



bhpbilliton
resourcing the future

Our strategy delivers

Sustainability Supplementary Information 2010

We are BHP Billiton, a leading global natural resources company.

We continue to be committed to a long-term strategy of investing in low-cost, world-class, expandable and export-oriented operations, diversified across markets and geographic regions. BHP Billiton has a long-term view that includes continued investment through the cycles and a focus on the fundamentals. The result is a significant capability and a portfolio that balances risk and provides flexibility.

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For more information

Our overall approach to sustainable development can be found at www.bhpbilliton.com. The terms of reference for the Sustainability Committee can be found under About Us ► Governance. Our *Code of Business Conduct* can be found under About Us ► Governance ► *Code of Business Conduct*. If you have any queries and comments, please email: hsec@bhpbilliton.com.

The role, structure, composition and controls of the Board are detailed in section 5.3 of our Annual Report 2010. The Board represents the interests of the Group's shareholders and is accountable to them for creating and delivering value. BHP Billiton encourages shareholders to make their views known to the Board (see section 5.2 of our Annual Report 2010 for further details).

The roles and functions of other governance measures, notably our Risk and Audit Committee, Sustainability Committee and Group Management Committee, are discussed in sections 5.5.1, 5.5.4 and 4.2 of our Annual Report 2010.

In addition to our governance mechanisms, BHP Billiton operates a remuneration policy that includes the application of demanding key performance indicators for both financial and non-financial measures of performance. This latter category includes performance measures aligned to Health, Safety, Environment and Community (HSEC) elements. The remuneration and incentive scheme for our Group executives is detailed in section 6.3 of our Annual Report 2010.

Our approach to sustainability reporting

A key element of our Sustainable Development Policy is to 'regularly review our performance and publicly report our progress'. This is a demonstration of our approach to effective stakeholder engagement, accountability and transparency. It also serves as a management tool, providing a collation of performance data and statements of key issues and related management approaches.

BHP Billiton publishes information about sustainability each financial year in:

- our Annual Report and Summary Review;
- our Sustainability Report;
- Our Sustainability Framework;
- this Sustainability Supplementary Information document, which is designed as an adjunct to the Sustainability Report.

The Annual Report and Sustainability Report are available electronically from www.bhpbilliton.com and may be downloaded for printing.

We aim to report accurately on our performance and we have included both positive and negative aspects to enable a balanced assessment of our overall sustainability performance. Coverage of local- and regional-level material issues is provided by operations who choose to produce a separate report. Each year we seek third party assurance so that stakeholders can access an independent view of our reporting. For more information about the nature of our external assurance, please see the limited assurance statement in this document provided by our auditors KPMG.

Materiality

Our sustainability reporting is prepared in accordance with the Global Reporting Initiative (GRI) reporting framework. The issues addressed are deemed material to our business, or of particular interest to stakeholders. We assess materiality in a three-step process:

Step 1 Identify issues: Our review process was based on AccountAbility's five-part materiality test, which is informed by such areas as policy, peer-based norms, stakeholder concerns, societal norms and direct short-term financial impacts. We use this process to review our corporate policies, peer reports, NGO campaigns, media publicity, regulatory changes and Company risk register.

Step 2 Prioritise issues: We rate the significance of each issue to our stakeholders and the potential impact on our business as low, medium or high.

Step 3 Review issues: We continue to monitor any new issues raised during the preparation of the reports and assess their materiality. The purpose of the review step is to ensure that the materiality determination is considered sound and credible both internally and externally. This includes a review by our Sustainability Committee and our Forum on Corporate Responsibility and approval by management. In checking the process outcomes, it is our aim to limit the size of the report without impacting on disclosures around our material issues. As in previous years, our material issues include topics related to governance, our employees, safety and health, environment and social responsibility.

Report boundary

The data and text in this report cover assets wholly owned and operated by BHP Billiton, or operated by BHP Billiton in a joint venture operation (i.e. controlled assets) during the 12 months to 30 June 2010. Assets include those under exploration, projects in development and execution phase, and closed operations, as well as Group functions. Operational assets are the only ones to provide occupational exposure data. Data are reported on a 100 per cent basis for assets operated by BHP Billiton irrespective of our equity share, unless otherwise stated. Joint ventures where we are not the operator are excluded. Some of our case studies, however, feature initiatives from non-operated joint venture operations. The only exceptions to the above are our community investment expenditure and payments to government, which are reported on an equity share basis for both operated and non-operated joint venture operations. Where BHP Billiton does not have operational responsibility but has an equity share, our internal Health, Safety, Environment and Community (HSEC) Group Level Documents (GLDs) are made available to the operator so that comparable standards may be applied. All monetary amounts in this document are in US dollars unless otherwise stated.

BHP Billiton measures greenhouse gas emissions using the World Resources Institute/World Business Council for Sustainable Development (WRI/WBCSD) Greenhouse Gas Protocol. Quantification of energy consumption and greenhouse gas emissions involves the use of calculations where direct measurement is not always practical. The emissions and energy content factors and formulae used in these calculations are sourced from relevant industry protocols and national and international standards (for example, the WRI/WBCSD Greenhouse Gas Protocol, Australia's National Greenhouse and Energy Reporting rules and the Intergovernmental Panel on Climate Change (IPCC)) to enable consistent treatment of the uncertainties associated with energy and greenhouse gas reporting, in accordance with industry standards. Global warming potential factors are consistent with the IPCC Second Assessment Report (1996).

Our energy intensity calculations now reflect the total energy consumed to produce the purchased electricity used by our assets. Prior years' calculations reflected the energy content of the purchased electricity only. Compared with the 2009 report, outside this measurement change there were no material changes to the reported scope, boundary or other measurement methods.

Data are derived from our many operations around the world and may not be strictly comparable year on year.

Acquisitions and divestments

In FY2010, we divested the following assets: Yabulu Nickel (July 2009), BMS Suriname (July 2009), Ravensthorpe Nickel (February 2010) and Manganese Metal Company (May 2010). Performance data is included in overall Group performance until the date of sale. Divested assets have been removed from the baseline year and current years when reporting overall performance against targets.

In March 2010, we completed the acquisition of Athabasca Potash. This acquisition has had no material impact on Group data to date as the activities are restricted to feasibility studies and exploration.

Our approach to sustainability reporting continued

Our public commitments

As part of aligning our internal systems with international best practice, we have made the following commitments.

International Council on Mining and Metals (ICMM)

We are a founding member of ICMM, and this year held the position of deputy chair. Our membership requires that we align our management standards and practices with the ICMM Sustainability Framework and associated principles and position statements. There are some aspects where the elements of the ICMM Sustainability Framework are intended to be achieved through membership of the ICMM rather than through the individual member companies' direct actions. These elements relate to biodiversity, product stewardship, parts of the Extractive Industries Transparency Initiative (EITI) and mineral resources and economic development. We further progress some aspects, such as product stewardship, through our membership of various commodity associations or through our fundamental business strategy. BHP Billiton has included the ICMM assurance requirements within the scope of our external assurance engagement to provide independent limited assurance that the ICMM commitments have been met. We have referenced the ICMM principles in the GRI Navigator in this report.

United Nations Global Compact

BHP Billiton has been a signatory to the UN Global Compact since 2003 and is committed to its 10 principles. We have referenced the Global Compact principles in the GRI Navigator in this report.

Voluntary Principles on Security and Human Rights

We support and respect human rights. BHP Billiton's alignment with the Voluntary Principles is discussed in the Safety section of this report.

Extractive Industries Transparency Initiative (EITI)

BHP Billiton is a supporter of the EITI through our membership of ICMM. A summary of BHP Billiton's payments by country is included in the Sustainability Report.

EITI is a global initiative to improve governance in resource-rich countries through the verification and full publication of company payments to government and government revenues from oil, gas and mining. The initiative works to build multi-stakeholder partnerships in developing countries in order to increase the accountability of governments.

Approximately 30 countries have now committed to the EITI principles and criteria, and made progress towards implementation. We are committed to supporting and cooperating in the implementation of Country-level EITI Work Plans as our host countries progress the Initiative.

Partnering Against Corruption Initiative (PACI)

BHP Billiton is a signatory to the World Economic Forum's PACI Principles for Countering Bribery (PACI Principles).

World Business Council for Sustainable Development (WBCSD)

BHP Billiton has been a member of the WBCSD since 2000.

Our stakeholders

BHP Billiton defines key stakeholders as those who have an interest in what we do, or who have an influence over what we do, or who are potentially impacted by our operations. All BHP Billiton operations are required to identify their key stakeholders and to consider their expectations and concerns for all activities throughout the life cycle of the operations. Operations are also required to specifically consider any minority groups (such as Indigenous groups) and any social and cultural factors that may be critical to stakeholder engagement. A regular review process is also a central requirement of stakeholder identification, to ensure that all appropriate groups and individuals are effectively identified and suitably engaged. The interests and concerns of our key stakeholders and our methods of engagement are outlined below.

Investment community

The investment community includes mainstream financial analysts, Socially Responsible Investment (SRI) analysts who advise existing and potential shareholders on our performance and corporate governance analysts who work for or advise existing and potential shareholders. These analysts are located globally and assess whether BHP Billiton's performance closely aligns with shareholder interests, including delivering good financial returns and demonstrating strong Group performance and governance. Increasingly, non-financial performance is also of interest; elements of this include improved governance mechanisms and non-financial risks and their mitigation.

We engage with these stakeholders via:

- regular communications from Investor Relations to mainstream investment organisations;
- regular communications from our Corporate Communications group to SRI analysts;
- regular communications from our Company Secretariat to corporate governance analysts;
- analyst briefings on key issues (subject to applicable laws), including briefings for SRI and mainstream analysts with a particular interest in the environmental and social performance of the Company, and dialogue on key sustainability issues with a range of stakeholders, including the SRI and mainstream investment community;
- printed reports (e.g. the Sustainability Report);
- BHP Billiton participation in external benchmarking initiatives by the SRI and corporate governance sectors.

Shareholders

BHP Billiton shareholders are a diverse group with significant representation in Australia, Europe, South Africa and North America. This group is interested in the creation of long-term shareholder value through a combination of consistent financial returns and high-quality governance. They are also interested in BHP Billiton ensuring that high-quality governance is an ongoing process and that our focus is maintained on continuous improvement and understanding shareholder concerns. Engagement methods include:

- Annual General Meetings;
- regular printed and electronic communications;
- regular meetings with institutional shareholders and investor representatives;
- access to all investment community presentations via our website www.bhpbilliton.com.

Customers

Our customers are typically other large organisations. Their interests are typically reliability and supply; product quality, cost and delivery; the full life cycle impacts of our products and the downstream products made using BHP Billiton materials; materials and resource efficiency and the management of final waste materials. We engage with this group via:

- regular communications with BHP Billiton's Marketing group;
- technical support to assist with product utilisation, either in terms of process efficiency or product handling;
- product information, including material safety data sheets;
- visits to operations;
- technology exchanges with operations;
- participation in a range of stewardship initiatives such as the Responsible Jewellery Council, the Green Lead™ Project and the World Nuclear Association Uranium Stewardship Working Group.

Media

The media includes representatives of print, radio, online and television media. This group is interested in a broad range of issues reflecting all stakeholder interests. We engage with them through media releases, briefings, presentations and interviews.

Business partners

Our business partners include those organisations with which we have joint venture arrangements. Both BHP Billiton and our joint venture partners are interested in ensuring that suitable governance mechanisms are in place. We engage with joint venture partners to ensure financial returns are delivered and that risks are sufficiently mitigated. We engage with them via joint venture boards and operating committees, publishing of our annual financial and sustainability report and joint venture partner participation in Health, Safety, Environment and Community (HSEC) audit programs.

Employees and contractors

Our workforce is large and diverse, with employees and contractors located in more than 25 countries. Matters of personal health and safety and the health and safety of colleagues are key areas of focus for this vital stakeholder group, as are working conditions and career development opportunities.

For employees and contractors who reside near our operations it is common for any prevailing local issues such as employment opportunities, business creation, social infrastructure, schooling, and health care to be shared with local communities. In many remote communities, quality of housing and basic services are key to employee attraction and retention.

Means by which we engage with employees and contractors include:

- regular performance reviews and employee perception surveys.
- direct communication with employees through immediate supervisors and management;
- operation-based newsletters and general communications;
- BHP Billiton intranet;
- asset and operation-based corporate sustainability reports.
- Business Conduct Advisory Service;
- participation in HSEC performance improvement initiatives at their own operations.

Our stakeholders continued

Local and Indigenous communities

Most of our operations are located in rural and remote areas. We, therefore, have a broad spectrum of local and Indigenous communities with interests and concerns. This group is interested in potential environmental and social impacts associated with our operations, including employment opportunities. They want to ensure opportunities presented by our operations are optimised (for example, maintaining sustainable community development opportunities after a mine closure). Results from stakeholder perception surveys regularly conducted by operations rate local employment and business creation, support for social infrastructure and programs, a desire for improved community engagement mechanisms and improved environmental performance as local communities' most important interests and concerns. We engage with local and Indigenous communities through:

- community consultation and engagement groups;
- their participation in BHP Billiton activities;
- newsletters and targeted communications;
- community perception surveys;
- support through local foundations (e.g. Chile, Peru, Colombia and Mozambique);
- other operation-specific engagement developed as part of operation community relations plans.

Industry associations

Industry associations include commodity-specific associations, as well as sector-specific associations, at national and international levels. This stakeholder group is interested in a diverse range of issues relating to the sector or commodity, such as environmental legislation, safety standards and promotion of leading practice. BHP Billiton engages with this group through ongoing representation on specific committees and engagement during specific projects with industry associations both nationally and internationally, such as the Minerals Council of Australia and the International Council on Mining and Metals.

Suppliers

Our suppliers include businesses local to our operations, as well as large international suppliers. We seek to utilise local suppliers and support these suppliers in enhancing community development opportunities. Areas of key interest for this stakeholder group include supply agreements, payment processes and required supplier standards. To engage with suppliers we perform a supplier segmentation based on a Corporate Social Responsibility risk assessment. Based on this segmentation, we define the appropriate engagement throughout the supplier life cycle. We also require suppliers to identify potential HSEC risks associated with their operations and to minimise any adverse consequences of these risks.

Governments and regulators

We engage with governments and regulators at local, regional, national and international levels. This stakeholder group is interested in national, regional or local legislative and regulatory policy frameworks for the natural resources sector through the full project life cycle. They are also interested in market access, product stewardship, environmental performance, social policy and fiscal regimes applicable to the resources sector. We respect the authority of governments and our operations are required to work within relevant legislative and regulatory frameworks at the local, regional, national and international levels.

BHP Billiton will express its views to governments on subjects that affect the Group's interests and operations. This must be done in a manner that adheres to high standards of ethics and complies with the letter and spirit of the law.

We will not make political contributions in cash or in kind anywhere in the world and will not participate directly in the activities of political parties.

Group representatives attend selected events such as political party conventions for the purpose of better understanding the implications of public policy development on business operations.

Employees may participate in political processes as individuals, provided it is made clear that in doing so they are not representing BHP Billiton.

Non-Government Organisations

Non-Government Organisations (NGOs) with which we typically engage include environmental, social and human rights organisations at local, national and international levels. Their key interests are social and environmental performance of existing operations, proposed operations or closed operations. They are increasingly interested in non-financial performance, such as better governance mechanisms and non-financial risks and mitigation. By way of engagement, each of our operations is required to identify relevant local NGOs and include mechanisms for engagement with them within the asset's community relations plan. At the corporate level, we regularly engage with relevant national and international organisations. Our Forum on Corporate Responsibility (FCR) includes leaders of a number of international NGOs, including WWF Australia, Oxfam Australia, Greening Australia, International Alert (UK) and Centre for Social Markets (India). The FCR meets at least twice a year and is chaired by our Chief Executive Officer.

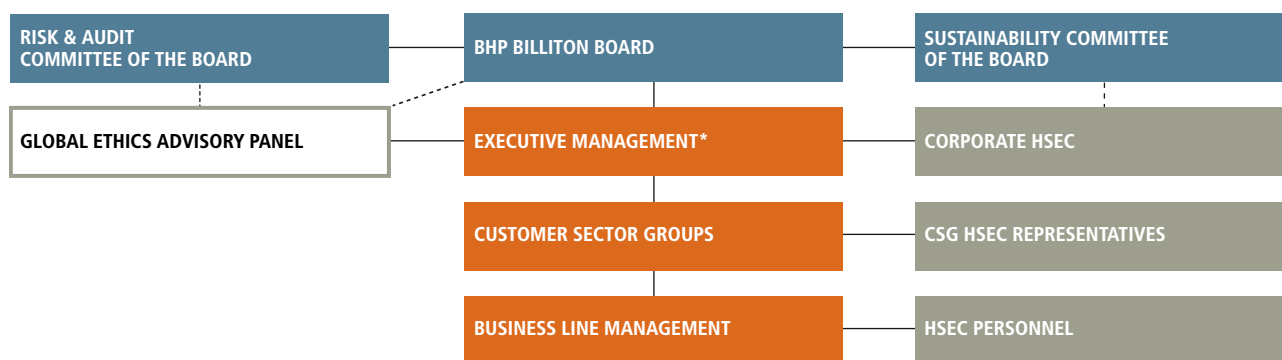
Labour unions

Labour unions are represented at many of our operations. The types of issues that are raised by unions include workers' rights and interests, collective bargaining opportunities, health and safety matters, remuneration, work hours and fly-in/fly-out arrangements. We engage in direct communication with unions as required. We respect the right of all employees to freely choose to join labour unions and we have a mix of collective and individual work arrangements at our operations. Prospective employees are made aware of employment arrangements prior to joining the Group.

Governance

At BHP Billiton, we believe there is a link between high-quality governance and business performance. The diagram below illustrates our organisational structure as it relates to sustainable development. This structure provides the mechanism for employees and contractors to provide feedback and proposals to our highest governance body, the BHP Billiton Board.

BHP Billiton Sustainable Development Governance



*Authority to manage the business is delegated to the CEO. The CEO on-delegates authority to committees, including the Office of the Chief Executive and the Executive Committee, and individuals.

Our approach to governance and risk management processes is based on a precautionary approach to achieving business outcomes. A broader discussion of our risk management approach is provided in section 5.6 of our Annual Report 2010. The Group's peak sustainable development governance body is the Sustainability Committee, a subcommittee of the Board. The role and focus of the Sustainability Committee is discussed in section 5.5.4 of our Annual Report 2010. It meets as frequently as required, but not less than three times a year. In addition to the Board members, attendees to the Sustainability Committee meetings include the CEO, Group executives with direct accountability for our Customer Sector Group (CSG) operations and the Head of Health, Safety, Environment and Community (HSEC).

Our approach to sustainable development governance comprises:

- a focused organisational structure and clear allocation of responsibilities;
- a clear hierarchy of systems and documents;
- a number of key management processes, central to integrating sustainability into our decision-making;
- clear links between remuneration and HSEC performance;
- an HSEC assurance program addressing compliance, risk management and data reliability.

Business line management has responsibility and accountability for HSEC performance.

The HSEC function provides a framework of strategy, performance reporting, and governance for senior management to deliver excellence in HSEC performance. Group HSEC maintains the HSEC Group Level Documents (GLDs) that establish the basic, mandatory performance requirements and performance controls that must be adhered to across the organisation. Assurance of these performance requirements through the HSEC audit program is a key governance activity.

While not a governance body, we use our Forum on Corporate Responsibility (as discussed in our Sustainability Report) to seek input and insight from external specialists.

HSEC in planning processes

The requirements in Our Sustainability Framework are incorporated through the planning of development projects, through operations and into closure. Significant projects are governed by the performance requirements of our project management GLDs. HSEC risks, legislated obligations and stakeholder requirements form important inputs to the project planning and execution process.

Once in operation, our assets undertake annual 'life of asset' planning, a disciplined process that incorporates all aspects of the business. Closure planning is integrated into 'life of asset' planning with each operation required to develop a closure plan. BHP Billiton is responsible for a number of legacy operations that are in various stages of decommissioning, rehabilitation or post-closure care and maintenance. The HSEC audit program covers the activities of these closed operations as well as closure-related issues at operations that are approaching closure. Closure plans provide the basis for estimating the financial costs of closure and the associated provisions. Information on our closure provisions can be found in the financial statements section of our Annual Report 2010.

In FY2010, the Group conducted a review of our closure planning and provisioning requirements. The recommendations from the review are in the process of being implemented and include further integration of closure considerations into planning and accounting processes and the development of more detailed requirements for the content of closure plans.

Business conduct

Annual business conduct cycle process

The *Code of Business Conduct* applies to the entire BHP Billiton workforce regardless of job or location. It sets expectations regarding appropriate workplace behaviour and provides advice regarding business relationships including how we interact with governments, communities and other stakeholders. Mandatory requirements have been established for training to ensure a wide understanding of the requirements of the Code. Guidance is provided for the management and investigation of actual or potential breaches of the Code.

Business Conduct Advisory Service

The use of the Business Conduct Advisory Service has increased significantly during FY2010. Our review of the matters that have been reported throughout the year suggests that this increase is as a result of the more effective communication of the existence of the service and its enhanced accessibility, rather than a material change in the number or type of issues present within the business. The operation of the Business Conduct Advisory Service was restructured during FY2009 to be consistent with the Group's Operating Model and to improve the quality of the service by implementing a multilingual hotline and an online case management tool. All cases raised via the service are coordinated by the Group Business Conduct function and then delegated to the relevant part of the business to manage. Monthly reporting is well established to monitor cases raised through the service and to identify trends and patterns in data.

Global Ethics Advisory Panel

The BHP Billiton Global Ethics Advisory Panel exists to provide high-level advice to the Group Management Committee on the culture and ethics of the organisation. The Global Ethics Advisory Panel held five meetings during FY2010 with members including internal and external representatives selected to achieve a variety of knowledge and experience on BHP Billiton's operations and the contemporary aspects of ethics and culture.

Assessment of business conduct risks

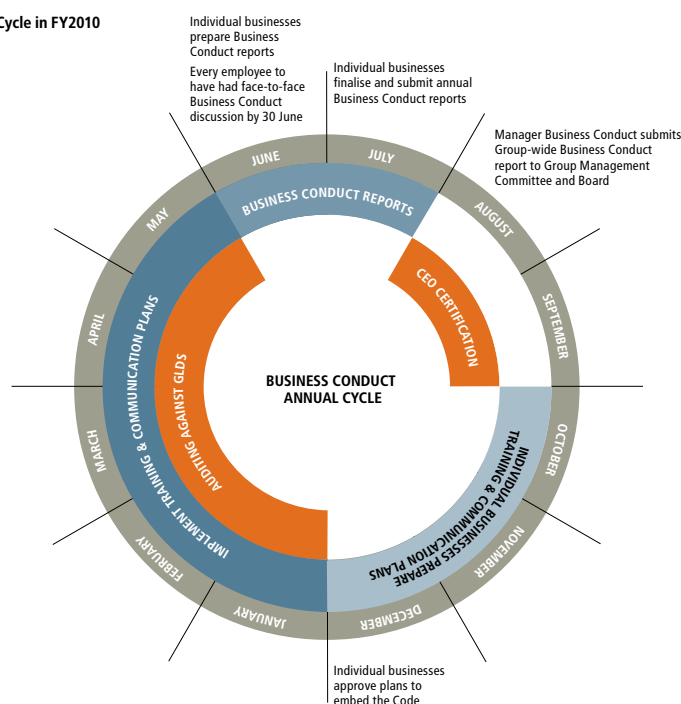
On a biennial basis, all of BHP Billiton's Customer Sector Groups (CSGs), and the Marketing, Minerals Exploration and Group functions are required to assess specific business conduct risks relevant to their business activities. Training programs are devised by each group to address the key risks identified for each business.

Bribery and corruption

The bribery and corruption section of the *Code of Business Conduct* requires the immediate reporting of improper payments, or any concerns regarding the legitimacy of a payment. If an individual is not satisfied with the outcome of an issue raised with management, they are directed to escalate the matter by contacting a more senior manager, a Group legal representative or the Business Conduct Advisory Service so that the matter can be assessed or investigated. The Business Conduct Advisory Service includes the functionality to be able to raise issues anonymously so as to deal with any concern of retaliation.

This financial year, an internal investigation was commenced into allegations of possible misconduct involving interactions with government officials. Following requests for information from the US Securities and Exchange Commission, the Company has disclosed to relevant authorities evidence that it has uncovered regarding possible violations of applicable anti-corruption laws involving interactions with government officials. The Company is cooperating with the relevant authorities and the internal investigation is continuing. It is not possible at this time to predict the scope or duration of the investigation or its likely outcomes.

Annual Business Conduct Cycle in FY2010



People

In FY2010, BHP Billiton had an average of 39,570 employees. This includes permanent full-time and part-time employees measured on a full-time equivalent basis and our share of proportionally consolidated entities and operations. We engaged 58,563 contractors at BHP Billiton owned and operated assets. The overall employee breakdown by age group showed that employees aged between 30 and 39 continue to be the largest employee age group, followed by the 40 to 49 age bracket.

At BHP Billiton, we work with our employees to help them realise their full potential and maximise their performance. This is achieved through formal performance reviews combined with training and development programs. In FY2010, a formal performance review process was undertaken for 63 per cent of our employees. Due to industrial agreements, not all employees participate in individual performance reviews. In FY2010, the average training hours for employees was 120 hours for full-time and 32 hours for part-time employees. Most of these training and development programs were developed and implemented at the local business level to support local requirements.

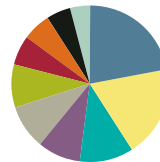
Turnover in FY2010 was 8.9 per cent compared with 15.5 per cent in the previous year. Male turnover was 8.4 per cent and female turnover was 11.5 per cent. Absenteeism is managed and tracked at the individual business level in a way that suits their purposes; absenteeism is not collated centrally.

We seek to comply with local legislation and liaise and consult with employees regarding significant organisational changes. Our labour agreements also include details of the process and communication requirements associated with organisational change.

We realise the importance to our business of attracting, recruiting and retaining talented people. To ensure we achieve this, our remuneration policy and employment packages are based on merit and do not differentiate by gender.

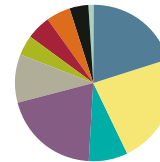
We are striving to achieve diversity, in all its forms, at all levels of our organisation. Our Group Management Committee, for example, has seven members, who represent six nationalities. One member is female, five are aged 50 or over and two are between 40 and 49 years.

Employees by CSG FY2010



Energy Coal	22%
Base Metals	19%
Aluminium	11%
Iron Ore	9%
Metallurgical Coal	9%
Stainless Steel Materials	9%
Manganese	6%
Petroleum	6%
Group and unallocated	5%
Diamonds and Specialty Products	4%

Contractors Engaged at our Owned and Operated Assets by CSG FY2010



Energy Coal	20%
Base Metals	23%
Aluminium	8%
Iron Ore	20%
Metallurgical Coal	10%
Stainless Steel Materials	4%
Manganese	5%
Petroleum	5%
Group and unallocated	4%
Diamonds and Specialty Products	1%

Employee Turnover* by Age Group 2010

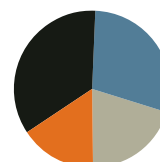
Total Turnover	8.9%
Under 30	24%
30-39	25%
40-49	22%
50 and over	29%

Employee Turnover* by Region 2010

Country	
Australia	18%
Europe	19%
North America	11%
South Africa	11%
South America	7%
Rest of the world	34%

*These figures are annualised, which means terminations for the selected population for the period divided by the headcount at the start of the period for that population. Population includes full-time and part-time employees only (excludes fixed-term hires and contractors).

Employees by Age Group FY2010



Under 30	16%
30-39	35%
40-49	29%
50 and over	20%

Employees by Gender FY2010



Male	85%
Female	15%

Note: Average employee numbers included in the graphs include executive Directors and 100 per cent of employees of all BHP Billiton operations. Part-time employees are included on a full-time equivalent basis. Employees of businesses acquired or disposed of during the year are included for the period of ownership. Contractors are not included.

Health

Our occupational hygiene and occupational health programs require operations to establish the exposure risk profile of all personnel to harmful agents, implement prioritised exposure controls and undertake health surveillance. Having an understanding of the exposure risk profiles allows our operations to establish and implement exposure control programs. In FY2010, all our operations finalised baseline health exposure assessments for physical agents. Physical agents include hand-arm and whole-body vibration, magnetic and electric fields, various forms of radiation and thermal stress. The completion of this work, combined with the exposure assessments for chemical agents completed in FY2008, provides our operations with the necessary data to establish the exposure risk profiles of all workers to potentially harmful agents.

Occupational exposures

Despite the good work being done to reduce the sources of exposures through improved controls (see Case Studies), in FY2010 there was a small increase in the proportion of employees reported as being potentially in excess of Occupational Exposure Limits (OELs). This increase is primarily attributable to improved data quality and changes to operations (see Sustainability Report). Potential exposures do not take into account the protection afforded by personal protective equipment (PPE).

We have established company OELs to reflect the risk of potential exposure and in some cases these are more stringent than OELs set by the countries in which we operate. Also, our processes for assessing exposure are leading industry practice and take into account the shift roster and length of shifts worked, together with the nature of the agent, and additive and synergistic effects. For example, shift work is common in many of our operations, however OELs are generally based on an 8-hour day and a 40-hour week.

Employee health

The rate of occupational illness in FY2010 was 40.9 cases per 10,000 employees, which is an 11 per cent reduction on the rate reported in FY2009.

Cases of tuberculosis (TB) occurring at our southern African operations are excluded from data reported between FY2007 and FY2010 as the disease is locally endemic and not work related. Medical assessments continue to be conducted at those operations to identify cases of TB and treatment assistance is provided to workers.

Disease information and control

We have global programs to provide workers and their families with information on serious disease.

Major disease outbreaks are monitored through our Emergency and Crisis Centre and information is provided to operations in any affected region. Where a more general response is required, Group-wide strategies may be developed.

In FY2010, 85 per cent of BHP Billiton operations had education, training and counselling programs in place to assist employees regarding serious diseases. Of these operations, 82 per cent also offered prevention and risk-control programs to employees. Where appropriate, the programs were also offered to employees' families and the local community.

Travellers are required to obtain disease risk and vaccination information about their country of destination prior to travelling and all employees have continuous access to information from our contracted service provider. Our businesses address health and disease issues with local relevance. For example, in Pakistan we provide a sustainable supply of potable drinking water for the communities in which we operate. Regional projects in Peru and Mozambique have been implemented to address maternal and neonatal mortality and morbidity.

HIV/AIDS

In some communities where we operate (for example, in South Africa and Mozambique), the incidence of HIV/AIDS is among the highest in the world. We accept a responsibility to help manage the impact of the disease to care for our employees, support the wellbeing and development of our host communities and protect the viability of our operations. For many years, we have adopted a proactive approach to managing the disease within our workplaces, an approach that draws upon the International Labour Organization (ILO) Code of Practice on HIV/AIDS. This includes conducting education programs, offering voluntary testing and counselling programs under the strictest confidentiality, seeking to achieve appropriate access to medical care for employees and their dependants and reducing the accommodation of employees in hostel-type accommodation, known to be a risk factor for the disease.

Reducing exposures through design

Australia

BHP Billiton Iron Ore has seven extensive high-grade iron ore mining operations in Western Australia's Pilbara region, including Mt Whaleback, near the town of Newman. The Mt Whaleback mine, established in 1968, is the biggest single-pit open-cut iron ore mine in the world. The new automated laboratory located at Mt Whaleback processes samples from across the Newman Joint Venture. At full capacity the laboratory will process more than 700,000 samples a year.

The challenge

The original iron ore laboratory processed samples utilising old technology that required a large amount of manual intervention and exposed personnel to higher levels of noise and dust. Each shift would typically receive about 500 samples with each weighing between two and 16 kilograms. In total this equated to between one and four tonnes that needed to be moved manually during each shift, with each sample manually moved at least six times.

The project

The new sample processing laboratory was designed and constructed to remove as much manual intervention as possible, and to reduce the level of exposure of personnel to noise and dust. This meant a strong focus on automation of the laboratory. The laboratory team investigated options and implemented equipment and processes to reduce exposure to manual handling. Solutions identified and implemented by the team included: sourcing dedicated sample racks and an electric walking stacker to remove all but one manual handling step in the sample introduction process; introducing lightweight mobile racking to handle the archived samples (up to 1,000 subsamples) with ease; and purchasing lifting devices and dedicated trolleys to move equipment and supplies where necessary, to eliminate or reduce heavy and repetitive lifting.

Employees provided input on the new laboratory throughout the process and, prior to commissioning, conducted a 'walk through' assessment to identify any remaining hazards. Solutions were then brainstormed and control options were investigated by laboratory personnel. Simple and cost-effective solutions were put in place to further reduce or eliminate these hazards.

Once the laboratory was commissioned, occupational hygienists re-assessed occupational exposures within the work area to confirm that exposures were within acceptable levels. It was confirmed that there had been significant improvements for laboratory personnel in reducing noise exposure and exposure to inhalable dust.

Achievements

The new process means the full sample is only moved once manually in the new laboratory compared to six times in the old laboratory. The reduction in manual handling has been achieved by the alternative sample racking combined with the extensive use of robotics, transport systems and automatic weighing stations.

At the end of analysis samples are archived for two weeks via the use of dedicated lightweight trolleys that can hold a thousand subsamples at one time. Unlike the large unwieldy trolleys used in the old laboratory, the new trolleys are easily manoeuvred by laboratory staff.

All crushing and pulverising activities now take place inside dedicated sound-enclosed equipment without the need of operator intervention. Samples are moved from one section to another either in buckets, cups or vials that travel under the floor via a conveyor system. This has a significant impact on dust and noise exposure as well as reducing manual handling requirements.

The laboratory is the largest and first of its type in the iron ore industry. As intended, the automated laboratory has significantly reduced manual handling risks and occupational exposures and has also provided a cleaner, quieter and more pleasant work environment.

Safety

Our approach

Wherever we work in the world, we apply uniform standards to our management of safety. The systems implemented are consistent with Articles 6-12 of International Labour Organization (ILO) Convention 176 – Safety and Health in Mines.

Our risk management processes follow the same hierarchy of controls described in Article 6 of ILO Convention 176, and our Fatal Risk Controls were developed to improve control of specific areas of risk, based on detailed analysis of actual Company incident history. We focus on improving our workplaces, using the recognised hierarchy of controls and work practices to minimise the need for personal protective equipment (PPE), which is provided free to all employees where appropriate. Rules and definitions for classification of incidents are applied equally to employees and contractors and from FY2011 will follow the US Government Occupational Safety and Health Administration (OSHA) guidelines. Managers, employees and contractors are empowered to stop work or refuse to work if they have safety concerns.

Management of material risks

From an overall BHP Billiton Company level, material risks are those that could result in multiple fatalities and/or serious damage to the environment, our facilities, or the community

in which we operate. Individual assets are required to develop and set their threshold for safety-related material risk. Our management of material risk requires risks to be identified and assessed and appropriate controls put in place. From FY2011, each critical control will require a performance standard and a self-assessment of control effectiveness.

Incident reporting

We actively encourage the reporting of a variety of non-injury safety metrics, including behaviour-based safety observations, potential hazards and near misses. All safety incidents are required to be reported. Our Significant Incident reporting provides us with a filter to ensure we prioritise our efforts on those incidents that have a potential for fatalities or serious environmental or community impacts. Our Significant Incident website is a repository for historical information relating to significant incidents and a means of sharing knowledge across the business.

BHP Billiton's Incident Cause Analysis Method (ICAM) for incident investigations has been released to universities and adopted by a number of companies, inside and outside the resources sector.

Incident statistics

We were deeply saddened and disappointed by the loss of five colleagues due to work-related incidents in FY2010. The details are noted below:

CSG/Business function	Location	Date	Nature of incident
Minerals Exploration	Zambia Copper	28/01/2010	Post-operative complications after surgery to broken ankle
Energy Coal	Khutala Colliery	20/10/2009	Mining supervisor fatally injured while driving light vehicle
Energy Coal	Khutala Colliery	20/01/2010	Contractor drowned in settling pond
Base Metals	Minera Escondida Limitada	04/02/2010	Worker fatally injured while operating cathode stripping machine
Stainless Steel Materials	Leinster Nickel Operations	11/04/2010	Operator drove a loader into an open mine void

The key learnings identified from these fatalities were:

- focus on task planning prior to work commencing – identify potential hazards and put in place appropriate mitigation;
- undertake pre-employment medicals to ensure personnel are fit for planned duties;
- ensure there is a robust case management process from time of injury through to recovery and rehabilitation;
- select vehicles and equipment appropriate to the task;
- load materials to safe limits to avoid undue spillage;
- ensure high-risk tasks are appropriately supervised;
- ensure critical controls for high/fatal risks are implemented and monitored for effectiveness;
- ensure that interventions required to manage faulty processes do not become a routine method of work;
- assess all installations and facilities deemed to be accumulations of water, quantify the risk for each and put in place appropriate controls;
- ensure contractors clearly understand their duties and the nominated Single Point of Accountability monitors adherence to contract requirements.

Safety continued

Security, emergency response and business continuity

Our Asset Protection Group Level Document (GLD) requires our businesses and operations to have systems in place to identify, manage and effectively respond to foreseeable crises and emergencies, including re-establishing full functioning of operations as swiftly and smoothly as possible.

Requirements include:

- identifying potential emergency situations and their impacts;
- defining response plans, roles and responsibilities;
- identifying, maintaining and testing resources to ensure their availability;
- training employees, contractors, visitors and external stakeholders;
- identifying, documenting, sharing and following-up on learnings from emergency response drills.

A crisis or emergency may be an incident, extreme climatic event, disease outbreak, security issue or any other event that poses a significant threat to:

- the safety or health of employees, contractors, customers or the public;
- the environment;
- our reputation;
- the physical integrity of a key asset.

The nature of our business and our global footprint often see our personnel working in countries where there is potential exposure to a higher degree of personal and business risk. Our Country Risk management process requires each country to be assessed for the degree of risk associated with visiting, exploring and operating, with appropriate plans put in place to mitigate identified risks.

BHP Billiton is a signatory to, and participant in, the Voluntary Principles on Security and Human Rights (VPSHR). The development of in-country security plans takes account of the expectations of the VPSHR. Any security forces retained in support of BHP Billiton are required to comply with their intent. Occasionally it is necessary to provide armed security protection for the safety of our personnel. Firearms must only be deployed under a set of approved rules of engagement where required to protect human life, for stewardship requirements (such as injured livestock management) or as a means of last resort when threatened by dangerous wildlife.

In establishing criteria for use and rules of engagement they must comply with the International Association of Oil and Gas Producers – 'Firearms and the use of force' guidance (Report number 320, Revision 2).

Safety fines

In FY2010, we had 203 fines with a total value of \$189,674. These fines were levied in four countries: the USA, South Africa, Chile and Australia.

Reducing high-voltage explosion risk

Australia

Located north of the Dysart Township in Queensland, Australia, the Saraji Mine, which is part of the BHP Billiton Mitsubishi Alliance, is an open-cut mine, producing around six million tonnes of high-grade hard-coking coal each year. Construction of the mine began in 1972, with mining operations commencing in 1974.

The challenge

Saraji Mine relies on electricity from high-voltage switching rooms for continued operation of site activities. An incident involving the explosion of an 11,000-volt circuit breaker in the switching room prompted a review of the traditional design of the rooms. The original circuit breakers used oil, which poses an explosion risk in the event of a failure. Replacing these circuit breakers required a vacuum-style breaker, which could be installed in the existing frame.

Due to the risk associated with equipment failure, it was also necessary to locate the equipment operator away from the hazard. To do this, a remote switching panel was installed outside the switchroom and a radio-controlled racking unit was designed to perform the manual switching task.

The project

Rather than continuing the industry practice to control the known risk, the aim was to eliminate risk through a significant redesign of the switching procedure. Following an independently facilitated risk assessment, which ensured key risks were highlighted, corrective actions for each risk area were introduced. These corrective actions were: replacing oil circuit breakers with vacuum circuit breakers to eliminate the risk of hot-oil explosion; installing a remote operating panel to

eliminate personnel proximity while switching; installing a radio-controlled racking unit to remove the need to manually switch the equipment; upgrading switching to provide faster and more accurate tripping to reduce the amount of energy in the event of a fault; implementing new personal protective equipment (PPE) to protect the operator during times when local operation is unavoidable; and redesigning fire mitigation measures to remove flammable items from inside the switchroom and reposition fire-fighting equipment to a more suitable location.

Achievements

The incident that triggered the High-Voltage Substation Switching Project indicated there were unacceptable risks associated with traditional high-voltage switchroom design. The project assessed the risks at multiple levels and eliminated, or significantly reduced, each risk, creating multiple layers of protection against a potentially life-threatening risk. One of the actions initially considered was the replacement of the entire substation, but this would have required serious interruption to the operations, with associated costs far exceeding the estimated \$5 million for substation construction cost. This project provided a virtually risk-free solution at relatively low cost, causing minimal disruption to operations.

Contractor safety management in Western Australia

Australia

BHP Billiton Iron Ore has operations in Australia and Brazil. The Australian Iron Ore assets are based in the Pilbara region of Western Australia and comprise an integrated system of seven mines, more than 1,000 kilometres of rail and two separate port facilities. It employs around 10,000 people, of which around 70 per cent are contractors. The Contractor Management Improvement Project was endorsed in July 2009 to improve the way the business applies its Health, Safety and Environment (HSE), Human Resources (HR) and Supply standards to its contractors.

The challenge

Iron Ore identified that its method of managing contractors in the Australian business was not meeting business expectations. The process in place to select, mobilise, manage and demobilise contractors was inconsistent across operations. An opportunity existed to improve the business process.

The challenge was to design a simple and consistent system for managing contractors on-site, which would be applicable to all contractors regardless of the size of the contracting organisation or nature of their work. Importantly, the simplicity of the system could not compromise the rigorous standards required to manage the risks associated with work in the mining environment.

The project

Critical to the success of this project would be aligning the HSE system with the overall supply process. HSE, Supply and HR worked together to ensure a consistent approach to contractor management. It was important that HSE requirements were built into key stages of the process – from pre-tender to the conclusion of the contract. A number of key features achieved this: clear minimum HSE criteria outlined to all contractors at the start of the tender process; a Contractor HSE Management Plan self-assessment tool (to measure their system against Iron Ore's minimum criteria) provided in all service tender packs; requirement for full alignment between Iron Ore's minimum criteria and the Contractor HSE Management Plan before a contract is awarded; a pre-mobilisation process that ensures contractors are ready to meet HSE requirements as soon as they reach the operation; and an automated system to manage in-field inspection and assessment activities during the contract period.

These new system requirements are being incorporated into existing contracts. Despite the impact on some contractors, this is important to ensure consistency across the business. This commitment demonstrates a strong belief that the new system will improve the standard of HSE across our contractor workforce.

Achievements

The system is now being integrated into day-to-day activities across all owner-operated operations. The alignment between HSE, Supply and HR has created a consistent and simple approach to contractor management across the business. The standardisation of HSE requirements enables supply partners to make informed decisions about what it takes to work with Iron Ore. One set of criteria is applied from the pre-tender phase to the conclusion of the contract and demobilisation.

Internal systems now assist with scheduling and reporting HSE activities for each contractor. Quantitative and qualitative data are collected throughout the process to better manage resources and identify opportunities for staff learning and development.

A significant benefit of the new system is its strong focus on directing resources to where the greatest risks lie. Contracts are assessed at the outset for the level of risk they represent to the business. High-risk and extreme-risk contracts attract significantly more attention from Iron Ore's contract manager and HSE. Internal systems schedule HSE activities and ensure they are carried out at appropriate intervals.

A comprehensive training process involving HSE, Supply, HR and contract owners ensures that the organisation is well equipped to monitor and maintain adherence to the new system.

Worsley Road Safety Alliance

Australia

BHP Billiton Worsley Alumina operates in the southwest corner of Western Australia. Bauxite is mined at Boddington, transported by overland conveyor 50 kilometres southwest to a refinery near Collie to be processed into alumina, which is then railed another 50 kilometres west to the Bunbury Port for export. Worsley produced its first alumina in 1984. Progressive expansion has increased annual alumina production capacity to 3.5 million tonnes. A current expansion will increase it to 4.6 million tonnes.

The challenge

Road safety was identified as a high priority issue by Worsley Alumina, its workforce and neighbouring communities. Worsley's employees, contractors and service providers travel long distances across the region on an ageing and increasingly busy road network. An independent road safety study in 2008 estimated the current Worsley expansion would add 1,500 vehicle movements a day while other major construction projects from nearby industries would add another 3,000 a day. The study recommended road safety improvements ranging from infrastructure upgrades to traffic coordination and education. As Worsley was just one user of a road network over which it had no authority, it sought a collaborative approach to achieve significant and sustainable improvements.

The project

Worsley approached other major road users and the road authorities to develop a shared responsibility and approach to road safety prompting the formation of an Industry Road Safety Alliance. In rolling out a range of actions and initiatives the Alliance focused on four aspects of road safety: safe road use, safe speeds, safe vehicles, and safe roads and roadsides. To date, these have included installing public street lighting, intersection and road upgrades, off-site car parks for bus services and car pooling, speed zone changes, heavy haulage curfews, workforce and public education campaigns, media campaigns, roadside billboards, a complaints mechanism and targeted police patrols. The collaborative approach between road users and authorities has meant tangible improvements were realised within 18 months, and before peak construction and peak traffic volumes.

Alliance members attend monthly meetings, share the chairmanship and secretarial roles and actively implement and report back on road safety issues and initiatives. The Alliance has links to road safety experts, local knowledge and the data to enable a robust and integrated road safety approach.

Parallel to this initiative, Worsley established its own internal road safety support networks to improve traffic conditions and the behaviours of its workforce. This resulted in the formation of a high-level committee that developed and implemented on-site improvements and campaigns integrated with the wider community initiatives.

Achievements

The Industry Road Safety Alliance is credited with helping reduce road accident-related fatalities and injuries, improving driver behaviour and raising road safety awareness in its sphere of influence.

Comparative police data for the six-month period leading to January 2009 and January 2010 shows a 25 per cent reduction in fatalities and a 29 per cent reduction in serious injuries resulting from vehicle accidents on roads within the Alliance's area of influence. Police statistics also show more motorists are obeying speed limits while anecdotal evidence suggests improved driver behaviour in general despite significant increases in traffic volumes.

Awareness levels have been heightened and there is an emerging sense of community ownership for road safety. Independent attitudinal surveys commissioned by the Western Australia (WA) Office of Road Safety show an increasing level of road safety awareness in the South West Region since the formation of the Alliance – an improvement that is not being noted elsewhere in the state.

The Alliance was recognised at the WA Local Government Road Safety Awards in August 2009, winning the Safe Roads Users and the Safe Roadside and Roadways categories. It also won the People category in the WA Chamber of Minerals and Energy's 2010 Health and Safety Innovation Awards. The WA Office of Road Safety, National Transport Commission, Organisation for Economic Co-operation and Development and the World Bank have shown interest in replicating the project elsewhere in the state, nationally and globally.

Community

All BHP Billiton operations are required to have stakeholder engagement management plans that include stakeholder identification and analysis and a plan of consultation activities that address the specific needs of different stakeholders. These stakeholder engagement management plans comprise a range of engagement activities, from regular meetings of community consultative committees and special interest groups to one-off visits to our facilities and open public meetings. Community engagement activities are required to be socially inclusive by involving disadvantaged and vulnerable groups.

Examples of formal consultative groups that are operated by our businesses include:

Business	Country	Consultation	Frequency of meeting
Appin Mine	Australia	Regional government	Weekly
EKATI Mine	Canada	Indigenous community	Annual
Groote Eylandt Mining Company (GEMCO)	Australia	Special interest group	Weekly
Escondida	Chile	Local community	Monthly
Hillside Aluminium Smelter	South Africa	Dialogue table	Quarterly

The range of topics discussed during these stakeholder consultation processes includes town amenity and housing, cultural preservation and heritage, impacts of growth and expansion projects, contractor management, security and crime, Indigenous issues and social development.

Assets measure the effectiveness of their stakeholder engagement by monitoring community complaints and incidents and conducting community perception surveys in their communities every three years. These surveys provide an external measure of our perceived integrity and whether our stakeholders believe we are doing what we say we will do.

During the reporting period, seven operations undertook stakeholder perception surveys in their communities and our operations received 232 complaints from people living near our operations. Of these complaints, 71 (or 31 per cent) were noise related; 54 (or 23 per cent) were in relation to odours; and 36 (or 16 per cent) were dust related.

Noise complaints were higher where our businesses are located in close vicinity to residential areas. There were 21 noise complaints registered at our Worsley Alumina operation in Western Australia and 24 complaints from the rail transport of coal from the Illawarra Coal operations in New South Wales, Australia. In addition, there were 37 odour complaints registered at Kalgoorlie Nickel Smelter, Western Australia.

Community investment

Our businesses administer their local community programs in different ways – some manage the programs directly through their community relations department and others have established corporate community foundations. The major foundations our businesses support are Fundación Minera Escondida (Chile), the Antamina Mining Fund (Peru), San Isidro Foundation (Colombia), Mozal Community Development Trust (Mozambique) and the charitable company BHP Billiton Sustainable Communities (UK).

The cash component of our FY2010 community investment of \$200.5 million comprises:

- direct investment in community programs made from BHP Billiton companies on an equity share basis;
- contributions to the Group's charitable foundations, including an \$80 million contribution to BHP Billiton Sustainable Communities in FY2010;
- the Enterprise Development and Socio-economic Development components of our Black Economic Empowerment programs in South Africa.

Local communities and customary rights

At a very early stage in a project, before any substantive work is carried out on the ground, we seek to identify any land owners, occupiers and users that may be affected by the project's activities. Where land may be used for customary purposes and there may be no formal titles issued, this information will be sought from relevant government authorities with responsibilities for customary land uses and any Indigenous peoples representative organisations, such as land and tribal councils. Further enquiries may also be made directly with the people in the area. Once a project moves beyond the exploration stage, specific surveys may be commissioned to identify the customary owners and how the land is being used. Depending on circumstances, this may occur at the exploration stage.

Knowing who owns and uses the land is critical to an effective community consultation and engagement program. It helps to ensure that affected people are fully aware of the project and that they have an opportunity to express their concerns and aspirations. Arising from this engagement, the work plan may be amended to reduce potential impacts on land owners and users. There were no significant incidents involving cultural heritage sites during the reporting period.

Community continued

Twenty-seven assets have reported that they are located in or adjacent to Indigenous peoples' territories – 23 of these operations are in Australia and the remainder are in Canada, the USA and Chile. Of these assets, 15 have formal agreements with Indigenous peoples' communities.

While no operations reported any significant disputes relating to land use or customary rights, during the reporting period the Yeelirrie Project proposed an agreement negotiation protocol and issues for negotiation with the Central Desert Native Title Services, the representative body for the region in Western Australia. At the end of the reporting period, the Traditional Owners had declined to give Central Desert Native Title Services instructions to commence a formal negotiation and discussions with the Traditional Owners will continue in FY2011.

BHP Billiton does not have any operations with significant artisanal and small-scale mining taking place on, or adjacent to, the operation.

Land compensation

Our approach to land compensation is developed and undertaken on a case-by-case basis. Consideration is first given to what land we need. We then look at our possible impacts on that land, both short term and long term, the present and past use of the land and the effects that our use may have on existing land owners and occupiers. Land owners and occupiers generally include people with recognised legal interests in land, as well as those who do not have formal title. For example, Indigenous groups may not have a recognised legal interest, but nonetheless may be connected to the land by tradition and custom as well as by using the land for traditional purposes. These people may also be leading a traditional lifestyle and be dependent, to a greater or lesser extent, on the land for their existence.

Our approach also aims to take into account relevant legislative requirements, industry practices, standards or norms that may exist within a country or region and any special circumstances that may apply. In some countries and regions, legislation prescribes who is to be paid land compensation, the amount, what it is for and how it is to be calculated. In other places, compensation may be by negotiation with the affected parties. In Australia, for example, negotiation may be necessary where Native Title rights and interests may be impacted by a resource project. In this example, legislation also provides mediation and arbitration processes to achieve an outcome if it is required by any party. Consideration is finally given to the views of land owners and occupiers as to the form that compensation may take; for example, whether cash, in-kind or a mix of both.

Our preference is to have a substantial portion of any compensation payments dedicated to sustainable socio-economic projects or programs that will leave tangible and long-term benefits for the community or people receiving the compensation. We also endeavour to ensure that benefits are provided to as many people as possible who may be entitled to them. Where substantial sums of money are involved, we work to put in place appropriate governance structures so that these monies are managed in a responsible, transparent and accountable manner.

Resettlement

There were no reported community resettlements during FY2010. BHP Billiton requires any involuntary resettlement to be undertaken in accordance with the International Finance Corporation's Performance Standard 5: Land Acquisition and Involuntary Resettlement. The objectives of the Performance Standard are:

- to avoid or at least minimise involuntary resettlement wherever feasible by exploring alternative project designs;
- to mitigate adverse social and economic impacts from land acquisition or restrictions on affected persons' use of land by:
 - (i) providing compensation for loss of assets at replacement cost; and
 - (ii) ensuring that resettlement activities are implemented with appropriate disclosure of information, consultation and the informed participation of those affected;
- to improve or at least restore the livelihoods and standards of living of displaced persons;
- to improve living conditions among displaced persons through provision of adequate housing with security of tenure at resettlement sites.

United Nations Declaration on the Rights of Indigenous Peoples

In September 2007, 143 countries voted in support of the United Nations Declaration on the Rights of Indigenous Peoples. This is a non-binding declaration primarily directed at governments, not at the private sector. It covers a wide range of issues of importance to Indigenous peoples and is designed to ensure that countries respect and protect their rights. Where countries have enacted laws to give effect to the Declaration and have provided the framework for its implementation, BHP Billiton has committed to abide by them. Where countries have not enacted such laws, our policies and standards are designed to ensure that we work with Indigenous peoples to try to understand their interests and aspirations, respect their rights and seek broad-based support for our operations.

Ten years of implementing Impact Benefit Agreements

Canada

In 1998, BHP Billiton began operation of the EKATI Diamond Mine in Canada's Northwest Territories (NWT). It was the first diamond mine in the country and today EKATI produces on average over three million carats per year of rough diamonds. Annual sales from EKATI (100 per cent terms) represent approximately three per cent of current world rough diamond supply by weight and approximately six per cent by value.

The challenge

During the development of EKATI, it was recognised that formal agreements acknowledging the rights of traditional land owners were needed to ensure that benefits from the mine accrued to the local inhabitants of the area. BHP Billiton negotiated confidential Impact Benefit Agreements (IBAs) with four aboriginal groups. The IBAs ensure that employment, training and business opportunities flow preferentially to the local aboriginal communities. Such agreements had never been negotiated with a First Nation in the north of Canada and aboriginal people were sceptical because of the poor hiring performance of other mines operating in the North. Despite the history of the Yellowknife area as a gold mining centre, this was the first time aboriginal people were recognised as stakeholders in the mining industry.

The project

Two positions were created to support BHP Billiton's role in relation to the IBAs. The Company recruited a senior aboriginal adviser responsible for implementing the agreements and an aboriginal employment coordinator responsible for the employment and training components of the agreements. These BHP Billiton employees maintain close working relationships with aboriginal leaders in the IBA communities as well as with the four IBA coordinators appointed by the aboriginal groups. BHP Billiton has now operated EKATI with the IBAs in existence for more than a decade. During this time, improvements have been realised and the Company has gained the respect of many aboriginal leaders. The IBAs have promoted a spirit of cooperation with mutual respect for the goals and aspirations of each party.

Recently, BHP Billiton received accolades from the Grand Chief of the Tlicho Government, a legislated aboriginal self-government, who promoted the BHP Billiton IBAs to the Government of Canada. This is a welcomed recognition and an important milestone for BHP Billiton.

The greatest challenge has been to maintain momentum on implementing the IBAs in the face of successive changes over the years in the social and political landscape of the North and in management at EKATI. In the past, some aboriginal groups experienced periods of political change and reorganisation which made meeting with the Company difficult to organise. More recently, however, these groups have been able to participate in the many contracting, employment and community investment initiatives made possible by the IBAs and the operations at EKATI.

Achievements

The IBAs have provided opportunities for local aboriginal people and related benefits in terms of the social, economic and sustainability of the people and their communities. More aboriginal people are employed in the IBA communities than in other similar NWT communities outside of EKATI's area of influence. EKATI's aboriginal workforce represents 53 per cent of the total Northern workforce. Training programs are abundant and aboriginal people have many options in the areas of underground mining, minerals processing, trades apprenticeships, or scholarships to pursue post-secondary education.

For a decade, EKATI has exceeded its annual business spend target of 70 per cent of total spending with Northern businesses, of which 27 per cent has been with Northern aboriginal-owned businesses. This has provided new opportunities for IBA-owned companies to participate in joint ventures, build their business acumen and gain experience. They now competitively bid and win major contracts with BHP Billiton for fuel haul, air transportation and cleaning contracts among others. BHP Billiton works diligently at ensuring that such benefits accrue to the IBA communities and local area wherever possible. The IBAs sought to foster relationships based on trust and certainty, and in so doing have achieved mutual understanding, development and growth.

Environment

Climate change

Climate change and greenhouse gas (GHG) effects may impact our operations and markets both positively and negatively. We are a major producer of energy-related products such as energy coal, oil, gas, liquefied natural gas and uranium. Energy is also a significant input in a number of the Group's mining and processing operations. A number of governments or governmental bodies have introduced or are contemplating regulatory change in response to the impacts of climate change. These regulatory mechanisms may be either voluntary or legislated and may impact our operations directly, or indirectly via our customers. Inconsistency of regulations particularly between developed and developing countries may also change the attractiveness of the locations of some of our assets. A discussion of regulatory, physical and other risks and opportunities of climate change is included in BHP Billiton's 2010 response to the Carbon Disclosure Project (www.cdproject.net).

Climate change strategies should promote fundamental shifts towards energy-efficient technologies and practices across the economy and encourage a more prominent use of less carbon intensive energy sources – such as natural gas, nuclear energy and renewable energy – within the overall energy mix. These changes to consumption patterns can be accomplished by a combination of regulations, standards and by pricing carbon. As the carbon price is increased, it is important that the price signal flows to consumers to facilitate a change in consumption and investment choices. To offset the cost impact on consumers and businesses, governments should operate any carbon pricing in a revenue neutral way.

We continue to track progress against our \$300 million commitment to support the implementation of energy efficiency and low GHG emission technologies. To date, we are on track to exceed our commitment with projects valued at approximately \$340 million in implementation stages and a further \$125 million in project value under investigation.

Data measurement and reporting

Governments in developed countries are raising standards for measuring and reporting GHG emissions and requiring independent assurance. For example, Australia introduced the *National Greenhouse and Energy Reporting Act 2007* in preparation for emissions trading. In FY2010, we improved the quality of our environmental data through the enhanced data accessibility and accountability delivered by our new data reporting system.

Biodiversity

Our impact assessment processes have identified the following significant impacts in areas of high biodiversity value (see table below).

Environmental incidents

A significant environmental incident is one with a severity rating of four or above based on our internal severity rating scale (tiered from one to five by increasing severity).

One significant incident occurred during FY2010 at our Pinto Valley Operations (USA) involving a tailings release. The majority of the eroded tailings and cover material was recovered. Metal concentrations in surface water and sediments appear to be well below levels that could present a hazard. There were minor environmental incidents during the year that had the potential to be classified as significant incidents; however, the controls in place and mitigation actions prevented these incidents escalating in actual severity.

Fines

In FY2010, BHP Billiton had three fines which totalled \$35,057. These fines were levied in three countries: Brazil, the USA and Chile.

In March 2010, we received a fine of \$34,672 for an archaeological incident that occurred in calendar year 2008. Monitoring by external archaeologists detected intervention in Panel No. 5 of Geoglyphs⁽¹⁾ in Pampas Intermedias outside the property of our Cerro Colorado operation in Chile. We have informed the community and instituted corrective measures to prevent further incidents of this nature.

Waste

Our mining operations produce large quantities of mineral waste, such as waste rock, tailings and slag, that need to be effectively managed to control potential environmental impacts. All operations are required to implement waste management plans to minimise waste generation and its impacts. Monitoring of waste transport and disposal companies is required to ensure that regulatory requirements for waste are being met.

We require tailings dams to be assessed to manage the risks of dam failure. Tailings dams are typically unlined and are designed and operated to well-established engineering standards. We require mineral wastes to be analysed for physical and geochemical characteristics to identify potential impacts arising from erosion, acid rock drainage, salinity, radioactivity and metal leaching.

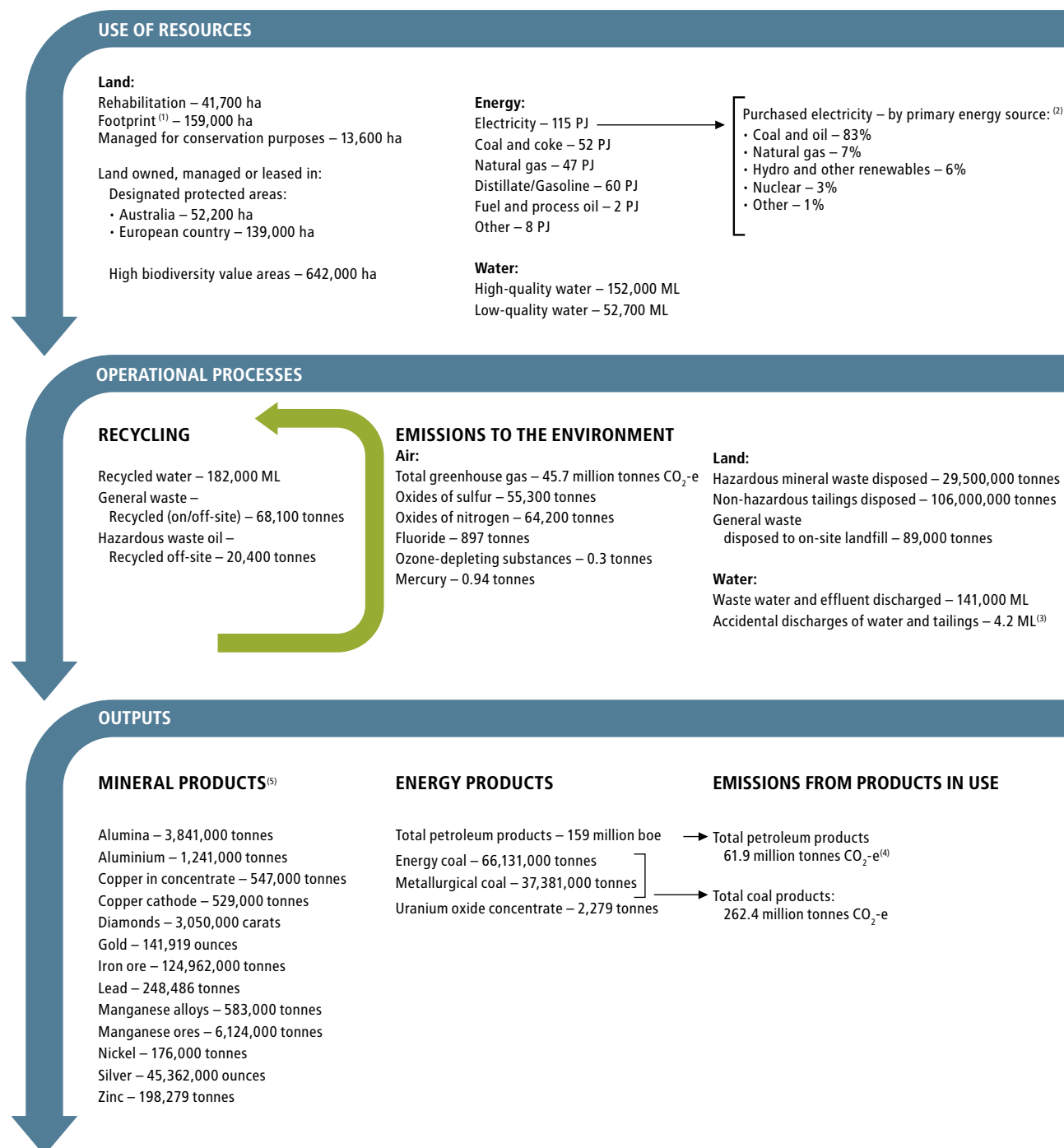
⁽¹⁾ Geoglyphs are large land-based drawings of cultural or historical significance.

Biodiversity

Country	Area name	Impact	Duration	Reversible
Chile	Andean salt lake wetland	Change in ecological processes outside natural variation for 8 hectares	30 years post-closure	Yes
USA	Pinto Creek	Pollution of 1 hectare	1 year	Yes

Environment continued

The diagram below provides a presentation of BHP Billiton inputs and outputs aligned to key Global Reporting Initiative (GRI) indicators for FY2010. Please refer to our Sustainability Report and Our Sustainability Framework for more information.



⁽¹⁾ Total area of land that has been disturbed (includes areas rehabilitated).

⁽²⁾ Data estimated from publicly available primary energy source data for electricity suppliers.

⁽³⁾ Data reported from potential environmentally significant incidents.

⁽⁴⁾ For petroleum in use, crude oil is assumed to be used as diesel fuel and liquified petroleum gas (LPG) is assumed to be used for non-transportation purposes.

⁽⁵⁾ Production figures are not directly comparable with environmental data as they are based on BHP Billiton attributable production (equity basis).

Water solutions for Olympic Dam

Australia

BHP Billiton operates the Olympic Dam copper, gold, silver and uranium mine in northern South Australia. Operating for more than 20 years, it is the world's fourth largest remaining copper deposit, fifth largest gold deposit and largest uranium deposit. It also contains significant quantities of silver. BHP Billiton has undertaken a pre-feasibility study regarding the expansion of the Olympic Dam operation.

The challenge

A major challenge for Olympic Dam is ensuring it has a reliable long-term water supply. The mine and processing plant operate in an arid and isolated area and, together with the townships of Roxby Downs and Andamooka, it currently uses water piped from two wellfields in the Great Artesian Basin under licence from the South Australian government. If expanded, the operation and townships would require an additional average supply of up to 186 million litres per day, compared to the current average water requirement of 32 million litres per day. Significant design effort has been undertaken to eliminate or minimise the need for new water. Since commencement of operations this process has resulted in an estimated 50 per cent improvement in water use intensity. This improvement process will continue as the proposed expansion progresses through to detailed engineering; adopting new technologies as they become available.

BHP Billiton has proposed the construction of a seawater desalination plant at Point Lowly in Upper Spencer Gulf of South Australia to produce water to meet the projected increase in demand. Powered by renewable energy, the desalination plant would produce fresh water and pump it to Olympic Dam. Return-water from the desalination process, which is approximately twice as salty as seawater, would be returned to Upper Spencer Gulf. Spencer Gulf supports a productive marine ecosystem and a diversity and abundance of marine organisms, including important commercial fisheries and listed threatened species. BHP Billiton has devoted much attention to investigating the potential effects of the discharge of return-water into the gulf and developing a design to meet a conservative interpretation of acceptable performance. The location and design of the outfall pipe has the greatest potential for reducing impacts on the marine environment. Investigations for the Draft Environmental Impact Statement (EIS) for the expansion project concluded that BHP Billiton's proposed outfall location would prevent adverse impacts on the general marine environment, commercial fisheries and aquaculture. The EIS was released for public review in May 2009 and a supplementary review responding to all the issues raised in public and government submissions is expected to be available later in 2010.

Of high conservation interest is the Australian giant cuttlefish which forms the world's largest known breeding aggregations at the rocky reef habitats of Upper Spencer Gulf. This species was fished heavily in the late 1990s and many stakeholders raised concerns about its ongoing protection. The work completed for the EIS, which included detailed hydrological modelling and toxicity testing, concluded that the cuttlefish breeding grounds will not be adversely affected.

Next steps

BHP Billiton recognises the importance of this cuttlefish species, its breeding habitats and the protection of the broader marine ecosystem. Given that the plan is to operate the desalination plant for many decades, it is imperative that these activities are sustainable. We have sought advice from knowledgeable and experienced consultants and their work has been peer reviewed by recognised national and international experts. Their findings and BHP Billiton's commitments have been published in the Olympic Dam Expansion Draft EIS.

The first key finding addressed the location of the desalination plant. Three-dimensional hydrodynamic modelling and monitoring of the Spencer Gulf demonstrated that the deep water (>20 metres) and fast flowing tidal currents off Point Lowly make it the best place to locate the outfall. Natural seawater exchange between the gulf and the open ocean each year will ensure that the return-water does not accumulate. Alternative locations offer no environmental benefit due to slower tidal currents, greater vegetation disturbance along infrastructure corridors and the need to use more energy for pumping water to Olympic Dam.

The second key finding was that the cuttlefish would not be affected, even in times of low tidal movements or 'dodge' tides. To test the robustness of this assessment, unlikely combinations of extreme conditions such as dodge tides, strong winds in an unfavourable direction and peak discharge volumes with higher than expected salinities were considered. The results confirmed that even under these extreme conditions, no impacts to the cuttlefish would occur. BHP Billiton has committed to operate the plant in a responsible and sustainable manner. We would not undertake construction work in the breeding habitat when the cuttlefish are present; that is, during their annual breeding season. We would also continue, and expand, our ongoing monitoring program of seawater quality near the outfall and the cuttlefish breeding habitat, to confirm no adverse impacts to cuttlefish population levels and the general marine ecosystem.

Achieving excellence in reclamation

USA

La Plata Mine (LPM) is located approximately 15 miles north of Farmington, New Mexico, in the US. It was an open-cut mine that operated from 1986 to 2002. During this time, approximately 41,762,000 tons of coal were mined and sold to San Juan Generating Station. Fluvial geomorphic principles were integrated into the La Plata Mine rehabilitation program beginning in 1996 with several advancements through to 2008. Rehabilitation of the mine is now complete.

The challenge

Rehabilitation practices, including the use of gradient terraces and rock-lined down-drains to convey surface water runoff and to control erosion, were traditionally used by mining operations in the US. However, it was found that land rehabilitated using such practices was susceptible to erosion and often required repeated, long-term maintenance. The team at BHP Billiton New Mexico Coal developed a sustainable rehabilitation program called 'geomorphic reclamation', which addressed these challenges by restoring the landscape to natural landforms and re-establishing a productive cover of native vegetation to return the area to what it was before there was a mine.

The project

Fluvial geomorphic principles involve recontouring reclaimed surfaces and simulating natural stream configurations to create a landscape similar to that which naturally would have formed over time.

Deciding to implement geomorphic reclamation presented a number of challenges for New Mexico Coal starting with obtaining regulatory approval. Consultations and agreements with regulatory agencies were necessary to address prescriptive regulatory requirements prohibiting geomorphic reclamation. Regulatory approval was achieved, following a series of demonstration studies showing the effectiveness of geomorphic reclamation in terms of erosion control, vegetation diversity, wildlife usage, aesthetics and landform stability.

The initial implementation of the fluvial geomorphic reclamation was also labour and training intensive. This new approach required equipment operators to understand basic geomorphic principles to construct complex landforms with properly functioning channels and slopes. Training and education involved a sandbox model to explain and visualise desired topographic designs. Various technologies were used, including computer aided drafting, to streamline the process. In-cab global positioning system and machine control systems, allowing wireless transfer of electronic data and display of topographic design information, further aided field construction. This technology allowed operators to pinpoint the location of their equipment and to view design specifics such as 'cut-and-fill' requirements. Field supervisor vehicles were supplied with similar technology to ensure proper execution of designs on a 'real-time' basis.

Geomorphic reclamation supports New Mexico Coal's objective to rehabilitate mine lands to a standard that provides stable, long-lasting and ecologically productive environmental benefits to land users (wildlife or graziers).

Achievements

The success of geomorphic reclamation was proven when La Plata Mine withstood several extreme rainfall events while reclamation was ongoing. The constructed drainages remained stable, which prevented erosion from occurring. Additional environmental programs also helped ensure the success of the rehabilitation including using native plants, managing weeds and transforming rehabilitated areas into wildlife habitat.

This reclamation method has led to a step change in the quality of rehabilitated mine lands and has now been adopted by US regulatory agencies and mining companies as a leading practice. New Mexico Coal has shared the benefits with many stakeholders via tours with local residents, regulators and representatives of Non-Government Organisations (NGOs).

New Mexico Coal has been the recipient of several environmental awards including the 2009 Excellence in Surface Coal Mining Reclamation Award from the United States Office of Surface Mining, the BHP Billiton Environment Excellence Award for using fluvial geomorphic principles and BHP Billiton CEO's Sustainability Excellence Award.

Supply

BHP Billiton recognises that our supply chain can make a significant contribution to our sustainability and that our supply relationships can add to or detract from our reputation.

Governance

Our approach to managing sustainability in our relationships with suppliers is set out in our Supply Management Group Level Document (GLD). This GLD clearly describes the minimum performance requirements for sourcing and contract management applying to all employees, contractors, consultants and agents. It is designed to ensure integrity and consistency in the management of BHP Billiton's supply relationships across the globe.

Supplier corporate social responsibility management

It is mandated that supplier corporate responsibility management must be consistent with BHP Billiton's *Code of Business Conduct* and Health, Safety, Environment and Community (HSEC) management standards. BHP Billiton segments its supplier sustainability requirements into global and local categories based on their risk. The Group's globally defined zero tolerance requirements for suppliers cover:

- child labour: children must not be hired to work before completing their compulsory education. The minimum age for entry into employment must not be younger than 15 years;
- forced or compulsory labour: the supplier must ensure there is no forced, bonded or involuntary labour;
- inhumane treatment of employees: the supplier must create and maintain an environment that treats all employees with dignity and respect with no threats of violence, sexual exploitation or abuse, or verbal or psychological harassment or abuse;
- living wage: wages and benefits must, as a minimum, meet whichever is higher: national legal standards or local industry benchmarks. Where no minimum wage legislation exists, the supplier must seek to establish a wage that ensures an adequate standard of living for all of its employees and their dependants.

BHP Billiton's globally defined minimum sustainability requirements for suppliers cover:

- the provision of a safe and healthy workplace and adherence to all relevant legislation, regulations and directives in the country of operation;
- respect for freedom of association;
- adherence to the highest standard of moral and ethical conduct;
- compliance with laws;
- non-discrimination.

Categories that may be interpreted locally and may not be applicable in all countries include Indigenous rights, environmental impact, community, public policy, anti-competitive behaviour, diversity and equal opportunity, training and education, and security practices. All contracted suppliers are segmented based on their sustainability risk and a procedure to engage with each supplier is developed appropriate to this risk.

Distribution of Supply Expenditure



- National (excluding local) 60%
- Local 33%
- External to home country 7%

Supply management at the local level – China

The operation of BHP Billiton's Shanghai-based China Procurement Hub, which is focused on ensuring that the Group's procurement practices in China are responsible, illustrates how the Group's global Sustainable Development Policy and HSEC management standards are implemented locally. The team works with potential suppliers to complete a HSEC assessment based on the standard, including in the areas of improvement systems, personal protective equipment, plant and equipment, workplace conditions, environmental considerations and human rights. The team engages only suppliers that demonstrate suitable standards, then continues to support their further improvement through ongoing audits and regular interactions. Where an assessed supplier does not meet the necessary HSEC standard or where the effort required by BHP Billiton to assist the supplier to reach acceptable standards is too great, then the supplier is excluded from consideration.

Supply and human rights

In addition to incorporating human rights issues in its procedures and policies relating to supplier management, BHP Billiton is committed to the United Nations Universal Declaration of Human Rights. Our Company Charter, *Code of Business Conduct* and Sustainable Development Policy support this commitment. BHP Billiton believes it has not violated the rights outlined in the United Nations Universal Declaration of Human Rights during the reporting period.

Supply spend

Total Group spend, from operated assets, on goods and services excluding intra-company spend, non-operated joint venture spend to joint venture partners and tax and regulatory spend, was in the order of \$22.4 billion, in the FY2010 reporting period.

Distribution by our businesses of our total spend on goods and services occurs at a local, national and international level. Local spend refers to spend within the communities in which we operate and the regions, such as states and provinces, where our operations are located. National spend refers to spend within the home country of operations, excluding local spend. International spend refers to spend external to the home country. Our approach is to source locally if a product or service that meets our requirements is available locally. In FY2010, 33 per cent of spend was with local suppliers.

Progress towards achieving Broad-Based Black Economic Empowerment (BBBEE)

South Africa

BHP Billiton Energy Coal South Africa (BECSA) owns and operates four mines (Khutala, Klipspruit, Middelburg and Wolvekrans) in the Mpumalanga province of South Africa, employing close to 5,000 employees and just over 9,000 contractors. In FY2010, production totalled 30.4 metric tonnes of saleable coal – supplying both the export market and domestic customers.

The Black Economic Empowerment (BEE) program was introduced by the South African Government to redress the inequalities of the past and ensure the meaningful participation of historically disadvantaged South Africans (HDSAs) in the mainstream economy. The Codes of Good Practice (Codes), issued in terms of the *Broad-Based Black Economic Empowerment (BBBEE) Act*, apply to broader issues of empowerment. The key components of BBBEE are: direct empowerment through ownership and management control, skills development and employment equity, and indirect empowerment through preferential procurement and enterprise and socio-economic development.

As part of its own commitment to transformation, BHP Billiton introduced a BEE Procurement Policy in 2003. This Policy ensures that a standard set of BEE definitions and classifications are applied in the region, and details how BECSA will address empowerment through preferential procurement. Along with our other BHP Billiton businesses, BECSA is committed to supporting and developing economic empowerment opportunities in South Africa.

The challenge

The enactment of the Mineral and Petroleum Resources Development Act of 2002 (MPRDA) granted the state custodianship of the mineral resources. In addition, the Act intends to promote the equitable participation of all citizens in the mining industry and ensure that applicants of new mining rights or the conversion of old order rights contribute towards the socio-economic development of the areas where they conduct mining activities. The Mining Charter, a product of key stakeholders in the industry, was adopted in 2004. The Charter serves as a framework to expedite the empowerment of HDSAs in mining by setting specific targets to be achieved in a given timeframe.

BECSA has made steady progress in ensuring compliance with the Charter but acknowledges that the road of transformation requires continuous improvement as it is both a social and business imperative. BBBEE strategies have been established at all operations and overall progress is measured continuously through auditable scorecards provided by the government's Department of Trade and Industry and the Department of Mineral Resources. Whereas the mining industry is governed by the MPRDA and the Charter, BECSA also measures itself in accordance with the Codes.

The Klipspruit Colliery, established with a capital investment of approximately US\$400 million, has made relatively good progress on employment equity but much still needs to be done. As part of addressing the transformation challenge, skills development plans have been put in place in order to accelerate the advancement of high-potential individuals. Almost half the mine's total procurement expenditure involves empowered companies, and over US\$2.76 million has been invested in community projects since the establishment of the mine.

Despite these milestones, Klipspruit has challenges to address with the local community in the nearby townships of Phola and Ogies. During Klipspruit's construction period, employment levels reached 2,500 workers, raising community expectations about longer-term employment opportunities in the area. Now that the mine is operational, with a workforce of 700, the community is expressing its dissatisfaction with the decrease in the number of people employed. The key challenges are: increasing dialogue to better understand community expectations; assisting with skills development and delivery of services in the community; and finding ways to mitigate the effects of project employment cycles on the community.

Next steps

Klipspruit and other BECSA operations recognise the need to be more proactive in communicating with their host communities about their BBBEE achievements and the opportunities available for the community to participate in planning socio-economic and enterprise development initiatives. All BECSA's operations have engagement plans in place to: ensure proactive engagement with the local leadership and government to forge partnerships in socio-economic development and enterprise development; review and refine a comprehensive and inclusive strategy to balance BECSA's efforts with government and community expectations; mitigate and improve on the current situation in the Phola and Ogies communities; and map a long-term view on community and stakeholder engagement.

This long-term view includes defining engagement tools and issue-specific approaches to stakeholder engagement; creating sustainable jobs by developing skills and incubating small and medium-sized businesses; assisting local leaders through capacity building, and collaborating with the state and local mining houses in local economic development initiatives.

Product stewardship

Stewardship

As BHP Billiton's primary activities are in the extraction (and, in some cases, processing) stages of a product's life cycle, we recognise that the majority of the life cycle of our products occurs after the point of our immediate activity. We also recognise there is strong business merit in implementing product stewardship programs in collaboration with other players in the life cycles of each of our products.

BHP Billiton's Sustainable Development Policy states that the Company will develop, implement and maintain management systems for sustainable development that drive continual improvement. We also seek to work with those involved in all the sectors of the life cycles of our products and by-products to enhance performance along the supply chain and promote the responsible use and management of those products in order to minimise harm to people and the environment.

Mandatory performance requirements in our Group Level Documents form the basis of the Group's Health, Safety, Environment and Community (HSEC) management systems and cover the life cycle of our operations, including exploration, project development, operation, decommissioning and closure. The Company's stewardship principles are outlined in the *Code of Business Conduct*.

As a member of the International Council on Mining and Metals (ICMM), we have also committed to implementing the ICMM Sustainable Development Framework, which requires that we facilitate and encourage responsible product design, reuse, recycling and disposal of our products. We are involved in the development of stewardship programs for our key commodities, not only within our operations but also with other players in the life cycles of our commodities.

All BHP Billiton products are required to have a specific materials safety data sheet (MSDS). These MSDSs outline the relevant health, safety and environment aspects of the product and are provided to both the customer and the transporter delivering our products to our customers. All MSDSs are transitioning to the new Global Harmonising System format.

Customers

We generally sell to industrial customers with whom we usually engage directly, rather than through brokers and agents. Assessment of customer satisfaction is monitored via direct operational and management interaction with customers.

Internal approval processes are in place to support our adherence to laws, standards and voluntary codes related to marketing communications, such as advertising, promotion and sponsorship. With the exception of diamonds, our product advertising is limited to industrial uses.

This year, we have made it a condition that to do business with us, all diamonds customers must be members in good standing of the Responsible Jewellery Council (RJC), and that through the RJC certification system, they will have to show compliance to the RJC standards through third-party audits.

During the reporting period, there were no known incidents of non-compliance with regulations and voluntary codes concerning:

- health and safety impacts of products and services during their life cycle;
- product and service information and labelling;
- marketing communications, including advertising, promotion, and sponsorship.

During the reporting period, there were no known incidents of substantiated complaints regarding breaches of customer privacy or losses of customer data.

Responsible Jewellery Council for diamonds and gold

For BHP Billiton, product stewardship is 'all players in a commodity life cycle working together to maximise the value to society from the mining, processing, manufacture, consumption and end-of-life management of that commodity – without harming people and the environment'. Starting from our Green Lead™ project – conceived to identify impacts associated with lead and to establish standards and certification to minimise these impacts – we now have stewardship programs for all our commodities.

Each commodity has its own characteristics and, as such, presents different Health, Safety, Environment and Community (HSEC) challenges within its life cycle. This means that while a product stewardship model can be designed, the application and implementation is commodity-specific and often requires involvement of a different group of people in the life cycle of each commodity. For us, it may mean building different relationships with our customers and/or new relationships with other sectors in the commodity life cycle where we may not have had a previous relationship. The challenge is to engage with all our stakeholders and identify opportunities to minimise any harm in the life cycle of our commodities.

The Responsible Jewellery Council (RJC) was established to ensure responsible practices with diamonds and gold. It now has more than 200 members from companies that mine diamonds and gold, through to jewellery retailers. All BHP Billiton diamond customers are members of the RJC and, like our customers' facilities, our diamond operation will be subjected to a third-party independent audit against the RJC Code of Practice. RJC core standards (applicable to all members) were released at the end of 2008 with the final component, the mining supplement, finalised with the launch of the RJC System in December 2009. The mining supplement was developed with extensive third-party consultation using a variety of communication tools. The public consultation process, coupled with an international stakeholder consultative panel, enabled a wide range of contributions to be made to the drafting process. Such an open and transparent process resulted in a high standard system and also helped to forge relationships with many new stakeholders. The RJC System is the first fully integrated product stewardship system and other programs can benefit from what was learned during its development, outputs and implementation. In the next two years, the system will be extended to include platinum and silver.

Other product stewardship programs developed with the assistance of BHP Billiton include establishing a Steel Stewardship Forum (iron ore, manganese, coal) in Australia, with specific project work already started. Work has also commenced on an options paper with Responsible Aluminium (bauxite, aluminium), a forum that includes end users and Non-Government Organisations (NGOs). Responsible Aluminium seeks to develop a credible process for the certification of responsibly sourced aluminium and aluminium-based products that will be recognised by third parties such as relevant NGOs, customers, consumers and other stakeholders. This will enable selection of suppliers and materials based on their sustainability performance.

The Green Lead™ project, which originated several years ago at our Cannington silver, lead and zinc operation, now incorporates a Green Lead™ assessment in the Basel Convention guidelines for lead acid batteries. Active working groups for Green Lead™ have been established in both China and Central America. Uranium stewardship, which involves developing leading practice guidelines for every sector of the uranium life cycle, is being managed through the Australian Uranium Association and World Nuclear Association uranium stewardship working groups. Leading practice guidelines have been developed for uranium exploration, mining, processing, transport and container terminals. Nickel stewardship includes specific programs that are in place at the asset level, with work also being started on partnering nickel stewardship programs with specific customers.

BHP Billiton used the experience gained in the early stages of developing the Responsible Jewellery Council (a stand-alone organisation), to work with key people and organisations in the life cycle of our other commodities and establish specific stewardship programs relevant to each commodity. For example, with uranium, copper and nickel, the stewardship programs are incorporated within established commodity associations, while 'virtual' groups have been established for aluminium and lead stewardship. Each of these approaches utilises the same life cycle modelling to enable responsible product stewardship.

Socio-economic

Economic performance

The economic contribution we make to society is much more than the financial profits we derive. Our contribution includes the value that flows from the broader contributions of our operations, such as payments to our employees and suppliers and disbursements to governments, including taxes and royalties.

Our financial performance

Selected financial information is presented in section 1.4.1 of our Annual Report 2010. The information presented in this section reflects the operations of the BHP Billiton Group and should be read in conjunction with the FY2010 financial statements presented in the Annual Report, together with the accompanying notes.

We operate Customer Sector Groups (CSGs) aligned with the commodities that we extract and market. A summary of the CSG revenues and results for FY2010 and the two prior corresponding periods is presented in section 3.6.3 of our Annual Report 2010.

As a diversified natural resources company, we extract and process minerals, oil and gas from our production operations, located primarily in Australia, the Americas and southern Africa. We sell our products globally, with sales and marketing taking place through our principal hubs of The Hague and Singapore. Section 3.1 of our Annual Report 2010 presents our revenue by location of our customers across the globe.

Economic value generated and distributed

Economic value generated and distributed, as defined in the Global Reporting Initiative (G3 guidelines), provides an economic profile or context for the reporting organisation and a useful picture of direct monetary value added to regional economies. The measure includes revenues, operating costs, employee compensation, donations and other community investments, retained earnings and payments to capital providers and to governments. The breakdown of this amount by category is presented below and shows expenditure by region to help to quantify the regional economic contributions of the Group.

Region	Economic value generated US\$ million	Economic value distributed US\$ million						Economic value retained ⁽¹⁾ US\$ million
		Revenues ⁽²⁾	Operating costs ⁽²⁾⁽³⁾	Employee wages and benefits	Payments to providers of capital		Payments to government ⁽⁵⁾	
	Revenue and other income	Payments to suppliers, contractors, etc.	Wages and benefits to employees	Shareholder dividends	Interest payments ⁽⁴⁾	Gross taxes and royalties	Voluntary contributions of funds in the broader community	
Africa	5,295	3,593	588	345	52	598	19	100
Australia and Asia	27,208	10,375	2,653	2,755	13	4,613	54	6,745
Europe	3,758	2,074	215	1,511	133	137	80*	(392)
North America	6,066	2,388	559	6	264	188	4	2,657
South America	10,885	3,876	815	<1	34	1,356	43	4,761
Rest of the world				<1				(<1)
Total	53,212	22,306	4,830	4,618	496	6,892	200	13,870

* Includes \$80 million contribution to BHP Billiton Sustainable Communities.

⁽¹⁾ Calculated as economic value generated less economic value distributed.

⁽²⁾ Amounts include revenues and costs and are consistent with the Group's financial reporting of elements comprising underlying EBITDA. Underlying EBITDA is earnings before net finance costs and taxation, any exceptional items, and depreciation, impairments and amortisation. The amounts are determined on an accruals basis and extracted from the audited financial statements.

⁽³⁾ Operating costs relate to expenses recognised in the financial statements. They include expenditure paid to suppliers and contractors for materials and services and exclude community investment, employee wages and benefits, payments to governments, depreciation, amortisation and impairments.

⁽⁴⁾ This is interest expense on debt for BHP Billiton, determined on an accruals basis.

⁽⁵⁾ Comprises income tax and royalty-related taxes paid, royalties paid in kind, and production-based royalties accrued which approximate cash payments.

In some instances, the taxation framework within which we operate reflects particular challenges faced by industry. We are not, however, aware of any of our businesses receiving direct financial support from governments.

Socio-economic continued

Taxes and royalties

The payments we make to our host governments are an important part of the overall socio-economic contribution of our operations. We have broken down these payments in a table in the Sustainability Report (page 24), in line with our commitment to the Extractive Industries Transparency Initiative (EITI). The EITI is an international initiative dedicated to the enhancement of transparency around the payments of taxes and royalties derived from resource developments.

Payments borne by BHP Billiton are presented on an equity share basis and include all operations regardless of our ownership interest and whether we are the operator. Taxes collected and paid on behalf of our employees are also presented on an equity share basis but only for those assets that we operate and are therefore responsible for collection.

Our payments to governments in the past year included \$7.1 billion in company taxes and \$0.85 billion in taxes collected on behalf of employees and others. The vast majority of our payments (>99%) are made to 12 countries. Of these, our highest payments are made in Australia where we have the majority of our assets. The 'other' category includes minor payments in a further 16 countries.

Risk factors

We believe that, because of the international scope of our operations and the industries in which we are engaged, there are numerous factors that may have an effect on our results and operations. Section 1.5 of our Annual Report 2010 describes the material risks that could affect the BHP Billiton Group.

Socio-economic impact assessment

We actively seek to understand our socio-economic impact on local communities and host regions through our participation in the International Council on Mining and Metal's multi-stakeholder Resource Endowment initiative (REI). Launched in 2004 in partnership with the United Nations Conference on Trade and Development (UNCTAD) and the World Bank, the initiative aims to enhance industry's socio-economic contribution to the countries and communities where companies such as BHP Billiton operate, by better understanding the factors that either inhibit or promote social and economic development linked to large-scale mining projects.

Superannuation and pension plans

Defined benefit pension schemes

The BHP Billiton Group has closed all defined benefit schemes to new entrants. Existing defined benefit pension schemes remain operating in Australia, the Americas, Europe and South Africa. Full actuarial valuations are prepared and updated annually to 30 June by local actuaries for all schemes. The Projected Unit Credit valuation method is used. The Group operates final salary schemes that provide final salary benefits only, non-salary-related schemes that provide flat dollar benefits and mixed benefit schemes that consist of a final salary defined benefit portion and a defined contribution portion.

Defined benefit post-retirement medical schemes

The BHP Billiton Group operates a number of post-retirement medical schemes in the Americas and South Africa. Full actuarial valuations are prepared by local actuaries for all schemes. All of the post-retirement medical schemes in the Group are unfunded (see note 29 'Pension and other post-retirement obligations' in the financial statements in the BHP Billiton Annual Report).

GRI Navigator

This Navigator indicates the sections of the Annual Report, Summary Review, Sustainability Report, Sustainability Supplementary Information and Our Sustainability Framework that specifically address what BHP Billiton has done to address the Global Reporting Initiative (GRI), uphold the United Nations Global Compact's 10 principles and the ICMM principles.

In terms of the GRI, material 'core' and 'sector supplement' indicators have been addressed and 'additional' indicators have been included where we consider they are material to our business or of particular interest to our stakeholders. Material indicators are anything that reflect BHP Billiton's significant economic, environmental, and social impacts, or that would substantially influence the assessments and decisions of stakeholders.

Disclosure	Reference	GRI Status	ICMM Principles	UN Global Compact Principles
1. Strategy and Analysis				
1.1	Sustainability Framework: p1 Sustainability Report: CEO's Review: p2, 3 Summary Review: p4, 6	●	2	
1.2	Sustainability Report: p2, 3, 4, 5 Sustainability Supplementary Information: p3, 4 Summary Review: p6	●	2, 4	
2. Organisational Profile				
2.1	Sustainability Report: Inside front cover	●		
2.2	Sustainability Report: Gatefold, BHP Billiton Asset Locations	●		
2.3	Sustainability Report: Gatefold, BHP Billiton Asset Locations	●		
2.4	Sustainability Report: Gatefold, BHP Billiton Asset Locations	●		
2.5	Sustainability Report: Gatefold, BHP Billiton Asset Locations	●		
2.6	Summary Review: Inside back cover	●		
2.7	Sustainability Report: Gatefold, BHP Billiton Asset Locations Sustainability Supplementary Information: p3, 4	●		
2.8	Sustainability Report: p2, 3 Sustainability Supplementary Information: p7, 25 Summary Review: p2, 3	●		
2.9	Sustainability Supplementary Information: p1	●		
2.10	Sustainability Supplementary Information: p20	●		
3. Report Parameters				
3.1	Sustainability Report: Inside front cover Sustainability Supplementary Information: p1	●	10	
3.2	BHP Billiton's most recent Sustainability Report was published in September 2009.	●		
3.3	Sustainability Supplementary Information: p1	●	10	
3.4	Sustainability Report: Inside back cover	●	10	
3.5	Sustainability Report: Inside front cover, p 4 Sustainability Supplementary Information: p1, 2	●	10	
3.6	Sustainability Report: Inside front cover Sustainability Supplementary Information: p1	●		
3.7	Sustainability Report: Inside front cover Sustainability Supplementary Information: p1	●		
3.8	Sustainability Report: Inside front cover Sustainability Supplementary Information: p1	●		
3.9	Sustainability Report: Inside front cover, p15, 16 Sustainability Supplementary Information: p1	●		
3.10	Sustainability Supplementary Information: p1, 8	●		
3.11	Sustainability Supplementary Information: p1	●		
3.12	Sustainability Supplementary Information: p27, 28, 29, 30	●	10	
3.13	Sustainability Report: Inside front cover Sustainability Supplementary Information: p32, 33	●		
4. Governance, Commitments and Engagement				
4.1	Sustainability Report: p4, 5 Summary Review: p31	●	1	
4.2	Summary Review: p28	●	1	
4.3	Summary Review: p28, 29, 30	●	1	

● Reported

● Partially Reported

● Not Reported

GRI Navigator continued

Disclosure	Reference	GRI Status	ICMM Principles	UN Global Compact Principles
4. Governance, Commitments and Engagement continued				
4.4	Sustainability Report: p4, 5 Sustainability Supplementary Information: p5 Summary Review: p36	●	1	
4.5	Sustainability Supplementary Information: p5 Summary Review: p4, 34, 35	●	1, 2	
4.6	Annual Report – Section 5: 5.3.5 Independence	●	1	
4.7	Summary Review: p32,33	●	1, 2	
4.8	Sustainability Report: p5 Sustainability Supplementary Information: p6	●	1, 2	
4.9	Sustainability Report: p4, 5 Sustainability Supplementary Information: p5	●	1, 2	
4.10	Sustainability Supplementary Information: p5	●	1, 2	
4.11	Sustainability Report: p2, 5, 9, 12, 13, 15 Sustainability Supplementary Information: p5, 10, 11	●	2	7
4.12	Sustainability Framework: Inside back cover Sustainability Report: p2, 7, 10, 23 Sustainability Supplementary Information: p2	●		
4.13	Sustainability Report: p2 Sustainability Supplementary Information: p2, 3, 4	●	10	
4.14	Sustainability Report: p4 Sustainability Supplementary Information: p3, 4	●	10	
4.15	Sustainability Report: p4 Sustainability Supplementary Information: p3, 4	●	10	
4.16	Sustainability Report: p2, 4, 14, 20, 22, 23 Sustainability Supplementary Information: p3, 4	●	10	
4.17	Sustainability Report: p4, 20 Sustainability Supplementary Information: p3, 4	●	10	
Disclosures on Management Approach				
DMA EC	Sustainability Report: p2, 3 Sustainability Supplementary Information: p25, 26 Summary Review: p20	●	9	6, 7
DMA EN	Sustainability Framework: p5, 6, 7 Sustainability Report: p2, 15, 16 Sustainability Supplementary Information: p17, 18 Summary Review: p26, 27	●	6, 7	7, 8, 9
DMA LA	Sustainability Framework: p4, 10 Sustainability Report: p2, 3, 7, 9, 12 Sustainability Supplementary Information: p7, 8, 10 Summary Review: p24, 25	●	3, 4, 5	1, 3, 6
DMA HR	Sustainability Framework: p9 Sustainability Report: p2, 3, 4, 5, 7, 20, 21 Sustainability Supplementary Information: p15, 21	●	3	1, 2, 3, 4, 5, 6
DMA SO	Sustainability Framework: p8, 10 Sustainability Report: p2, 3, 4, 5, 20, 21 Sustainability Supplementary Information: p6, 14, 15 Summary Review: p27	●	3	10
DMA PR	Sustainability Supplementary Information: p5, 23 Summary Review: p20, 21	●	8	1, 8
Economic				
EC1	Sustainability Report: p20, 21, 24 Sustainability Supplementary Information: p15, 25, 26 Summary Review: p2, 3	●		
EC2	Sustainability Report: p15 Sustainability Supplementary Information: p17	●		7
EC3	Sustainability Supplementary Information: p26	●		
EC4	Sustainability Supplementary Information: p25	●		
EC6	Sustainability Supplementary Information: p21	●		
EC7	Sustainability Report: p7	●		6
EC8	Sustainability Report: p17, 20, 21 Sustainability Supplementary Information: p13	●	9	

● Reported

● Partially Reported

● Not Reported

GRI Navigator continued

Disclosure	Reference	GRI Status	ICMM Principles	UN Global Compact Principles
Environmental				
EN1	Sustainability Report: Gatefold, BHP Billiton Asset Locations Sustainability Supplementary Information: p18	●	6	8
EN2	Sustainability Supplementary Information: p18	●	6	8, 9
EN3	Sustainability Report: p15 Sustainability Supplementary Information: p18	●	6	8
EN4	Sustainability Report: p15 Sustainability Supplementary Information: p18	●	6	8
EN5	Sustainability Report: p15, 17 This is an additional indicator so full compliance is not required.	●	6	8, 9
EN6	Sustainability Report: p15, 16 This is an additional indicator so full compliance is not required.	●	6	8, 9
EN7	Sustainability Report: p15, 16, 17 This is an additional indicator so full compliance is not required.	●	6	8, 9
EN8	Sustainability Report: p16 Sustainability Supplementary Information: p18	●		8
EN9	Sustainability Report: p16 Sustainability Supplementary Information: p19 This is an additional indicator so full compliance is not required.	●		8
EN10	Sustainability Report: p16 Sustainability Supplementary Information: p18	●		8, 9
EN11	Sustainability Report: p16 Sustainability Supplementary Information: p18	●	7	8
EN12	Sustainability Report: p16, 18 Sustainability Supplementary Information: p17	●	7	8
EN13	Sustainability Report: p16, 18 Sustainability Supplementary Information: p20	●	7	8
EN14	Sustainability Report: p16, 18	●	6, 7	8
EN16	Sustainability Report: p15 Sustainability Supplementary Information: p18	●	6	8
EN17	Sustainability Report: p15 Sustainability Supplementary Information: p18	●	6	8
EN18	Sustainability Report: p15, 17	●	6	7, 8, 9
EN19	Sustainability Supplementary Information: p18	●	6	8
EN20	Sustainability Supplementary Information: p18	●	6	8
EN21	Sustainability Report: p16 Sustainability Supplementary Information: p18	●	6	8
EN22	Sustainability Supplementary Information: p18	●	6	8
EN23	Sustainability Supplementary Information: p17	●	6	8
EN26	Sustainability Report: p12, 13, 15, 16, 17, 18 Sustainability Supplementary Information: p19	●	6	7, 8, 9
EN27	The majority of BHP Billiton's product tonnage is sold in bulk form and therefore has little or no packaging.	●	8	8, 9
EN28	Sustainability Report: p15 Sustainability Supplementary Information: p17	●	6	8
EN29	Sustainability Report: p15, 16 This is an additional indicator so full compliance is not required.	●		8
MM1	Sustainability Report: p16 Sustainability Supplementary Information: p18	●	7	8
MM2	Sustainability Framework: p5 Sustainability Report: p16	●	7	8
MM3	Sustainability Report: p13 Sustainability Supplementary Information: p17	●	7	8

● Reported

● Partially Reported

● Not Reported

GRI Navigator continued

Disclosure	Reference	GRI Status	ICMM Principles	UN Global Compact Principles
Social: Labour Practices and Decent Work				
LA1	Sustainability Report: p7 We are not currently able to report data broken down by employment type and contract. We will be able to report on this indicator in the medium term.	●		
LA2	Sustainability Supplementary Information: p7	●		6
LA4	Sustainability Report: p7	●	3	1, 3
LA5	Sustainability Supplementary Information: p7	●		3
LA7	Sustainability Report: p9, 12 Sustainability Supplementary Information: p8, 10	●	5	1
LA8	Sustainability Report: p12 Sustainability Supplementary Information: p8	●	4, 5	1
LA10	Sustainability Supplementary Information: p7	●		
LA13	Sustainability Supplementary Information: p7	●		1, 6
LA14	Sustainability Supplementary Information: p7 We do not currently have the systems to report this data. We will be able to report on this indicator in the medium term.	●		1, 6
MM4	Sustainability Report: p7	●		3
Social: Human Rights				
HR1	Sustainability Report: p21 Sustainability Supplementary Information: p21	●	3	1, 2, 3, 4, 5, 6
HR2	Sustainability Report: p21 Sustainability Supplementary Information: p21	●	3	1, 2, 3, 4, 5, 6
HR4	Sustainability Report: p5	●	3	1, 2, 6
HR5	Sustainability Report: p7 Sustainability Supplementary Information: p21	●	3	1, 2, 3
HR6	Sustainability Report: p7, 21 Sustainability Supplementary Information: p21	●	3	1, 2, 5
HR7	Sustainability Report: p7, 21 Sustainability Supplementary Information: p21	●	3	1, 2, 4
MM5	Sustainability Report: p23 Sustainability Supplementary Information: p14, 15	●	3	1, 2
Social: Society				
SO1	Sustainability Report: p12, 14, 18, 20, 21, 22, 23 Sustainability Supplementary Information: p14, 15	●	9	
SO2	Sustainability Supplementary Information: p6	●	1	10
SO3	Sustainability Supplementary Information: p6	●	1	10
SO4	Sustainability Supplementary Information: p6	●	1	10
SO5	Sustainability Supplementary Information: p6	●	1	10
SO8	Sustainability Supplementary Information: p11, 17, 23	●		
MM6	Sustainability Supplementary Information: p14, 15	●		
MM7	Sustainability Supplementary Information: p14, 15	●		
MM8	Sustainability Supplementary Information: p14, 15	●		
MM9	Sustainability Report: p23 Sustainability Supplementary Information: p14, 15	●	3	
MM10	Sustainability Supplementary Information: p5	●		
Social: Product Responsibility				
PR1	Sustainability Supplementary Information: p5, 23	●		1
PR3	Sustainability Supplementary Information: p23	●	8	8
PR6	Sustainability Supplementary Information: p23	●	8	
PR9	Sustainability Supplementary Information: p23	●		
MM11	Sustainability Supplementary Information: p3, 4, 23, 24	●	8	8, 9

● Reported

● Partially Reported

● Not Reported

Net Balance



GRI APPLICATION LEVEL STATEMENT

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BHP Billiton Limited (BHPB) commissioned Net Balance Management Group Pty Ltd (Net Balance) to undertake a third-party application level check of its 2009–2010 Sustainability Report ('the Report') against the requirements of the Global Reporting Initiative (GRI) G3 Guidelines. Specifically, adherence of the Report's content to the Standard Disclosures (Profile, Management Approach and Performance Indicators) was examined. For each Standard Disclosure, BHPB's adherence to the GRI requirements was classified as Reported, Partially Reported or Not Reported.

When the conformance levels were compared to the GRI G3 Standard Disclosure Criteria Table for determining an Application Level, the following observations were made:

- For the G3 Profile Disclosures, BHPB reported on all GRI items required for Application Level A.
- For the G3 Management Approach Disclosures, BHPB was found to have reported the management approach for each indicator category.
- For the G3 Performance Indicator & Sector Supplement Performance Indicators, BHPB reported on all core performance indicators or explained the reason for their omission.
- BHPB's report was externally assured.

According to the above observations, BHPB's Application Level has been classified by Net Balance as A+. An Application Level of A+ demonstrates sustainability reporting leadership and sophisticated reporting systems based on the GRI Reporting Framework.

On behalf of the Net Balance team
6 September 2010
Melbourne, Australia

A handwritten signature in black ink, appearing to read "Terence Jeyaretnam".

Terence Jeyaretnam
Director, Net Balance & Lead CSAP (IRCA UK)

Independent limited assurance report to the Directors and management of BHP Billiton



For the purposes of this letter, 'BHP Billiton' is taken to refer to both BHP Billiton Limited and BHP Billiton Plc.

We have been engaged by the Directors of BHP Billiton to perform an engagement to provide limited assurance in respect of Selected Sustainability Information included in the BHP Billiton annual sustainability reporting for the year ended 30 June 2010, comprising the Sustainability Report, Sustainability Supplementary Information and Sustainability Framework (collectively the 'Sustainability Reports') which has been prepared in accordance with the relevant elements of the Global Reporting Initiative (GRI) G3 Guidelines and International Council on Mining and Metals (ICMM) Sustainable Development Framework requirements (the Framework) described in BHP Billiton's approach to sustainability reporting on pages 1 and 2 of the Sustainability Supplementary Information.

Management's and Directors' responsibility for the Sustainability Reports

The Directors and management of BHP Billiton are responsible for the preparation of the Sustainability Reports in accordance with the Framework. This responsibility includes establishing and maintaining internal control systems relevant to the preparation of the Sustainability Reports in accordance with the Framework that is free from material misstatement whether due to fraud or error.

The Selected Sustainability Information

The Selected Sustainability Information covered by our limited assurance engagement is:

Selected Sustainability Information	Sustainability Report	Sustainability Supplementary Information
Fatality reporting and response	Page 9	Page 10
Monitoring of Total Recordable Injury Frequency (TRIF)	Page 9	Page 10
Occupational exposures to hazardous substances, including carcinogens	Pages 12 and 13	Pages 8 ('Occupational exposures') and 9
Greenhouse gas (GHG) emissions measurement and reporting	Greenhouse gas emissions data on page 15 and page 16 ('Greenhouse gas emissions')	
Human rights management and planning	Pages 21 ('Human Rights'), 22 ('Cerrejón community update – Colombia') and 23	Page 15 ('Resettlement' and 'United Nations Declaration on the Rights of Indigenous Peoples')
Land management (rehabilitation planning)	Pages 15 ('land rehabilitation index') and 16 ('Biodiversity and land management' and 'Rehabilitated and Disturbed Land')	Page 20
Taxes and royalty payments to governments	Page 24 ('Tax and royalties')	

The Selected Sustainability Information also includes the relevant sections of the Sustainability Framework and BHP Billiton's statement that its reporting has been prepared in accordance with GRI G3 Guidelines and ICMM Sustainable Development Framework requirements.

Our responsibility

Our responsibility is to express a conclusion to the Directors and management on the preparation and presentation of the Selected Sustainability Information included in the Sustainability Reports.

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements ISAE 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information* (ISAE 3000) issued by the International Auditing and Assurance Standards Board and *Sustainable Development Framework: Assurance Procedure* issued by ICMM, in order to state whether we have become aware of any matter that would lead us to believe that the Selected Sustainability Information contained in the Sustainability Reports for the year ended 30 June 2010 has not, in all material respects, been prepared and presented in accordance with the Framework.

ISAE 3000 requires us to comply with the requirements of the International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants, and plan and perform the engagement to obtain limited assurance about whether the Selected Sustainability Information is free from material misstatement.

A limited assurance engagement on sustainability information consists of making enquiries, primarily of persons responsible for the management, monitoring and preparation of the Selected Sustainability Information, and applying analytical and other evidence gathering procedures, as appropriate. These procedures included:

- Interviews with senior management and relevant staff at corporate and selected business unit level concerning sustainability strategy and policies for material issues, and the implementation of these across the business.
- Enquiries of management to gain an understanding of BHP Billiton's processes for determining material issues for BHP Billiton's key stakeholder groups.

Independent limited assurance report to the Directors and management of BHP Billiton continued



- Enquiries of relevant staff at corporate and selected business unit level responsible for providing the Selected Sustainability Information.
- Enquiries about the design and implementation of the systems and methods used to collect and process the Selected Sustainability Information, including the aggregation of the reported information.
- An assessment of the reasonableness of the assumptions underlying the forward-looking statements set out in the Selected Sustainability Information.
- Comparing the Selected Sustainability Information to relevant underlying sources to determine whether all the relevant information has been appropriately included in the Sustainability Reports.
- Visits to the following operating sites which were selected on the basis of a risk analysis including the consideration of both quantitative and qualitative criteria:
 - Corporate, Melbourne;
 - Shenzi, Gulf of Mexico (Petroleum);
 - Klipspruit, BECSA, South Africa (Energy Coal);
 - Cerro Colorado, Chile (Base Metals);
 - TEMCO, Australia (Manganese);
 - Worsley, Australia (Aluminium);
 - Saraji, Queensland Coal, Australia (Metallurgical Coal);
 - Mt Keith, Nickel West, Australia (Stainless Steel Materials).
- Reading the Selected Sustainability Information presented in the Sustainability Reports to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of BHP Billiton.
- Reading the remainder of the Sustainability Reports to determine whether there are any material misstatement of fact or material inconsistencies based on our understanding obtained as part of our assurance procedures on the Selected Sustainability Information.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement or an audit conducted in accordance with International Standards on Auditing and Assurance and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit or a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance or audit opinion.

This report has been prepared for the Directors and management of BHP Billiton. We disclaim any assumption of responsibility for any reliance on this report, or the Sustainability Reports to which it relates, to any person other than the Directors and management of BHP Billiton, or for any purpose other than that for which it was prepared.

Independence

In conducting our limited assurance engagement we have complied with the applicable ethical requirements, including independence requirements of the IFAC Code of Ethics for Professional Accountants, Australian Accounting Professional and Ethical Standards Board, the Australian Corporations Act 2001 and the UK Auditing Practices Board Ethical Standards.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that would lead us to believe that the Selected Sustainability Information as defined above for the year ended 30 June 2010 has not, in all material respects, been prepared and presented in accordance with the relevant elements of the GRI G3 Guidelines and ICMM Sustainable Development Framework requirements as described in BHP Billiton's approach to sustainability reporting on pages 1 and 2 of the Sustainability Supplementary Information.

KPMG

Melbourne
7 September 2010