

5. Supplementary information

Independent Auditor's Limited Review Report to the Management and Directors of Xstrata plc

We have performed limited assurance procedures to review Xstrata's compliance with its approach to compilation of the 2008 Sustainability Report ('the Report') as detailed in 'Work Scope' below.

Directors and management responsibility

The Directors of the Company are responsible for the preparation of the Sustainability Report 2008. The report has been prepared by management of Xstrata ('Management') who are responsible for the collection and presentation of information within it and for maintaining adequate records and internal controls that are designed to support the sustainability reporting process. There are currently no prescribed requirements relating to the preparation, publication and verification of sustainability reports.

Auditor's responsibility

Our responsibility in performing our limited assurance activities is to the Management and Directors of Xstrata only and in accordance with the terms of reference for this engagement as agreed with them. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on the Report is entirely at its own risk.

Our review has been planned and performed in accordance with the International Federation of Accountants' International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000'). We have also considered the applicable International Council on Mining and Metals' ('ICMM') Assurance Procedures and the Global Reporting Initiative G3 reporting guidelines in conducting our review procedures.

These procedures have been undertaken to form a conclusion that nothing has come to our attention that causes us to believe that Xstrata has not undertaken the stated approach to preparation of the Report for the period 1 January 2008 to 31 December 2008 (within the boundaries described in the Report). Our responsibility did not include:

- > Assessing the accuracy, fairness or balance of performance data sets;
- > Testing the information technology ('IT') systems used to collect and aggregate site data. That is, we did not test IT controls or perform procedures relating to checking aggregation or calculation of data within the IT systems;
- > Review of management's forward-looking statements;
- > Any comparisons made against historical data, with the exception of specific sustainability targets;
- > Assessing whether Xstrata has addressed the requirements of ICMM Subject Matters 2, 3 or 4; and
- > Attending any stakeholder engagement activities.

Level of assurance

A limited assurance engagement consists of making enquiries and applying analytical and other limited assurance procedures.

Our procedures were designed to provide a limited level of assurance and as such do not provide all the evidence that would be required to provide a reasonable level of assurance. While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Work scope

We designed our procedures in order for us to evaluate the Report against Xstrata's application of the principles of materiality, inclusivity and responsiveness and its approach to data integrity as stated in the Report as follows:

Materiality:

- a) Has Xstrata applied the approach described in the 'Defining report content' section of the Report (page 17) to identify material issues for inclusion in the Report?
- b) From the framework in a) above, has Xstrata reported the material issues relating to its sustainability performance?
- c) Has Xstrata included sustainability performance information from all material entities in its defined boundary for reporting?

Inclusivity:

- a) Has Xstrata followed the approach described in the 'Stakeholder engagement' section of the Report (page 22) to identify the internal and external stakeholders?
- b) Has Xstrata included the identified stakeholders in discussions to identify the sustainability issues of most concern to these stakeholders?

Responsiveness:

- a) Has Xstrata undertaken the approach described in the 'Ethics' and 'Community – Policy and approach' sections of the Report (pages 26 and 80) to respond to the identified stakeholders' concerns?

Data Integrity:

- a) Has Xstrata collated Group data from operations level data as described in the 'Data' section of the Report (page 16)?
- b) Has Xstrata executed its Sustainable Development (SD) assurance programme as described in the 'Sustainability governance' section of the Report (page 21) as a means to minimise material errors in sustainability performance data?

In addition, we considered the reported alignment of Xstrata's Sustainable Development Policy and Standards and Business Principles to the ICMM Sustainable Development Framework assurance procedures, in particular Subject Matter 1 and Subject Matter 5 as follows:

- a) Has Xstrata aligned its sustainability policies and standards to ICMM's 10 Sustainable Development Principles and to the mandatory requirements of ICMM Position Statements (Subject Matter 1)?

- b) Has Xstrata correctly applied the Global Reporting Initiative's (GRI) G3 sustainability reporting guidelines in assessing and self-declaring the GRI application level of its 2008 Sustainability report (page 18).

Procedures undertaken

The sites selected for testing are representative of the major commodity businesses, cover diverse geographic locations and included both mining and refining operations. The materiality appraisal process was followed for a set of material issues identified at site level through to the division level then to the Xstrata commodity business unit level and finally to the corporate level. The performance data reviewed related to the stated 2008 targets and key indicators related to production, environmental and social performance that were established in the 2007 Sustainability report. The sites visited included:

- > Bulga Mine, Coal, Hunter Valley, Australia;
- > Alumbreira Mine, Copper, Catamarca Region, Argentina;
- > Townsville Refinery, Copper, Queensland, Australia; and
- > Sudbury Mine, Nickel, Ontario, Canada.

In order to undertake our review, our procedures included, but were not limited to:

- > Considering Xstrata's Sustainable Development Standards that outline the processes used to identify internal and external stakeholders and how to engage them to identify material sustainability issues;
- > Interviewing a selection of Xstrata staff and management responsible for health, safety, environment and community from site, division and commodity business unit level to understand how site material issues are escalated to the corporate level;
- > Interviewing Xstrata Group-level personnel responsible for the Report development to determine the criteria used to determine the material issues that should be included in the Report;
- > Reviewing the Report to determine whether the description of the processes used to identify and report on material issues is consistent with that found during our procedures;
- > Reviewing the Report to determine whether the description of the stakeholder engagement process is consistent with that found during our procedures;
- > Reviewing the Report to determine whether material topics and performance issues identified during our procedures had been adequately disclosed;
- > Sample testing the corporate data collection, aggregation and disclosure processes for sustainability targets and performance indicators;
- > Reviewing Xstrata's own Sustainable Development assurance programme for 2008 to evaluate its ability to support the delivery of robust and accurate site-based sustainability data;
- > Reviewing selected Xstrata policies and standards and assessing alignment with ICMM's 10 Sustainable Development Principles as detailed in Annex 1 of the ICMM Sustainable Development Framework Assurance Standard (May 2008) and all other mandatory requirements as set out in ICMM's Position Statements; and
- > Reviewing the Report and agreeing Xstrata's self-assessment of the Report's GRI G3 application level.

Our Independence and Assurance Team

The firm and all professional personnel involved in this engagement have met the independence requirements of Australian or International professional ethical requirements. Ernst & Young has provided a range of services to Xstrata including but not limited to the provision of certain statutory financial audit services. We believe the provision of these services has not impaired our impartiality with respect to this work. Our team has the required competencies and experience for this engagement.

Assurance conclusions

On the basis of our procedures for this limited assurance engagement, which is not an audit, we provide the following conclusions:

Group Sustainability Reporting

Nothing has come to our attention to cause us to believe that Xstrata has not:

- > Followed the approach described to identify material issues for inclusion in the Report;
- > Included all material issues relating to its sustainability performance;
- > Included sustainability performance information from all material entities in its defined boundary;
- > Followed the approach described to identify its internal and external stakeholders;
- > Followed the approach described to engage these stakeholders in discussions around the sustainability issues of most concern to these stakeholders;
- > Followed the approach described to respond to the identified stakeholders' concerns;
- > Collated Group data from operations-level data in accordance with its stated methodology; and
- > Executed its Sustainable Development (SD) assurance programme as stated in the Report.

Additional ICMM Subject Matter

Nothing has come to our attention to cause us to believe that:

- > Xstrata's sustainable development policies and standards do not align with ICMM's 10 Sustainable Development Principles and the mandatory requirements of all ICMM Position Statements; and
- > Xstrata's self-declared application level of the Global Reporting Initiative's (GRI) G3 sustainability reporting guidelines is not materially misstated.

Where web links have been made from the full Report to Xstrata web pages for the purposes of meeting the declared GRI G3 application level, our review included that web-based information that was available via these web links as of the date of this statement. We provide no assurance over changes to the content of these web links after the date of this assurance statement.

Trent van Veen
Partner

Ernst & Young
Sydney
5 May 2009

Summary of Key Sustainability Data

Economic indicators

\$million	2004 [†]	2005 [†]	2006 [†]	2007 [†]	2008 [†]
Total Group Revenue	6,462	8,050	17,102	28,542	27,952
Total Group EBIT	1,499	2,520	5,765	8,792	7,261
Employee salaries and benefits	735	878	1,435	2,565	2,917
Royalties and taxes	212	611	1,413	3,596	2,477
Corporate social involvement	11	25	49	102	84
Dividends per share	24US¢	31US¢	42US¢	50US¢	18US¢

[†] Results reported under IFRS

Production indicators

	2004	2005	2006	2007	2008
Ferrochrome (kt)	1,225	1,122	959	1,219	1,126
Vanadium pentoxide (k lbs)	21,067	20,166	21,651	18,870	16,604
Ferrovandium (k kg)	5,791	4,936	4,907	4,280	3,622
Platinum Group metals (k oz)	–	–	10	99	223
Thermal coal (mt)	48.1	52.2	65.6	69.6	73.3
Coking coal (mt)	5.2	4.8	5.6	6.8	6.9
Semi-soft coking (mt)	6.7	4.8	5.3	6.4	5.3
Total coal (mt)	60.0	61.8	76.5	82.8	85.5
Copper in concentrate (kt) ¹	461	494	641	864	844
Gold in concentrate (kt)	726	685	698	703	627
Gold in dore (kt)	50	60	73	74	60
Anode copper (kt)	236	220	468	668	640
Refined copper (kt)	238	219	477	802	807
Zinc metal (kt) ²	646	649	879	844	796
Zinc in concentrate (kt) ²	312	385	670	736	861
Lead metal (kt)	126	161	231	190	220
Lead in concentrate (kt)	153	184	218	214	251
Refined silver (k oz)	8,976	11,859	8,183	5,808	7,907
Silver in crude lead (k oz) ³	10,581	11,362	6,273	7,533	10,197
Nickel (kt)	–	–	51.7	52.1	54.5
Ferronickel (kt)	–	–	29.7	29.1	18.8
Copper (kt)	–	–	33.1	31.4	27.7
Cobalt (kt)	–	–	1.4	1.4	1.3

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

² Includes Xstrata Zinc's pro-rata share of CEZ production (25%) and Antamina production (33.75%)

³ Includes silver from purchased concentrate

Environmental indicators

	2004	2005	2006	2007	2008*
Direct energy use (PJ)	19.4	21.30	24.2	65.5 [#]	64.8
Total energy use (PJ)	58.2	55.40	61.9	127.4 [†]	127.1
Total water use (ML)	74,900	75,300	85,600	168,700	170,100
Direct greenhouse gas emissions (CO ₂ equivalent million tonnes)	8.7	7.6	10.3	16.0 [‡]	15.6
Total greenhouse gas emissions (CO ₂ equivalent million tonnes)	16.2	14.5	17.4 [‡]	23.3 [°]	24.9
Sulphur dioxide stack emissions (tonnes)	229,291	238,564	252,888	368,264	408,275
Oxides of nitrogen stack emissions (tonnes)	1,477	1,112	1,193	1,523	2,307
Total recycling and reuse of water (ML)	92,900	98,900	101,300	394,300	511,400
Land disturbed (hectares)	2,362	2,142	1,734	3,822	4,787
Land rehabilitated (hectares)	659	1,122	992	1,309	1,417
Category 1 incidents	580	441	890	1,143	1,604
Category 2 incidents	210	158	229	264	241
Category 3 incidents	35	20	24	11	8
Category 4 incidents	–	–	–	–	–
Category 5 incidents	–	–	–	–	–
Prosecutions	–	–	–	–	–
Fines	\$1,110	–	\$8,100	\$600	\$25,300

* 2008 data includes acquisitions from date of acquisition

2007 figure restated from 50.8 PJ

† 2007 figure restated from 112.7 PJ

‡ 2007 figure restated from 15.0 (CO₂ equivalent million tonnes)

° 2007 figure restated from 24.1 (CO₂ equivalent million tonnes)

Social indicators

	2004	2005	2006	2007	2008*
Total workforce	22,144	24,091	43,732	56,249	62,758
Permanent employees	16,766	17,628	28,198	36,123	38,512
Full-time contractors	5,378	6,463	15,882	20,126	24,246
Total employees covered by collective agreements	13,047	12,639	19,451	20,639	23,517
Fatalities	6	9	2	9	6
Total Recordable Injury Frequency Rate	18.5	15.0	14.1	12.3	10.1
Lost Time Injury Frequency Rate	5.3	4.3	3.3	3.0	2.7
Disabling Injury Severity Rate	613	575	399	340	272
Health and safety prosecutions	–	–	–	–	–
Health and safety fines	–	–	–	–	\$254,900
Occupational illnesses	36	37	58	35	60
Average hours of training per employee per year	117	71	44 [‡]	32 [‡]	38
Community complaints	490	587	391	577	478

* 2008 data includes acquisitions from date of acquisition

‡ Training hours restated for 2006 and 2007

GRI Content Index

Indicator	Reference and page number	Level of reporting	UN Global Compact principles	ICMM principles
Strategy and analysis				
1.1	CEO report, page 4	✓		2
1.2	CEO report, page 4 Sustainability strategy and governance, Sustainability and business strategy, page 18 2008 Scorecard and 2009 targets, pages 6-15	✓		2,4
Organisational profile				
2.1	Inside front cover	✓		
2.2	Inside front cover	✓		
2.3	Overview of operations, pages 2-3	✓		
2.4	Overview of operations, pages 2-3	✓		
2.5	Overview of operations, pages 2-3	✓		
2.6	Overview of operations, pages 2-3	✓		
2.7	2008 Annual Report, pages 45-79	✓		
2.8	Inside front cover, Annual report page 45-79	✓		
2.9	About this Report: Acquisitions and disposals, page 16	✓		
2.10	See www.xstrata.com/sustainability	✓		
Report parameters				
3.1	About this Report, pages 16-17	✓		10
3.2	About this Report, pages 16-17	✓		
3.3	About this Report, pages 16-17	✓		10
3.4	Inside back cover	✓		
3.5	About this Report, pages 16-17 Sustainability strategy and governance: Stakeholder engagement, page 22	✓		10
3.6	About this Report, pages 16-17	✓		
3.7	About this Report, pages 16-17	✓		
3.8	About this Report, pages 16-17	✓		
3.9	About this Report, pages 16-17	✓		
3.10	About this Report, pages 16-17	✓		
3.11	About this Report, pages 16-17	✓		
3.12	GRI content index, pages 98-100	✓		10
3.13	About this Report, pages 16-17 Sustainability strategy and governance: Sustainable Development Framework, page 21	✓		10
Governance, commitments and engagement				
4.1	Sustainability strategy and governance: Sustainability governance, page 21 Annual report, page 91: Corporate governance	✓		1
4.2	Annual report, page 92: Chairman and Chief Executive	✓		
4.3	Annual report, page 92: Corporate Governance	✓		
4.4	Annual Report, page 94: Relations with Shareholders	✓		
4.5	Sustainability strategy and governance, Sustainability governance, page 21 Annual report, pages 98-107: Remuneration report	✓		2
4.6	Annual report, page 87: Directors' report	✓		
4.7	Sustainability strategy and governance: Senior management oversight, page 21	✓		
4.8	Sustainability strategy and governance: Sustainability and business strategy, page 18 Sustainability strategy and governance: Sustainable Development Framework, page 21	✓		2
4.9	Sustainability strategy and governance: Sustainability governance, page 21	✓		1
4.10	Sustainability strategy and governance: Senior management oversight, page 21	✓		1
4.11	Sustainability strategy and governance: Sustainability and business strategy, page 18	✓	7	2
4.12	Sustainability strategy and governance: Economic sustainability, page 20 Sustainability strategy and governance: Sustainable Development Framework, page 21	✓		1
4.13	Sustainability strategy and governance: Economic sustainability, page 20 Sustainability strategy and governance: Public Policy, page 26	✓		1
4.14	Sustainability strategy and governance: Stakeholder engagement, page 22	✓		10
4.15	Sustainability strategy and governance: Stakeholder engagement, page 22	✓		10
4.16	Sustainability strategy and governance, page 18	✓		10
4.17	Sustainability strategy and governance: Main engagement initiatives by country, pages 23-25	✓		10

✓ Fully reported GRI Indicator
● Partially reported GRI Indicator
✗ GRI Indicator not reported

Indicator	Reference and page number	Level of reporting	UN Global Compact principles	ICMM principles
Economic indicators				
EC 1	Community: Economic value added, page 91	✓		
EC 2	Environment: Physical risks, page 57 Environment: Investigating and responding to long-term climate change impacts at Raglan, Canada, page 56 Sustainability strategy and governance: Environmental sustainability, page 19 Environment: Climate change, page 52	✓		4
EC 3	Annual Report: Remuneration Report, page 104	✓		
EC 4	About this report, page 17	✓		
EC 6	Community: Procurement, page 91	✓		2
EC 7	Community: Job creation and skills development, page 93 Our people: Local employment, page 48	✓		9
EC 8	Community: Socio-economic development, page 88	✓		9
EC 9	Community, Refer to section: Policy and approach, page 80	✓		4
MM 1	Community: Socio-economic development, page 88	✓		9
MM 2	Community: Economic value added, page 91	●		9
Environmental indicators				
EN 1	Environment: Energy use, page 59 Environment: Water, Performance, page 60 Summary of key sustainability data: Production Indicators, pages 96-97 Summary of key sustainability data: Environmental Indicators, pages 96-97	✓		6
EN 2	Sustainability datasheet available at www.xstrata.com/sustainability	✓	8	6,8
EN 3	Environment: Energy use, page 59 Environment: Energy consumption by source, page 59	✓		6
EN 4	Environment: Energy use, page 59 Environment: Energy purchased by source, page 59	✓		6
EN 5	Environment: Energy efficiency, page 59	✓	8, 9	6, 8
EN 6	Environment: Energy efficiency, page 59	✓	8, 9	6,8
EN 7	Environment: Energy efficiency, page 59	✓	8	6, 8
EN 8	Environment: Water, page 60	✓		6
EN 9	Environment: Water, page 60	●		
EN 10	Environment: Water recycling, pages 60-61	✓	8	6, 8
EN 11	Environment: Biodiversity and landscape functions, page 64 Environment: Protected areas and High Biodiversity Value Areas, pages 66-68	✓	8	7
EN 12	Environment: Approach, page 64 Environment: Landscape management, site closure and rehabilitation, page 64	✓	8	7
EN 13	Environment: Site rehabilitation, page 71	✓	8	7
EN 14	Environment: Conservation plans and activities, page 64 Environment: Biodiversity management at Koniambo, New Caledonia, page 65 Environment: Biodiversity offsets, page 71	✓	7 8	
EN 15	Environment: Biodiversity and landscape functions, page 64	✓	8	
EN 16	Environment: Greenhouse gas emissions, page 57 Environment: Performance, page 57	✓		6
EN 17	Environment: Greenhouse gas emissions, page 57	✓		6
EN 18	Environment: Greenhouse gas emissions, page 57 Sustainability strategy and governance: Climate change, page 52	✓		6, 8
EN 19	Environment: Greenhouse gas emissions, page 57	✓		6
EN 20	Environment: Emissions to air, page 72	✓		6
EN 21	Environment: Discharges to water, page 60 Environment: A zero discharge plan at Eland platinum mine, South Africa, page 63	✓		6
EN 22	Environment: Waste, page 74 Environment: Waste generated by type; Waste recycled, pages 74-75	✓	8	6, 8
EN 23	Environment: Category 3 incidents in 2008, pages 78-79	✓		6
EN 24	Not material, represents 0.01% of total waste transported	✓		6, 8
EN 25	Environment: Biodiversity table, pages 66-68	✓		8
EN 26	Environment: Product Stewardship, page 76, Environment: Supporting low emissions technologies, page 53	✓	8	6, 8
EN 27	N/A	✓		
EN 28	Environment: Fines, page 79	✓		6
EN 29	Environment: Greenhouse gas emissions, pages 57-58	✓	8	8
MM EN23	Environment: Site rehabilitation, page 71 Environment: Land Disturbed vs Land Rehabilitated, page 71	✓	8	7

GRI Content Index *continued*

Indicator	Reference and page number	Level of reporting	UN Global Compact principles	ICMM principles
Environmental indicators				
MM3	Environment: Conservation plans and activities, page 71	✓	8	7
MM4	Environment: Recycling, page 74	✓		8
MM5	Environment: Safe use and disposal of our products, page 76	✓	8	8
MM6	Environment: Approach, page 52 Environment: Waste rock, page 73 Environment: Tailings and slag, page 73 Environment: Hazardous waste, page 74	✓	8	6, 8
Labour practices and decent work				
LA 1	Our people: Policy, page 29 Our people: Xstrata workforce profile by country; Employees by CBU; Workforce by role type, pages 29-30	✓		
LA 2	Our people: Labour relations, pages 44-45	✓		
LA 4	Our people: Labour relations, page 44	✓		3
LA 5	Our people: Labour relations, page 44	✓	3	3
LA 7	Our people: Fatalities by country 2005 to 2008, page 30 Our people: Injury frequency rates, page 35 Our people: Occupational illness cases, page 37	✓		5
LA 8	Our people: Health, pages 36-43	✓		5
LA 10	Our people: Average training hours and spend per employee, page 47	✓		2
LA 11	Community: Job creation and skills development, page 93 Our people: Support for employees losing their jobs at Falcondo, Dominican Republic, page 46	✓		9
LA 12	Our people: Employee development and training, page 46	✓		
LA 13	Our people: Representation of women, and 2008 Annual Report pages 82-84, page 48	✓	6	3
LA 14	Our people: Representation of women, page 48	✓	6	3
MM 12	Sustainability strategy and governance: Crisis management and emergency preparedness, page 22	✓		4
MM 13	Our people, Refer to section: Health, page 37 Our people: Maintaining productivity with an ageing workforce at Beltana coal mine, Australia, page 40	✓		5
Human rights				
HR 1	Sustainability strategy and governance: Ethics, page 26	✓	1,2	1, 3
HR 2	Sustainability strategy and governance: Human rights management, page 27	✓	1,2	1, 3
HR 3	Sustainability strategy and governance: Human rights management, page 27	✓	1,2	3
HR 4	Our people: Discrimination cases, page 48	✓	6	3
HR 5	Our people: Labour relations, page 44	✓	3	3
HR 6	Sustainability strategy and governance: Child and forced labour, page 28	✓	5	3
HR 7	Sustainability strategy and governance: Child and forced labour, page 28	✓	4	3
HR 8	Sustainability strategy and governance: Human rights, page 27	✓		2
HR 9	Community: Indigenous peoples and cultural diversity, page 84	✓	2	3
MM 11	Community: Indigenous peoples and cultural diversity, page 84	✓		3
Social performance indicators				
SO 1	Community: Community engagement, page 83	✓		2, 4
SO 2	Sustainability strategy and governance: Bribery and Corruption, page 26	✓	10	1
SO 3	Sustainability strategy and governance: Bribery and corruption, page 26	✓	10	1
SO 4	Sustainability strategy and governance: Bribery and Corruption, page 26	✓	10	1
SO 5	Sustainability strategy and governance: Public policy, page 26	✓		1
SO 6	Annual report, p85: Directors' Report Sustainability strategy and governance: Public policy, page 26	✓		
SO 7	No incidents	✓		
SO 8	Environment: Fines, page 79; Our people, Safety fines & prosecutions, page 35	✓		
MM 7	Community: Policy and Approach, page 80 Community: Complaints by type, page 83	✓		9
MM 8	Not material	✓		
MM 9	Community: Resettlement, page 87 Community: Resettling the Fuerabamba community, pages 85-86	✓		3
MM 10	Environment: Landscape Management, site closure and rehabilitation, page 64	✓		2
Product responsibility				
PR 1	Environment: Product stewardship, page 76	✓		
PR 3	Environment: Product stewardship, page 76	✓		8
PR 6	N/A	✓		
PR 9	None	✓		

Glossary

AA1000 Assurance Standard (AA1000AS) (2008)

Provides the requirements for conducting sustainability assurance. It evaluates adherence to the AA1000 Principles and the quality of publicly disclosed information on sustainability performance.

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 – The 'Broad-Based Black Economic Empowerment Act 53 of 2003' established a legislative framework for the economic empowerment of all black people including women, workers, youth, people with disabilities and people living in rural areas.

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 or loss 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 CO₂e tonnes per tonne of product.

CCS

Carbon capture and storage. The capture of CO₂ from the combustion of fossil fuels and storage as liquid CO₂ in deep underground seams.

CCSD

Cooperative Research Centre for Coal in Sustainable Development in Australia.

'Clean coal' technology

Refer to LECT – low emission coal technology below.

Closure plan

A formal document detailing a costed conceptual outline of how the operation will be closed, taking into account the options available to deal with prevailing social and environmental issues.

CO₂e

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 Unit (CBU)

Xstrata's activities are structured into six 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 – key body for Australian scientific research administered by the Commonwealth Department of Innovation, Industry, Science and Research.

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 \$10 million; a category 4 or category 5 environmental incident or; media attention/public exposure of a serious, negative consequence.

CSI

Corporate Social Involvement.

dBA

Decibels are used to measure sound level. The most widely used sound level filter is the A scale, measurements made on this scale are expressed as dBA.

DEAT

Department of Environmental Affairs and Tourism, South Africa.

Direct energy

Forms of energy that are consumed within the operational boundary.

Disabling Injury

Lost Time Injuries (LTI) and Restricted Work Injuries (RWI).

DISR

Disabling Injury Severity Rate – days lost to disabling injuries per million hours worked.

DJSI

Dow Jones Sustainability Index.

Diversity

Workplace diversity refers to the extent to which an organisation is culturally diverse. Cultural diversity includes the range of ways in which people experience a unique group identity, which includes gender, sexual orientation, race, ethnicity and age.

EC

European Commission.

EIS

Environmental Impact Study.

EIA

Environmental impact assessment.

EITI (Extractive Industries Transparency Initiative)

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

Environmental incident categories

Incidents are classified on a scale ranging from 1 to 5 representing the extent of environmental impact.

EMPR

Environmental Management Programme Report (the South African equivalent of an Environmental Impact Study/Assessment).

EMS

Environmental Management System[s].

EU

European Union.

Fatality

A death resulting from an occupational injury or illness.

Fresh water intensity

Fresh 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.

GHG

Greenhouse gas.

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 Africans.

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.	Megalitre or ML 1 megalitre = 1,000,000 litres or 1,000 kilolitres.	PJ Petajoule (1,000,000 gigajoules).
Indirect energy Energy produced outside the operational boundary that is consumed to supply energy for the operation (e.g. purchased electricity).	MWh Megawatt hour (1,000 kilowatt hours (kWh)).	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.
Intensity (intensity measure) Key performance indicators normalised to tonne of production.	µg/dl Micrograms per decilitre (decilitre = one tenth of a litre).	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 rain water and collected runoff.
ISO 14001 The International Standardisation Organisation's standard for environmental management systems.	Millennium Development Goals Eight goals agreed by the United Nations in 2000 which range from halving extreme poverty to halting the spread of HIV/AIDS.	Recycled water Recycled/reused water is water: <ul style="list-style-type: none">> that has been used at least once in a process within the operation or at another operation within the organisation;> that would otherwise be part of a waste stream; and> if not reused, would require the input of raw water.
IUCN International Union for the Conservation of Nature and Natural Resources, also known as the 'World Conservation Union'.	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.	Red List IUCN Red List of Threatened Species.
Jarofix Jarosite is transformed into jarofix, a solidified, stabilised, inert material (classified as a non-hazardous waste).	MPRDA The South African Minerals and Petroleum Resources Development Act, 2004 governs the transfer of mining rights and grant of mining authorisations.	Reductant Reducing agent, i.e. the electron donor in an oxidation-reduction (redox) reaction.
Jarosite Iron sulphate (classified as a hazardous waste).	Mt Megatonnes (1 Mt = 1,000,000 tonnes).	Renewable energy Energy generated from natural resources such as sunlight, wind, rain, tides and geothermal heat, which are renewable (naturally replenished).
kWh Kilowatt hour.	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.	Renewable resources Capable of being replenished within a short time through ecological cycles (as opposed to resources such as minerals, metals, oil, gas, coal that do not renew in short time periods).
Land disturbed Land disturbed by operational activities.	NGOs Non-governmental organisations.	Resettlement The relocation of people or communities to a new location.
Land rehabilitated Land disturbed by operational activities and then reshaped and revegetated.	NIHL Noise-induced hearing loss.	ROM Run of mine.
LECT Low emission coal technology. Technology to produce near-zero carbon emission electricity and hydrogen from coal.	Non-trading items Non-trading items are material items of income and expense, which, due to their nature or expected infrequency are presented separately.	RWI Restricted Work Injury is 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.
Longwall Series of equipment, including hydraulic jacks and a shearer, used to mine coal in an underground mine.	NO_x Oxides of nitrogen (nitric oxide and nitrogen dioxide).	Scope 1/direct GHG emissions GHG emissions from sources that are owned or controlled by Xstrata. For example, direct emissions related to combustion from burning fuel for energy within the mining lease.
LPG Liquid petroleum gas.	NT Northern Territory, Australia.	
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.	Occupational illness An occupational illness is registered when it is confirmed as a work-related compensable case by a medical practitioner/physician.	
LTIFR Lost Time Injury Frequency Rate = number of lost time injuries per million hours worked.	OHSAS 18001 The internationally recognised assessment specification for occupational health and safety management systems. It was developed by a selection of leading trade bodies, international standards and certification bodies.	
m³ Cubic metres.	PGMs Platinum group metals.	
MAC Mining Association of Canada.	PPE Personal protective equipment.	
Materiality Disclosing all information of significant concern to stakeholders for assessing our economic, environmental, and social performance.		
MCA Minerals Council of Australia.		

Scope 2/indirect GHG emissions

GHG emissions that result from Xstrata's activities but are generated at sources owned or controlled by another organisation. In the context of this indicator, indirect emissions refer to GHG emissions from the generation of electricity consumed by Xstrata's operations.

Scope 3 GHG emissions

Scope 3 is an optional reporting category that allows for the treatment of all other indirect GHG emissions. Scope 3 GHG emissions are a consequence of the activities of our operations, but occur from sources not owned or controlled by the Company. Some examples of Scope 3 activities are transportation of materials and use of sold products.

SD

Sustainable Development.

SD Assurance Programme

Under the Xstrata SD Assurance Programme operations and projects undergo a range of SD audits, including SD risk audits, SD standards audits, SD integration audits and SD verification audits.

SD Standards

Xstrata's 17 SD standards which set out corporate SD performance expectations for each project and 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 transferred into engineered impoundments known as tailings dams.

Total fresh water (total water consumption)

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

Turnover

Employment resignations and terminations as a percentage of the total permanent workforce.

Transformation

In South Africa, the term transformation describes the ongoing process to develop a sustainable, equitable society and economy in post-apartheid 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 = number of total recordable injuries (LTI + RWI + MTI) per million hours worked.

VCT

Voluntary counselling and HIV/AIDs testing programme.

Waste water discharged

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

Enquiries

Paul Jones

Group General Manager
Sustainable Development
Tel: +61 2 9253 6742
pejones@xstrata.com

Claire Divver

General Manager Group
Corporate Affairs
Tel: +44 20 7968 2871
cdivver@xstrata.com

Pamela Bell

Manager Group Corporate Affairs
Tel: +44 20 7968 2822
pbell@xstrata.com

Brigitte Mattenberger

Manager Group Corporate Affairs
Tel: +41 41 726 6071
bmattenberger@xstrata.com

www.xstrata.com

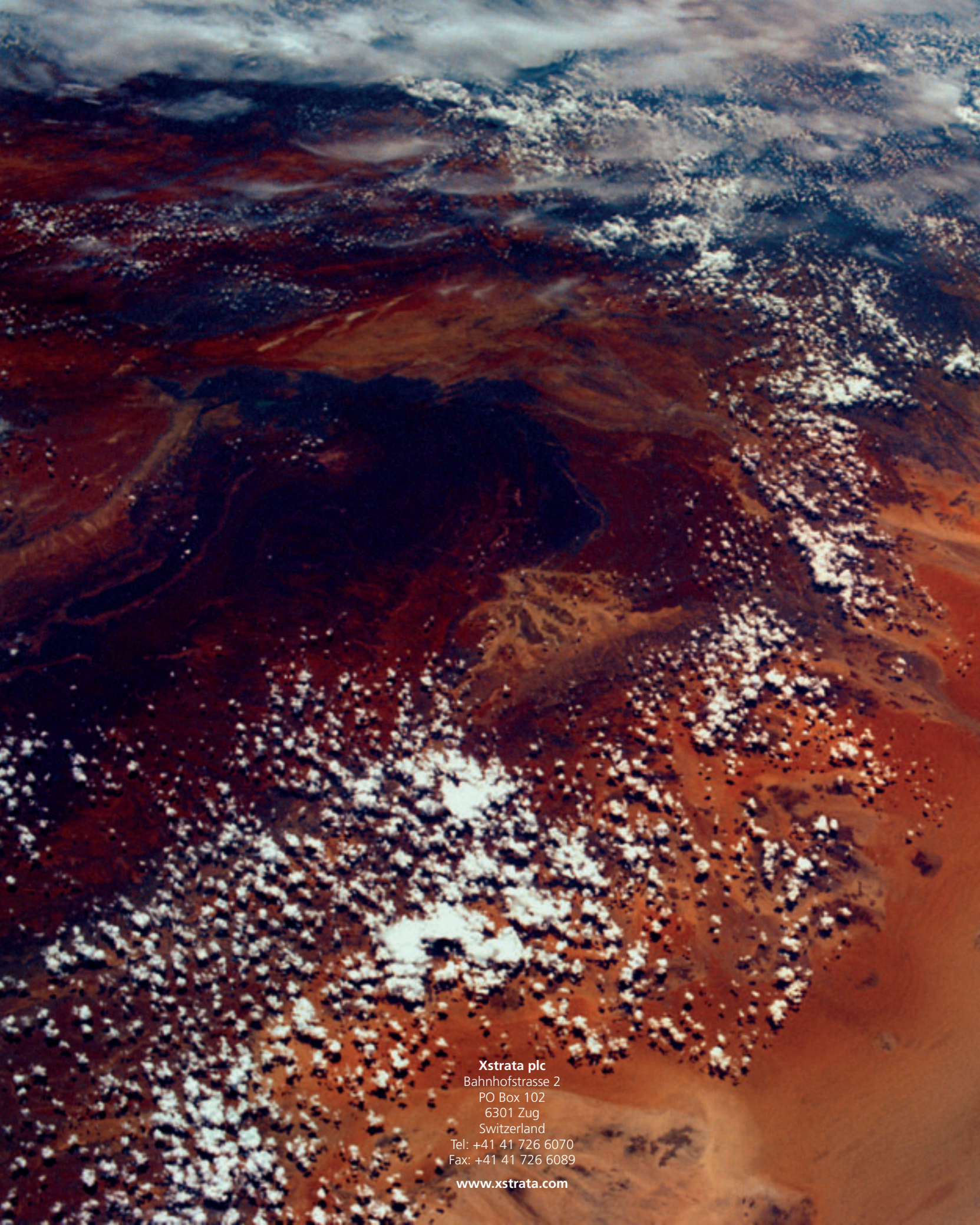


Design and production: Black Sun Plc, London, UK

Reporting and consultancy: Context

This report has been printed on Heaven 42 paper. This paper is made from virgin wood fibre from well-managed forests independently certified according to the rules of the Forest Stewardship Council (FSC).

Printed at St Ives Westerham Press Ltd, ISO14001, FSC certified and CarbonNeutral®



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