Sustainable Development Policy

We are committed to the goal of sustainable development. We balance social, environmental and economic considerations in how we manage our business. We believe that operating to leading standards of health, safety and environmental management, contributing to the development of sustainable communities, and engaging with our stakeholders in two-way, open dialogue, regardless of our location, enhances our corporate reputation and is a source of competitive advantage. This enables us to gain access to new resources, maintain a licence to operate, attract and retain the best people, access diverse and low-cost sources of capital, identify and act upon business opportunities, and optimise our management of risks.

We comply in full with the laws and regulations in each country where we operate. In addition, we operate in accordance with Xstrata's sustainable development framework, aspiring to achieve the highest international standards regardless of location and without exception. We conduct regular internal and external audits of our businesses and operations to assure compliance with our business principles, policies and standards.

Health and Safety

We aim to operate a safe workplace that is injury- and fatality-free, and to enhance the well-being of employees, contractors and communities. To achieve this:
- we provide visible safety leadership, and appropriate leadership development and training at every level;
- we foster and maintain a positive safety culture, behaviour, and awareness;
- we identify and eliminate or mitigate safety, occupational and community health and hygiene hazards;
- we maintain operational integrity;
- we apply safe work systems and occupational and community health and hygiene programmes;
- we actively engage with and monitor contractors, suppliers and business partners so that they understand and respect our occupational and community health and safety standards;
- we encourage and support our people and the communities associated with our operations to participate in programmes which enhance their health and well-being;
- we report, manage and learn from injuries, illnesses and high potential incidents; and
- we prepare for and effectively respond to emergencies and crises.

Environment

We aim to preserve the long-term health, function, and viability of the natural environments affected by our operations. To achieve this:
- we act as responsible stewards of our owners' assets and operate to leading practice environmental standards;
- we eliminate, mitigate or remediate the environmental impacts of our activities;
- we continually improve the efficiency with which we use raw materials, energy and natural resources;
- we reduce our direct and indirect greenhouse gas emissions and work with other organisations, governments and groups to address climate change;
- we reduce harmful emissions to air, water and land;
- we avoid net losses or degradation of natural habitats, biodiversity and landscape functions;
- we reduce wastes and the toxicity of our wastes;
- we prevent or mitigate the impacts of adverse environmental incidents; and
- we work with our stakeholders to mitigate the environmental impacts of our product life cycle and supply chain.

Sustainable Communities

We contribute to the social and economic development of sustainable communities associated with our operations. To achieve this:
- we identify the communities and other stakeholders associated with our operations and actively engage with them in a culturally appropriate and transparent manner as early as possible and throughout the life cycle of our operations to establish relationships based on mutual benefit and active participation;
- we respect the culture, customs, interests and rights of communities, including indigenous peoples and vulnerable or previously disadvantaged groups;
- we work with governments, local authorities, community representatives, inter-governmental and non-governmental organisations and other interested parties to develop and support projects that benefit the communities associated with our operations;
- we contribute a minimum of 1% of Group profit before tax each year to fund initiatives that benefit the communities associated with our operations, particularly those located in remote areas or in regions with a lower level of social and economic development and infrastructure;
- we manage our funding so that our community initiatives receive stable and continuing financial support; and
- we work to minimise the adverse impacts of our operations on the communities in which we operate and to avoid sole dependence on our operations.

Our People

We maintain a safe workplace that is based on mutual respect, fairness and integrity. To achieve this:
- 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;
- we value diversity and treat all employees and contractors fairly, providing equal opportunity at all levels of the organisation without bias;
- we employ and promote employees on the basis of merit while upholding legislation in regions that aim to benefit historically disadvantaged groups;
- we provide fair remuneration;
- we stipulate and enforce a drug- and alcohol-free workplace;
- we collect personal and private information about employees in a legal and ethical manner and take every precaution to protect the privacy of our employees and their personal information;
- we uphold the right of employees to freedom of association and collective bargaining;
- we provide appropriate training and development opportunities; and
- we consult, communicate and provide appropriate support to employees during significant organisational changes including closures, acquisitions, mergers and divestitures.

ML Davis, Chief Executive – December 2007

xstrata

Figure 24-1-V2.3
Sustainable Development Policy