offset – The setting aside of an area to compensate for the disturbance of biodiversity.

Business Principles – Xstrata's Statement of Business Principles sets out the ethical framework for the way we work globally. The statement sets out specific aspirations and commitments that apply to the company's relations with its customers, employees, shareholders, partners, suppliers and in the communities where it operates.

Carbon intensity – calculated as CO₂-e tonnes per tonne of product.

CCS – Carbon capture and storage, the capture and storage of CO₂ produced by combustion of coal.

CCSD – Cooperative Research Centre for Coal in Sustainable Development in Australia.

'Clean coal' technology – a range of different technologies to reduce or eliminate the carbon emissions associated with the combustion of coal.

Closure plan – A formal document detailing a costed conceptual outline of how the operation will be closed, taking into account prevailing social and environmental issues.

CO₂-e – Carbon dioxide equivalent is a standard metric by which greenhouse gases other than carbon dioxide are converted to CO₂ equivalence to facilitate comparisons and quantification.

Colliery – Underground coal mine.

Combined Code on Corporate Governance – The UK's Combined Code on Corporate Governance sets out standards of good practice in relation to issues such as board composition and development, remuneration, accountability and audit and relations with shareholders.

Commodity business – Xstrata's activities are structured into global commodity businesses organised along commodity lines; Xstrata Alloys, Xstrata Coal, Xstrata Copper, Xstrata Nickel, Xstrata Zinc and Xstrata Technology.

CRC – Co-operative Research Centre.

Critical Incident (CI) – An incident which has caused a fatality or life threatening injuries to a person; damage to assets or property, or loss of operations, to a value greater than US\$10 million; a category 4 or category 5 environmental incident or; media attention/public exposure of a serious, negative consequence.

dBA – Decibels adjusted (measurement of noise intensity).

DEAT – Department of Environmental Affairs and Tourism, South Africa.

Disabling Injury – Calculated as Lost Time Injuries plus Restricted Work Injuries (LTI + RWI).

DISR – Disabling Injury Severity Rate. The number of disabling injuries per million hours worked.

EIS – Environmental Impact Study.

EITI (Extractive Industries Transparency Initiative) – The Extractive Industries Transparency Initiative (EITI) aims to increase transparency in transactions between governments and companies within extractive industries.

Environmental Incident categories – Incidents are classified on a scale ranging from 1 to 5 representing extent of environmental impact.

EMPR – Environmental Management Programme Report (the South African equivalent of an Environmental Impact Study).

EMS – Environmental Management System(s).

Fatality – A death resulting from an occupational injury or illness and identified within the reporting period.

Fresh water intensity – raw ground and surface water use per tonne of product.

GJ – Gigajoules (1 GJ = 1,000,000,000 joules).

Global Compact – the UN Global Compact is a voluntary corporate responsibility initiative to advance ten universal principles in the areas of human rights, labour, the environment and anti-corruption.

GHGs – Greenhouse gases.

GRI – Global Reporting Initiative – a multi stakeholder, international process whose mission is to develop and disseminate globally applicable Sustainability Reporting Guidelines to assist corporations in reporting on the economic, environmental, and social performance of their operations.

ha – Hectares (1 ha = 10,000 square metres).

HDSA – Historically disadvantaged South African.

High Potential Risk Incident (HPRI) – An incident which could have resulted in a Critical Incident (CI).

HIV – Human immunodeficiency virus.

Hours worked – Total number of hours worked by employees, including overtime and training, excluding leave, sickness and other absences, including the total number of contractor hours worked on site during the year.

HSEC – Health, safety, environment and community.

ICMM – International Council on Mining and Metals.

ILO – International Labour Organisation.

ISO 14001 – The International Standardisation Organisation's standard for environmental management systems.

IUCN – International Union for the Conservation of Nature and Natural Resources, also known as the 'World Conservation Union'.

Jarofix – jarosite is transformed into jarofix, a solidified, stabilised, inert material (non-hazardous waste).

Jarosite – iron sulphate (classified as a hazardous waste).

Land disturbed – Land disturbed by operational activities.

Land rehabilitated – Land disturbed by operational activities and then reshaped and revegetated.

Longwall – Series of equipment, including hydraulic jacks and a shearer, used to mine coal in an underground mine.

LPG – Liquid petroleum gas.

LTI – Lost Time Injury – an occupational injury or illness that results in days away from work on any rostered shift subsequent to that on which the injury occurred. A fatality is also recorded as a LTI.

LTI_{FR} – Lost Time Injury Frequency Rate = LTI x 1,000,000/hours worked.

m³ – Cubic metres.

MAC – Mining Association of Canada.

Materiality – disclosing all information of significant concern to stakeholders for assessing our economic, environmental, and social performance.

MCA – Minerals Council of Australia.

Megalitre or ML – 1 megalitre = 1,000,000 litres or 1,000 kilolitres.

µg/dl – Micrograms per decilitre (a metric unit of volume equal to one-tenth of a litre).

Millennium Development Goals – eight goals agreed by the United Nations in 2000 with a view to tackling global poverty.

Mining Charter – The policy objective stated in the South African Mineral and Petroleum Resources Development Act to expand opportunities for historically disadvantaged persons to enter the mining and minerals industry or benefit from the exploitation of the nation's mineral resources.

MPRDA – the South African Minerals and Petroleum Resources Development Act, 2004 governs the transfer of mining rights and grant of mining authorisations.

Mt – Megatonnes (1 Mt = 1,000,000 tonnes).

MTI – Medical Treatment Injuries – an occupational injury / illness which is not classified as an LTI or RWI, but which results in loss of consciousness or medical treatment after first aid.

MW – Megawatt, a unit for measuring electric power, which has the value of 1,000,000 watts.

NGOs – Non-governmental organisations.

NIHL – Noise-induced hearing loss.

Non-trading items – non-trading items are material items of income and expense, which, due to their nature or expected infrequency are presented separately.

NO_x – Oxides of nitrogen (nitric oxide and nitrogen dioxide).

NT – Northern Territory, Australia.

Occupational illness – An occupational illness is registered when it is confirmed as a work related compensable case by a medical practitioner/physician.

OHSAS 18001 – Occupational Health and Safety Assessment Series (specifications for occupational health and safety management systems).

PGMs – Platinum group metals.

PPE – Personal protective equipment.

PJ – Petajoule (1015 joules).

Premus technology – proprietary technology for the production of ferrochrome, developed and patented by Xstrata Alloys. Premus technology has significant cost and environmental benefits compared to existing technology.

Raw water – Untreated water extracted from groundwater, dams or rivers. Groundwater is extracted from wells, bores, cut off trenches and mine dewatering both on and off site. Surface water is defined as water from streams, lakes and dams including storm water and collected runoff.

Recycled water – Recycled/re-used water is water:

- that has been used at least once in a process within the operation or at another operation within the organisation; and
- that would otherwise be part of a waste stream; and
- if not re-used, would require the input of raw water.

Red List – IUCN Red List of Threatened Species

Reductant – Reducing agent, the electron donor in an oxidation-reduction (redox) reaction.

ROM – Run of mine.

RWI – Restricted Work Injury – An occupational injury or illness that results in a person being physically or mentally unable to perform all or any part of his/her normal assignment during any rostered shift subsequent to that on which the event occurred, that is, where: (1) the employee was assigned to another job on a temporary basis; (2) the employee worked at a permanent job less than full-time; or (3) the employee worked at his or her permanently assigned job but could not perform all the duties normally connected with it.

SD – Sustainable Development.

SD Assurance Programme – Under the SD Assurance Programme operations and projects which achieve set SD performance criteria, including previous audit performance, will be selected to move to annual self-assessments in 2008. Operations and projects not meeting this standard will continue to have the audit protocol independently applied.

SD Standards – a set of 17 standards which set out corporate performance expectations for each operation and against which sites and commodity businesses are independently audited through the Xstrata SD Assurance Programme.

SME – Small and medium sized enterprise(s).

Social Involvement Plan (SIP) – A plan produced by each Commodity Business which determines engagement with local communities, and details the range of initiatives to be undertaken and the financial and other resources dedicated to social involvement.

Tailings and tailings dams – The fine fraction of waste rock remaining after the mining and on-site processing of mineral resources. Tailings are piped into engineered impoundments known as tailings dams.

Total fresh water – The sum of all water drawn into the boundaries of the reporting organization from all sources (including surface water, ground water, rainwater, and municipal water supply) for any use over the course of the reporting period.

Transformation – In South Africa, the term transformation describes the ongoing process to develop a sustainable, equitable society and economy in South Africa.

TRI – Total Recordable Injuries – a measure that includes:

- Lost Time Injuries (including fatalities);
- Restricted Work Injuries; and
- Medical Treatment Injuries.

TRIFR – Total Recordable Injury Frequency Rate = (LTI + RWI + MTI) x 1,000,000/hours worked.

VCT – Voluntary counselling and testing for HIV/AIDS.

Waste water discharged – Total volume of effluent discharged to: surface water for irrigation; third parties for treatment; and rivers or oceans.



Xstrata plc Bahnhofstrasse 2 PO Box 102 6301 Zug Switzerland
Tel +41 41 726 6070 Fax +41 41 726 6089 www.xstrata.com