



UN Global Compact Communication on Progress

“Xstrata joined the UN Global Compact in 2006 and we continue to support its ten principles in the areas of human rights, labour, the environment and anti-corruption. We have aligned our strategy and operational performance with these ten principles and report on our progress against them in our annual Sustainability Report.

“The index below links the information in our most recent Sustainability Report to each of the Global Compact’s principles in order to assess our actions and performance during the year. The index also cross-refers to the corresponding GRI indicators based on the G3 guidelines. The full GRI and Global Compact navigator, which also incorporates the ICMM Principles, is available from our sustainability website (www.xstrata.com/sustainability).” - Mick Davis, Xstrata plc Chief Executive

Principles and policies	References to commitments and actions taken to implement principles from 2009 Sustainability Report	Page numbers	Corresponding GRI Indicators
Human Rights			
1. Businesses should support and respect the protection of internationally proclaimed human rights			
<ul style="list-style-type: none"> • Statement of Business Principles • Sustainable Development Framework, Policy and Standards • SD Assurance Programme • SD Management Standard 12: Social and Community Engagement • UN Universal Declaration of Human Rights • International Labour Organisation Conventions 	<p>Sustainable Development Framework:</p> <ul style="list-style-type: none"> • In 2008, the Xstrata plc Executive Committee committed to implementing the Voluntary Principles on Security and Human Rights across Xstrata’s global operations. • Operations are required to maintain community relations strategies that uphold and promote human rights and respect cultural considerations and heritage. • In areas where Xstrata employs security personnel (either directly or as contractors) to protect our people and assets, we ensure that appropriate human rights training has taken place and monitor compliance. • All sites are required to undertake human rights risk assessments, implement grievance resolution mechanisms and set and monitor appropriate performance standards for all contractors including 	p.30-33	4.8, 4.9, 4.12, HR1, HR2, HR3, HR8, MM5, MM6, MM9

Principles and policies	References to commitments and actions taken to implement principles from 2009 Sustainability Report	Page numbers	Corresponding GRI Indicators
<ul style="list-style-type: none"> Voluntary Principles on Security and Human Rights 	<p>security personnel.</p> <p>Major Activities and Achievements:</p> <ul style="list-style-type: none"> During 2009, we identified and prioritized our operations in Colombia, the Dominican Republic, Peru, the Philippines and South Africa with regard to human rights risks. In 2009, 20,600 employees and contractors, around 35% of the workforce and 1,784 external stakeholders participated in human rights training. No breaches of human rights reported at any Xstrata operation or project during the year and no incidences of violations involving rights of indigenous people. 		
<p>2. Businesses should make sure that they are not complicit in human rights abuses.</p>			
<ul style="list-style-type: none"> Statement of Business Principles Sustainable Development Policy SD Assurance Programme SD Management Standard 12: Social and Community Engagement SD Management Standard 13: Life Cycle Management UN Universal Declaration of Human Rights International Labour Organisation Conventions Voluntary Principles on 	<p>Sustainable Development Framework:</p> <ul style="list-style-type: none"> In 2008, the Xstrata plc Executive Committee committed to implementing the Voluntary Principles on Security and Human Rights across Xstrata’s global operations. Operations are required to maintain community relations strategies that uphold and promote human rights and respect cultural considerations and heritage. In areas where Xstrata employs security personnel (either directly or as contractors) to protect our people and assets, we ensure that appropriate human rights training has taken place and monitor compliance. All sites are required to undertake human rights risk assessments, and set and monitor appropriate performance standards for all contractors including security personnel. <p>Major Activities and Achievements:</p>	<p>p. 31 p. 16</p>	<p>HR1, HR2, HR3, HR8, HR9, MM5, MM6, MM7, MM9</p>



Principles and policies	References to commitments and actions taken to implement principles from 2009 Sustainability Report	Page numbers	Corresponding GRI Indicators
Security and Human Rights	<ul style="list-style-type: none"> No breaches of human rights reported at any Xstrata operation or project during the year and no incidences of violations involving rights of indigenous people. In 2009, all CBUs reported on their implementation of the Voluntary Principles on Security and Human Rights. Xstrata Alloys, Xstrata Copper and Xstrata Nickel have fully implemented the Voluntary Principles on Security and Human Rights. Xstrata Coal South Africa will audit against the Voluntary Principles. 		
Labour			
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.			
<ul style="list-style-type: none"> Statement of Business Principles Sustainable Development Policy SD Assurance Programme SD Management Standard 4: Communication and Engagement ILO Declaration on Fundamental Principles and Rights at Work 	<p>Sustainable Development Framework:</p> <ul style="list-style-type: none"> We value diversity and uphold the rights of our employees to collective bargaining and freedom of association. Xstrata respects employees' rights to collective representation and just compensation. All employees are free to join a union and to be represented collectively, in line with Xstrata's Business Principles. We do not believe that any country in which Xstrata operates represents a risk to freedom of association and collective bargaining and we uphold this right at all operations we manage. <p>Major Activities and Achievements:</p> <ul style="list-style-type: none"> Approximately 58% of permanent employees are represented by collective agreements. We believe that in general the Group maintains good, constructive relationships with its employees and the unions that represent them. 	p.47	HR5, LA4, LA5
4. Businesses should uphold the elimination of all forms of forced and compulsory labour.			
<ul style="list-style-type: none"> Statement of Business 	Sustainable Development Framework:	p. 31	HR4, HR7

Principles and policies	References to commitments and actions taken to implement principles from 2009 Sustainability Report	Page numbers	Corresponding GRI Indicators
<ul style="list-style-type: none"> Principles Sustainable Development Policy UN Universal Declaration of Human Rights 	<ul style="list-style-type: none"> Xstrata's Statement of Business Principles upholds the elimination of all forms of forced or compulsory labour and prohibits any form of child labour. None of Xstrata's managed operations has been assessed as having significant risks for incidents of forced, tied or compulsory labour. <p>Major Activities and Achievements:</p> <ul style="list-style-type: none"> No cases of under-age or forced labour among employees or contractors have come to our attention during 2009. 		
5. Businesses should uphold the effective abolition of child labour.			
<ul style="list-style-type: none"> Statement of Business Principles Sustainable Development Policy UN Universal Declaration of Human Rights 	<p>Sustainable Development Framework:</p> <ul style="list-style-type: none"> Xstrata's Statement of Business Principles upholds the elimination of all forms of forced or compulsory labour and prohibits any form of child labour. Risk assessments indicate that Brazil, the Dominican Republic and Tanzania may represent higher risk regions for child labour. <p>Major Activities and Achievements:</p> <ul style="list-style-type: none"> In potential higher risk regions for child labour, the minimum age for employment is 18, regardless of local legislation. All operations report the age of the youngest employee and the minimum working age permitted in the relevant jurisdiction. 	p. 31	HR6
6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.			
<ul style="list-style-type: none"> Statement of Business Principles Sustainable Development Policy SD Assurance Programme SD Management Standard 	<p>Sustainable Development Framework:</p> <ul style="list-style-type: none"> Xstrata's Business Principles and Sustainable Development policy state that we do not tolerate any form of workplace discrimination, bullying, harassment or physical assault and we provide a fair and non-discriminatory employee grievance system. Improving the diversity of our workforce supports our objective of 	p.48 p.52-53	LA1, LA2, LA13, LA14, HR4

Principles and policies	References to commitments and actions taken to implement principles from 2009 Sustainability Report	Page numbers	Corresponding GRI Indicators
<p><u>4: Communication and Engagement</u></p> <ul style="list-style-type: none"> UN Universal Declaration of Human Rights 	<p>having the best people doing their best work at Xstrata. We are proactive in promoting diversity in management and the wider workforce and have zero tolerance of discrimination.</p> <p>Major Activities and Achievements:</p> <ul style="list-style-type: none"> Women represented 13.1% of all managers and 11.5% of the total workforce. Our businesses offer equal rates of pay to male and female employees of equal experience and aptitude. Xstrata's South African businesses achieved diversity targets set by South African mining charter on the participation of women and historically disadvantaged South Africans in mining. In 2009, nine incidents of discrimination were reported, reviewed and resolved. Over the past three years, Xstrata Nickel in Canada has participated in a mentoring programme for young professional women organised by the Women's Executive Network. 31 women from Xstrata Nickel have participated in the programme and have each been mentored by one of Canada's Top 100 powerful women. 		
Environment			
7. Businesses should support a precautionary approach to environmental challenges.			
<ul style="list-style-type: none"> <u>Statement of Business Principles</u> <u>Sustainable Development Policy</u> <u>SD Assurance Programme</u> <u>SD Management Standard 10: Environment, Biodiversity and Landscape</u> 	<p>Sustainable Development Framework:</p> <ul style="list-style-type: none"> Xstrata applies the precautionary principle in its approach to environmental management. Xstrata operations work to the Group's Sustainable Development Standards, which clearly articulate our management and performance expectations regarding the environment, biodiversity and landscape management, life cycle management of products and operations, incident management, and product stewardship. 	p.58 p.66	4.11, EN18, EN26, EN28

Principles and policies	References to commitments and actions taken to implement principles from 2009 Sustainability Report	Page numbers	Corresponding GRI Indicators
<ul style="list-style-type: none"> <u>Functions</u> <u>SD Management Standard 17: Emergencies, Crises and Business Continuity</u> 	<ul style="list-style-type: none"> As part of our sustainability assurance programme, Xstrata audits sites to ensure they comply with these standards. Xstrata supports research into technologies to reduce carbon dioxide emissions from the use of coal as an energy source. <p>Major Activities and Achievements:</p> <ul style="list-style-type: none"> All operations developed and maintained waste management plans. In 2009, Xstrata incurred six environmental fines totaling \$760,573. Three of the fines (worth a total of \$696,062) were for activities at Prodeco coal mine in Colombia that occurred prior to Xstrata’s management of the site. We implemented remediation plans to mitigate the minor environmental impacts of the incidents at other sites and prevent them from occurring again. Group carbon intensity continued to decrease in 2009. Our Scope 1 and Scope 2 GHG emissions in 2009 came to 22.4 million tonnes of carbon dioxide equivalent, nearly 9% less than in 2008. 		
8. Businesses should undertake initiatives to promote greater environmental responsibility.			
<ul style="list-style-type: none"> <u>Statement of Business Principles</u> <u>Sustainable Development Policy</u> <u>SD Assurance Programme</u> <u>SD Management Standard 10: Environment, Biodiversity and Landscape Functions</u> <u>SD Management Standard</u> 	<p>Sustainable Development Framework:</p> <ul style="list-style-type: none"> Xstrata aims to preserve or restore the long-term health, function and viability of the natural environments affected by its operations. Our priorities are to use resources such as energy and water efficiently, minimise our impacts on biodiversity and landscape functions, and reduce waste and emissions including greenhouse gases. Xstrata’s climate change strategy is to minimise energy consumption and GHG emissions, and increase the share of energy we use that comes from low-carbon sources. We aim to reduce the carbon intensity of our products. 	<p>p.63 p.67 p.71 p.73-75 p.78</p>	<p>EN2, EN5, EN6, EN7, EN10, EN11, EN12, EN14, EN15, EN16, EN17, EN18, EN19, EN20, EN21, EN22, EN23, EN24, EN25, EN26, EN27, EN28,</p>

Principles and policies	References to commitments and actions taken to implement principles from 2009 Sustainability Report	Page numbers	Corresponding GRI Indicators
<p><u>13: Life Cycle Management – Projects and Operations</u></p> <ul style="list-style-type: none"> • World Business Council for Sustainable Development (WBCSD)/World Resources Institute (WRI) GHG protocol 2004 • ISO 14001 • Carbon Disclosure Project 	<p>Major Activities and Achievements:</p> <ul style="list-style-type: none"> • In 2009, 26% of purchased electricity was generated from renewable energy sources, principally hydroelectric power. • Overall energy use down 20% from 2008 levels. Energy intensity levels also improved in 2009. • Cerrejón, received recognition for its ongoing rehabilitation programme with a 2009 award for environmental responsibility from the Colombian Government, British Embassy in Colombia, and UN Development Programme. • Tampakan received the President’s Mineral Industry Environment Award for the third time in 2009, in part for its efforts to rehabilitate land disturbed by drilling. • At Altonorte in Chile, we are investing \$14 million to safely dispose of 95,000 tonnes of arsenic-bearing waste, the result of activities at the site prior to Xstrata’s ownership. • Xstrata Copper’s Horne smelter in Canada is improving local air quality by halving its arsenic emissions from 2004 levels by 2010, at a cost of over \$15 million. • In 2009, our total water consumption from fresh and potable water sources was 205,892 megalitres, 7% less than in 2008. We recycled and reused an additional 313,763 megalitres of water (60% of water used). • Funding the establishment of a refuge area and second population of the critically endangered northern hairy-nosed wombat in Queensland, Australia. In 2009, scientists relocated some of the wombats from Epping Forest National Park to a second site which contains water and food stations designed to mimic their former habitat. 		<p>EN29, EN30, MM1, MM2, MM3</p>

Principles and policies	References to commitments and actions taken to implement principles from 2009 Sustainability Report	Page numbers	Corresponding GRI Indicators
	<ul style="list-style-type: none"> All Xstrata-managed operations have implemented a biodiversity conservation plan to protect species and landscape functions throughout their life cycle. All Xstrata managed operations have a closure plan in place which is based on International Council on Mining and Minerals' closure planning guidance and customised to suit the site's needs. 		
9. Businesses should encourage the development and diffusion of environmentally friendly technologies.			
<ul style="list-style-type: none"> Statement of Business Principles Sustainable Development Policy SD Assurance Programme SD Management Standard 10: Environment, Biodiversity and Landscape Functions 	<p>Sustainable Development Framework:</p> <ul style="list-style-type: none"> Xstrata's Sustainable Development Policy sets out our commitment to continually improve the efficiency with which we use raw materials, energy and natural resources. We work to minimise the environmental impacts of processing our products and to raise our customers' awareness about responsible use and disposal. We invest in the development and commercialisation of low emissions technologies in partnership with other coal producers, governments, and scientific and academic organizations. <p>Major Activities and Achievements:</p> <ul style="list-style-type: none"> In 2009, nearly AUD12 million was committed to installing a 4 MW methane fired power plant with flares at the Bulga South Blakefield site, the plant is scheduled to be operational in late 2011. In 2009, Xstrata Coal also developed a marginal abatement cost curve (MACC), to assist in the identification and prioritisation of GHG abatement across the business. The indicative tool was developed as part of an ongoing project that will allow the group to focus on specific projects to target maximum greenhouse reduction. Xstrata Alloys is conducting a feasibility study into growing microalgae for biofuel on the CO2-rich offgases from its 	p.62 p.64-65 p.69	EN5, EN6, EN7, EN10, EN18, EN26



Principles and policies	References to commitments and actions taken to implement principles from 2009 Sustainability Report	Page numbers	Corresponding GRI Indicators
	<p>ferrochrome smelters.</p> <ul style="list-style-type: none"> • Xstrata Coal is contributing towards the G8 countries' target of 20 Carbon Capture and Storage plants in operation by 2020 by investing nearly \$200 million in low-emission technologies, through industry initiatives and independent investment. • In 2010, Xstrata's Executive Committee agreed to endorse the UN Global Compact's CEO Water Mandate. • Xstrata Nickel is donating \$2 million over five years to the Cambrian College Sustainable Energy Centre in Canada, to develop new alternative energy projects. • Xstrata participates in the COAL21 Fund, an industry initiative that imposes a voluntary levy per tonne produced by the Australian coal industry. Its aim is to raise nearly AUD 800,000 to support the demonstration of low emissions technologies in Australia. • Xstrata Coal is a Foundation Member of the Global Carbon Capture and Storage Institute, launched in April 2009 with support from industry and the Australian government. 		
Anti-corruption			
10. Businesses should work against corruption in all its forms, including extortion and bribery.			
<ul style="list-style-type: none"> • Statement of Business Principles • Sustainable Development Policy • SD Assurance Programme 	<p>Sustainable Development Framework:</p> <ul style="list-style-type: none"> • Xstrata's Statement of Business Principles includes the prohibition of political donations and any form of fraud, bribery or corruption. • Bribery and corruption risks are assessed at all managed operations, including an assessment of the level of country or regional risks. • Each managed operation is required to maintain appropriate controls to manage these risks which are audited on a quarterly basis as part of the Group's risk management processes. 	<p>p. 26 p. 29</p>	<p>4.12, EC4, S02, S03, S04</p>



Principles and policies	References to commitments and actions taken to implement principles from 2009 Sustainability Report	Page numbers	Corresponding GRI Indicators
	<ul style="list-style-type: none"> All employees receive a copy of Xstrata’s Business Principles and Fraud Policy on joining the Company. <p>Major Activities and Achievements:</p> <ul style="list-style-type: none"> The Xstrata Ethics Line is a confidential ‘whistleblowing’ facility operated independently of the Group by KPMG. The line exists for employees, contractors, suppliers, customers or business partners to report any breaches of Xstrata’s Business Principles, policies or prevailing legislation in confidence. In 2009, 34 incidents were reported through the Ethics Line. All reported incidents were investigated. In 2009, fraud or corruption incidents involving 18 individuals (employees, contractors, suppliers or others) were reported and investigated by Xstrata’s internal audit department. 		