

# Policy into Practice

Health, Safety, Environment and Community  
Performance 2001-2

October 2002: London and Sydney



# HSEC - Policy into Practice

- Company Overview - HSEC in context
- HSEC Systems and Performance
- Questions and Answers

# Company Overview - HSEC in context

Brad Mills

President Base Metals



# Global Presence, Customer Focused

**Petroleum**



**Aluminium**



**Base Metals**



**Carbon Steel Materials**



**Energy Coal**



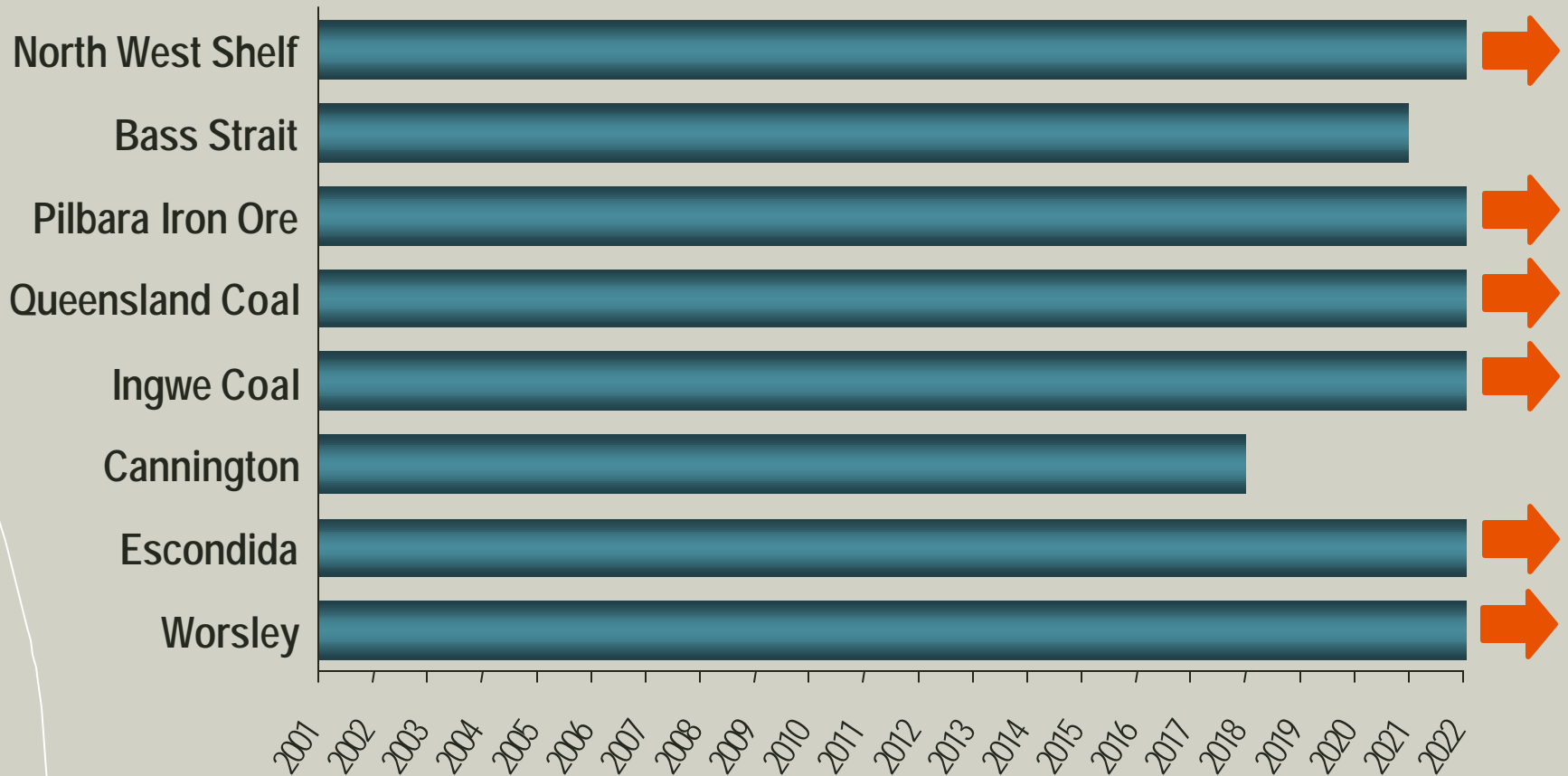
**Stainless Steel Materials**



**Diamonds & Specialty Products**



# World class assets with long reserve lives

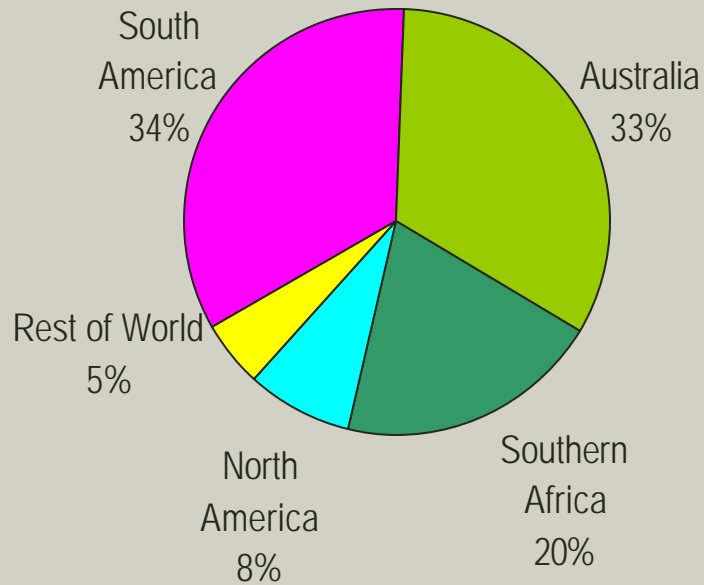


EBIT from the above assets represents 64% of EBIT in FY2002

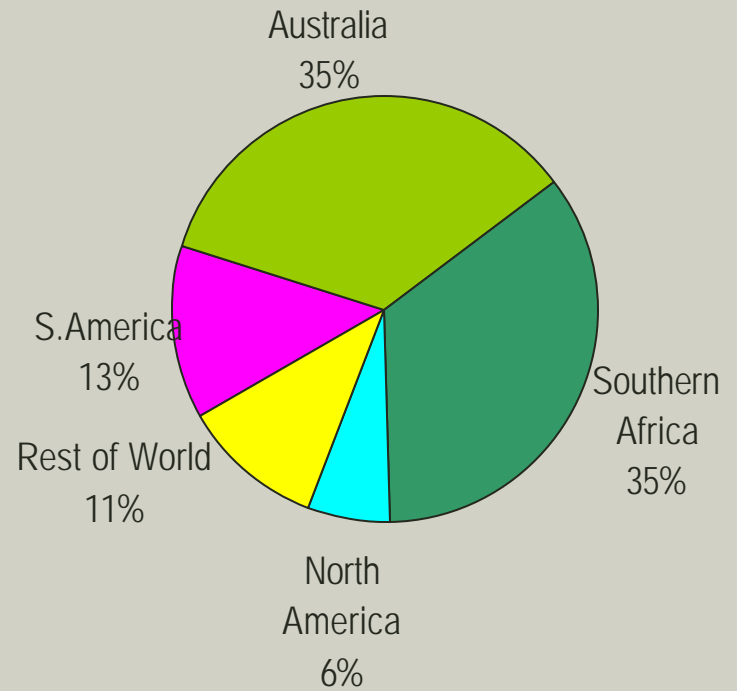
# Diversification

## *By Geography*

Net Operating Assets:



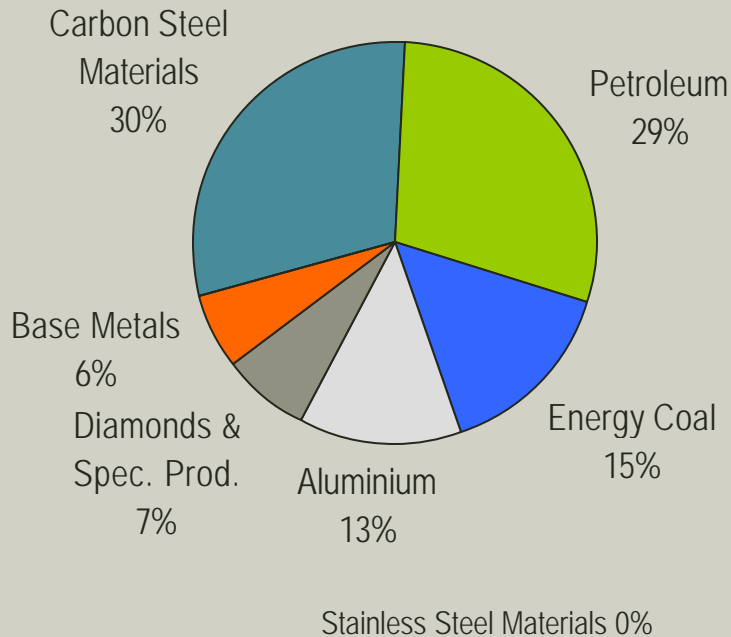
## *By Employees*



# Diversification cont./

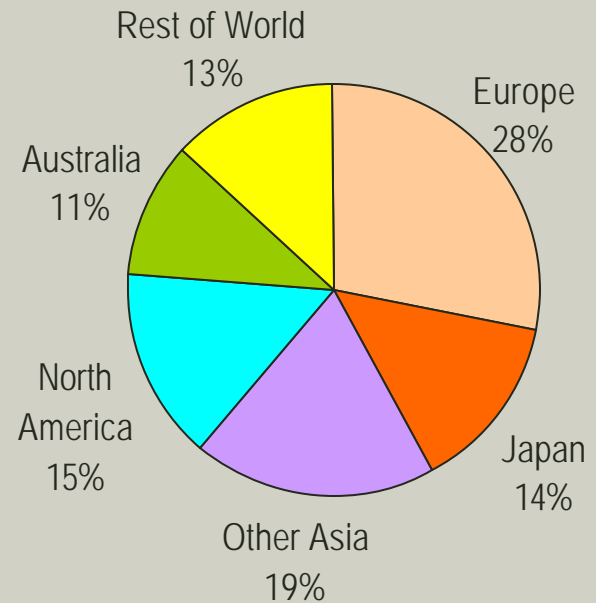
## By Commodity

Customer Sector Group EBIT:

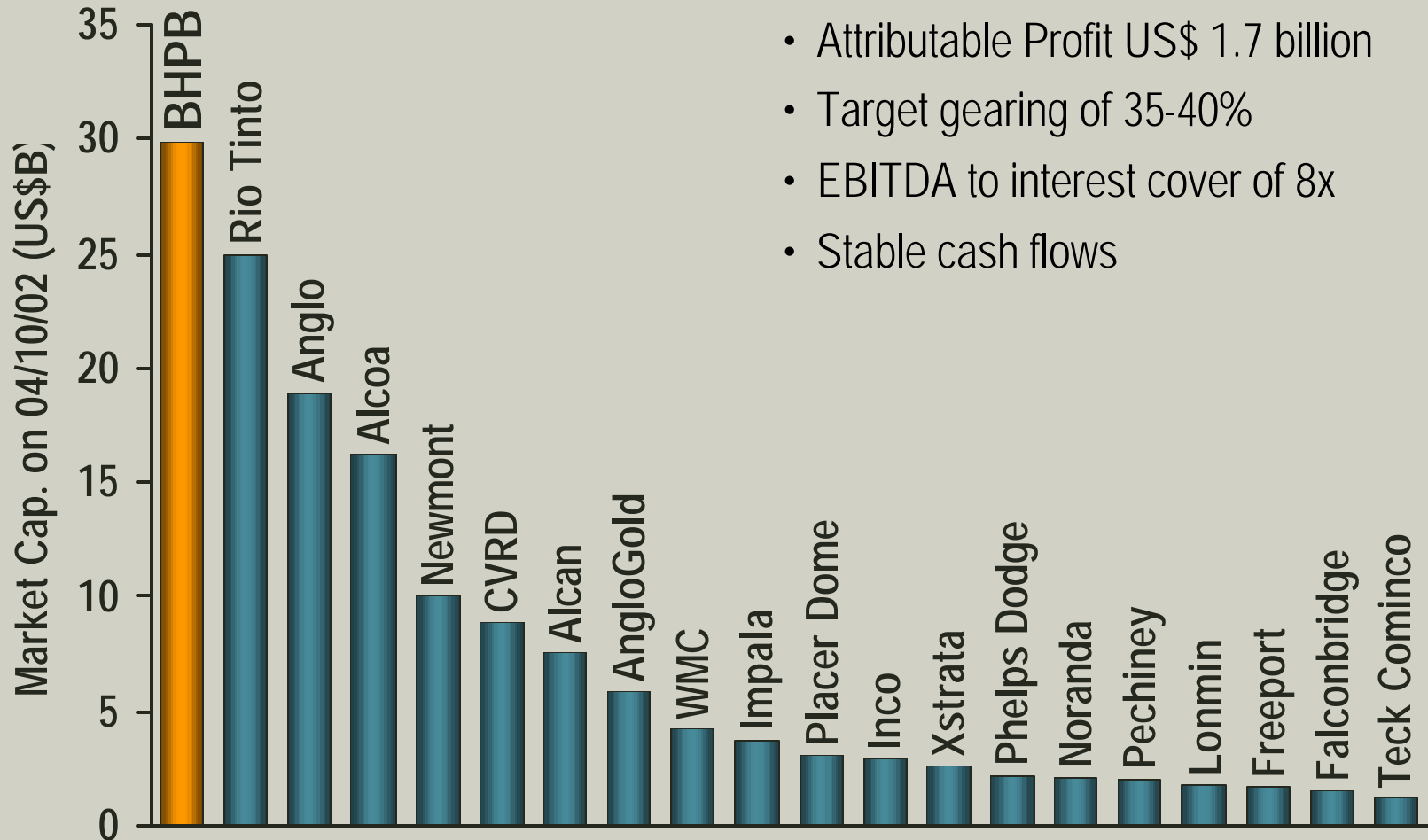


## By Market

Sales:



# Financial Highlights 2002

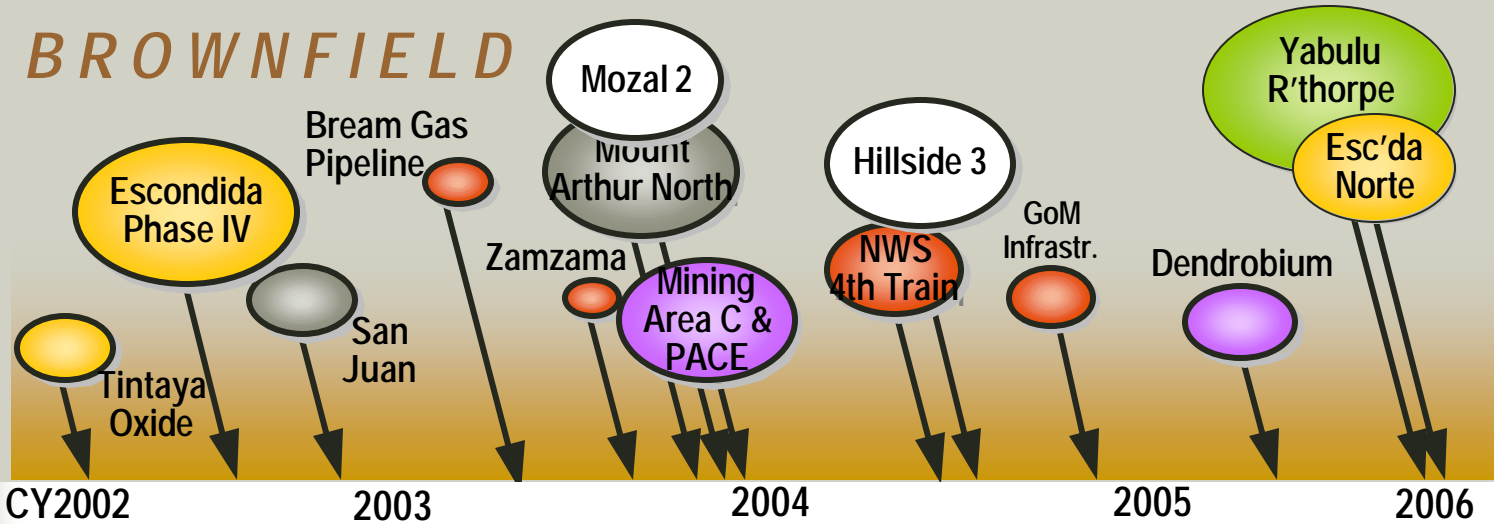


- Annual Turnover US\$ 17.8 billion
- Attributable Profit US\$ 1.7 billion
- Target gearing of 35-40%
- EBITDA to interest cover of 8x
- Stable cash flows



# Deep inventory of projects

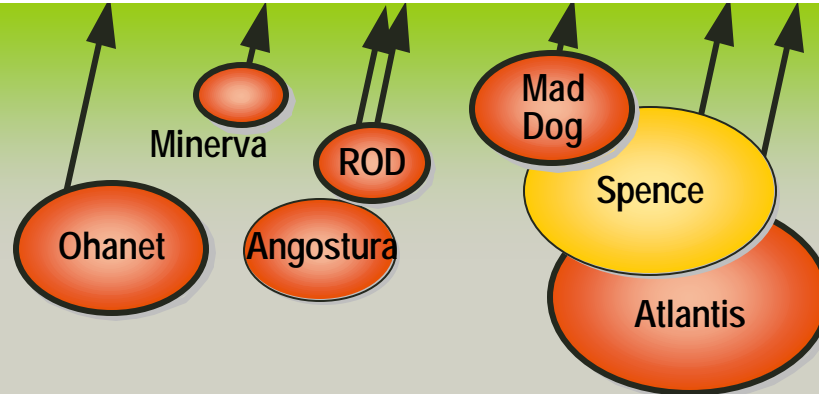
## BROWNFIELD



## GREENFIELD

Size of bubble indicates proposed capital expenditure; bold outer border signifies sanctioned project

\$us 200m

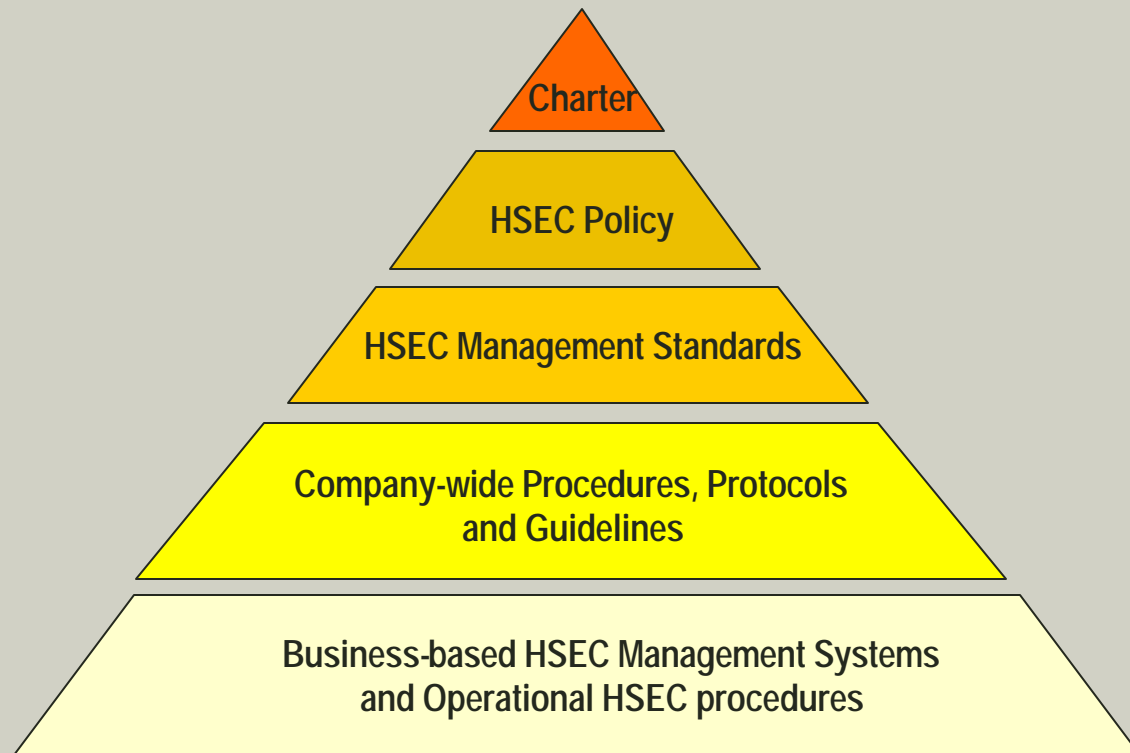


# Governance

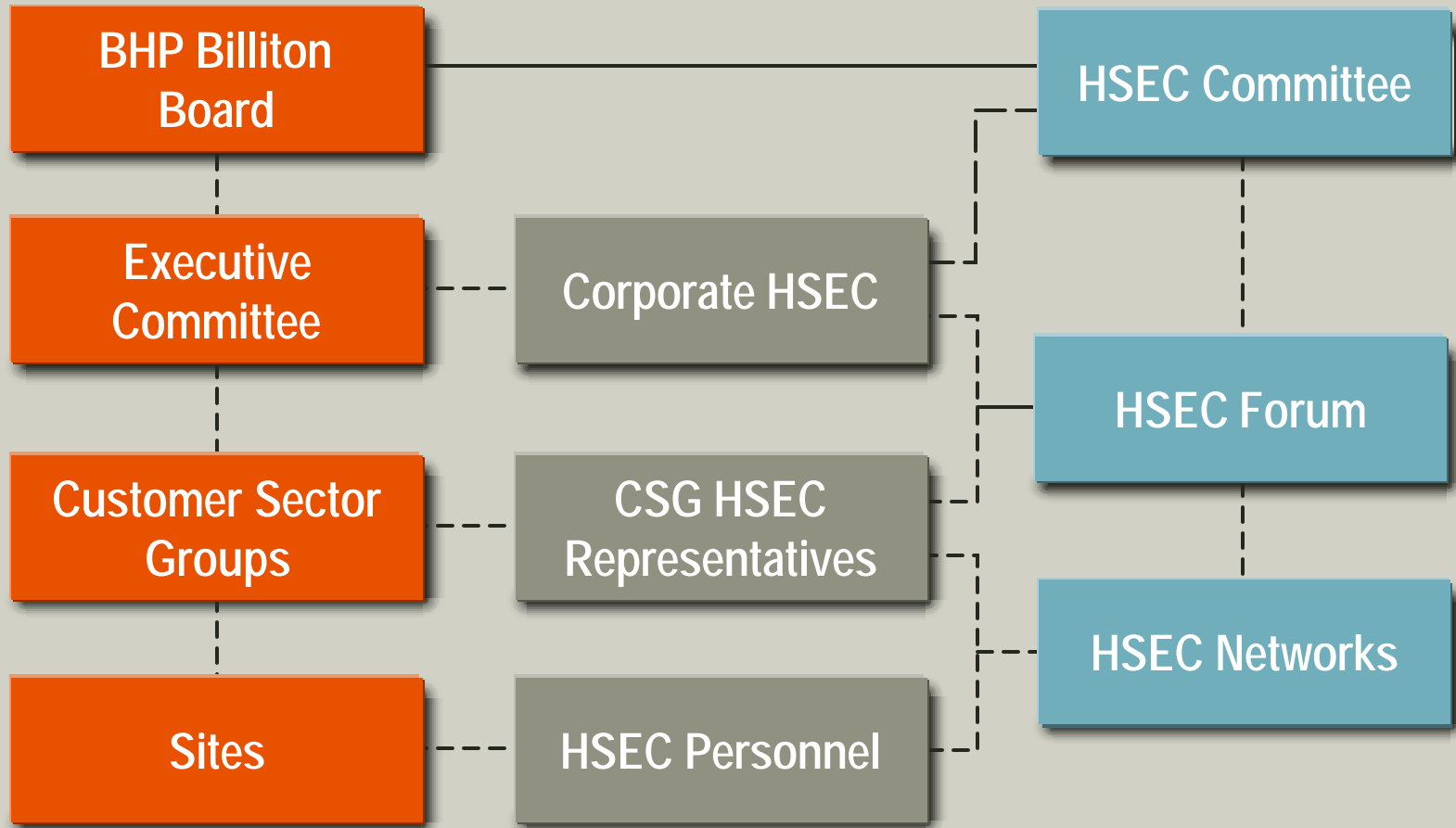


# Sound Foundation of HSEC Systems and Processes

- BHP Billiton Charter provides the framework for business decisions
- HSEC Policy - "zero harm"

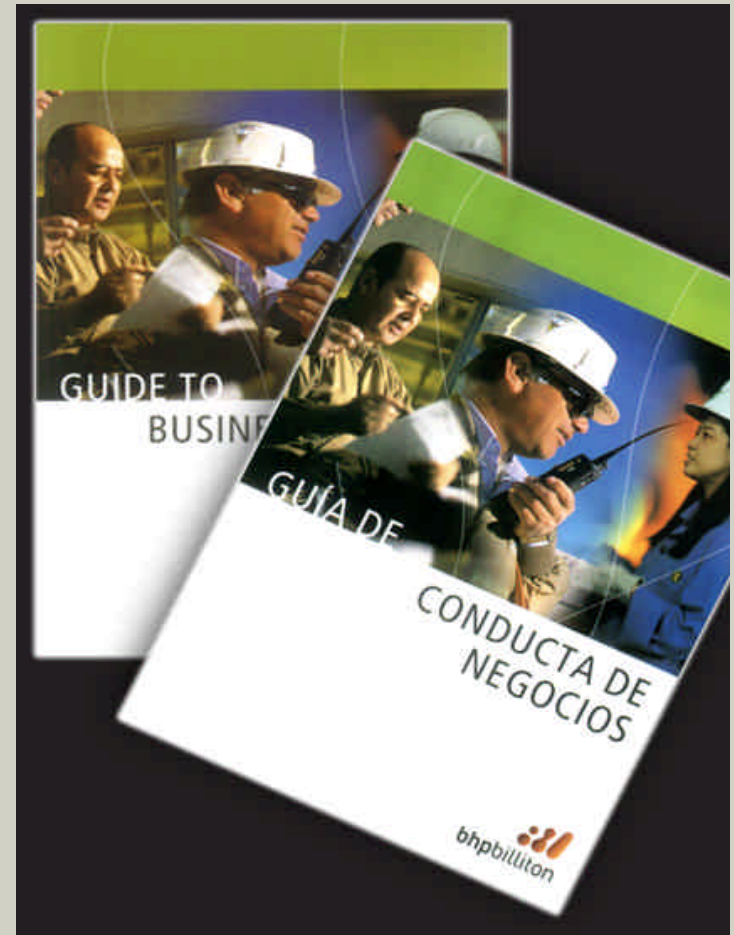


# HSEC Organisation Structure



# Guide to Business Conduct

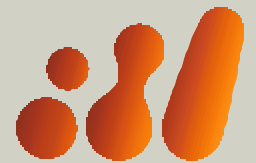
- BHP Billiton's standards of business ethics
- Ethics Panel in place
- Accountability through to Board Audit Committee
- Four regional "Help Lines" established



# HSEC Systems and Performance

Colin Bloomfield

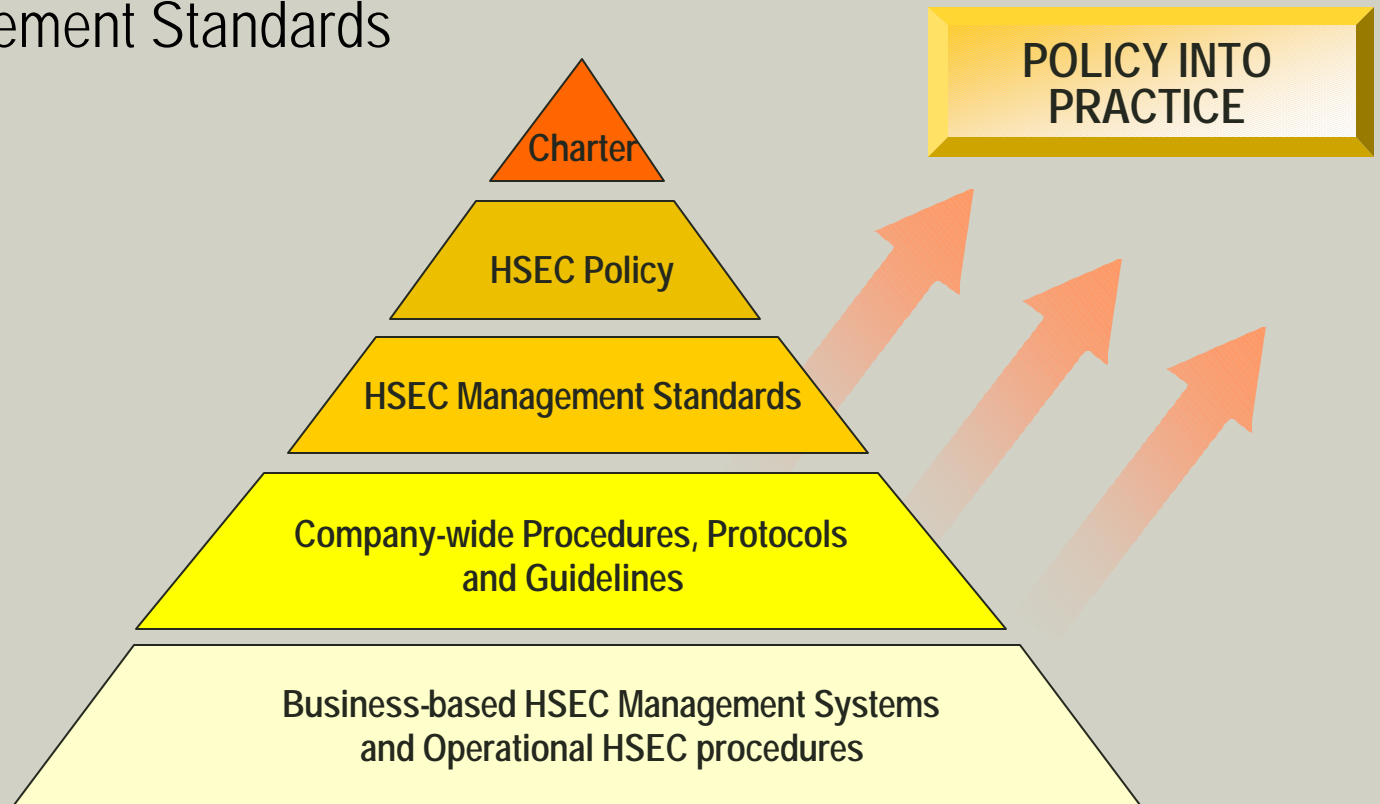
Vice-President, Health, Safety and Environment



**bhpbilliton**

# Sound Foundation of HSEC Systems and Processes

- BHP Billiton Charter provides the framework for business decisions
- HSEC Policy
- HSEC Management Standards



## Performance driven by Targets and Public Reporting

- Detailed targets covering all aspects of HSEC performance
- Directly linked to Executive remuneration
- Progress reported in clear Scorecard
- Annual HSEC Report



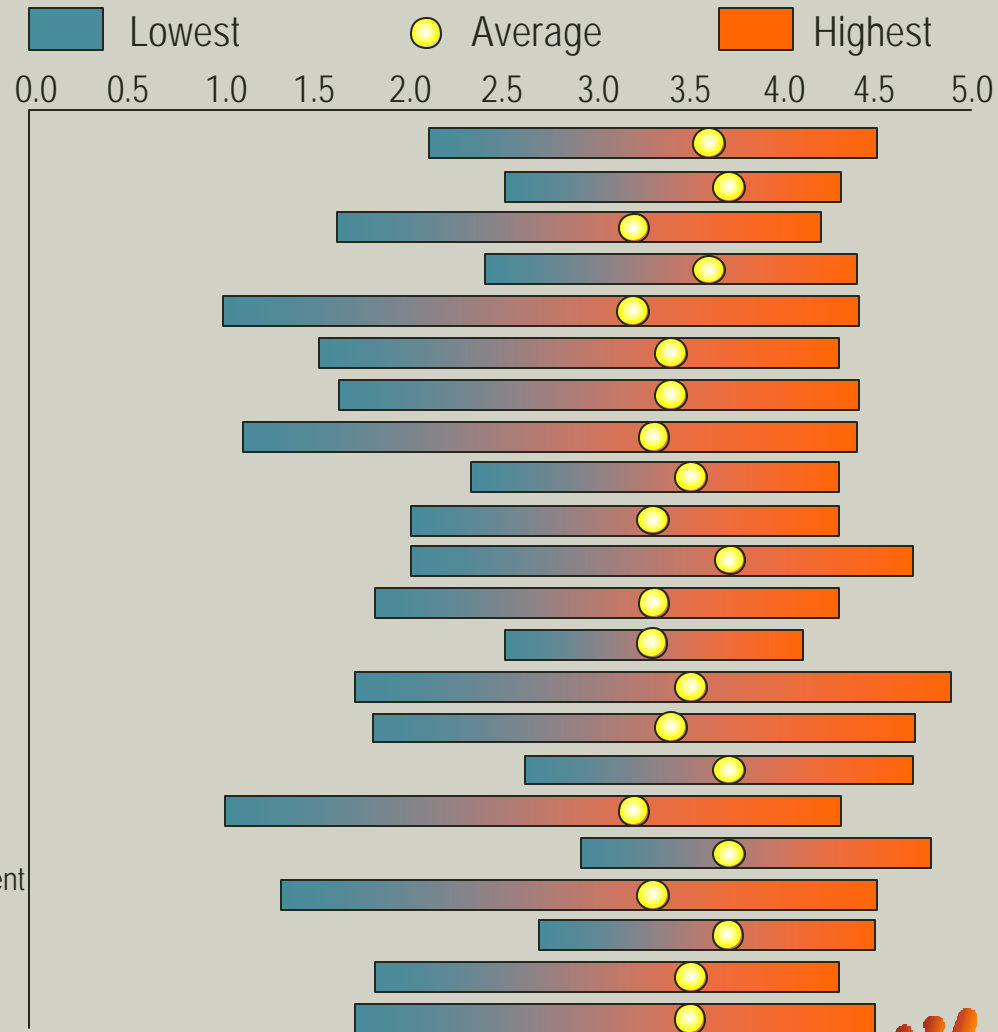
## Leveraging Excellence through HSEC Assurance

- Detailed audit protocol based on HSEC management standards
- Self assessments every year
- External audits every three years
- Teams include HSEC professionals and line managers

# Leveraging Excellence through HSEC Assurance

Conformance score against each of the HSEC Management Standards. Total audits = 21. Overall conformance = 3.5

1. Policy, Leadership and Commitment
2. Responsibility and Authority
3. Risk Management
4. Legal and Other Requirements
5. Planning and Objectives
6. Projects and Major Business Transactions
7. Plant and Equipment Integrity
8. Management of Change
9. Training, Awareness and Competence
10. Suppliers and Contractors
11. Human Rights and Indigenous Affairs
12. Communications, Consultation and Participation
13. Product Stewardship
14. Documentation, Records and Document Control
15. Procedures and Operational Control
16. Emergency Preparedness and Response
17. Performance Measurement, Monitoring and Response
18. Incident and Non-Conformance Investigation and Management
19. Behavioural Safety
20. Health and Occupational Hygiene
21. Audit, Self-Assessment and management Review



## Managing the Impact of HIV / AIDS

- HIV / AIDS is a major health issue in Southern Africa
- Estimated BHP Billiton infection rate in Southern Africa is 14%
- Comprehensive management approach in place
- Community partnerships

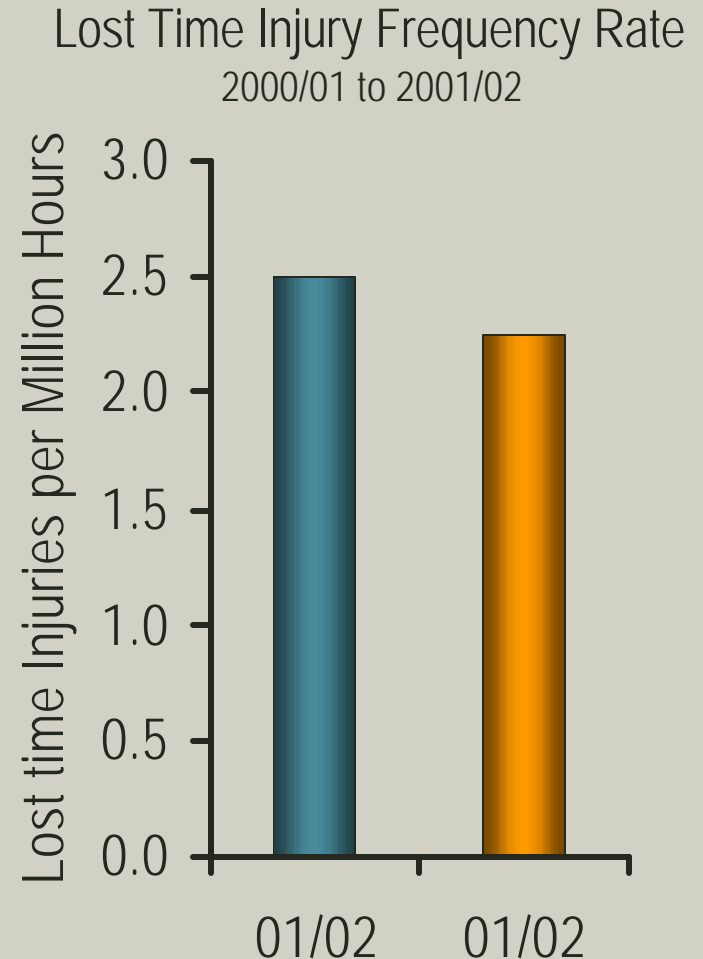
# Occupational Illness

- 1.7% of employees affected by occupational illness
- Target 20% reduction by 2007
- Baseline occupational hygiene exposure surveys by end FY 2003



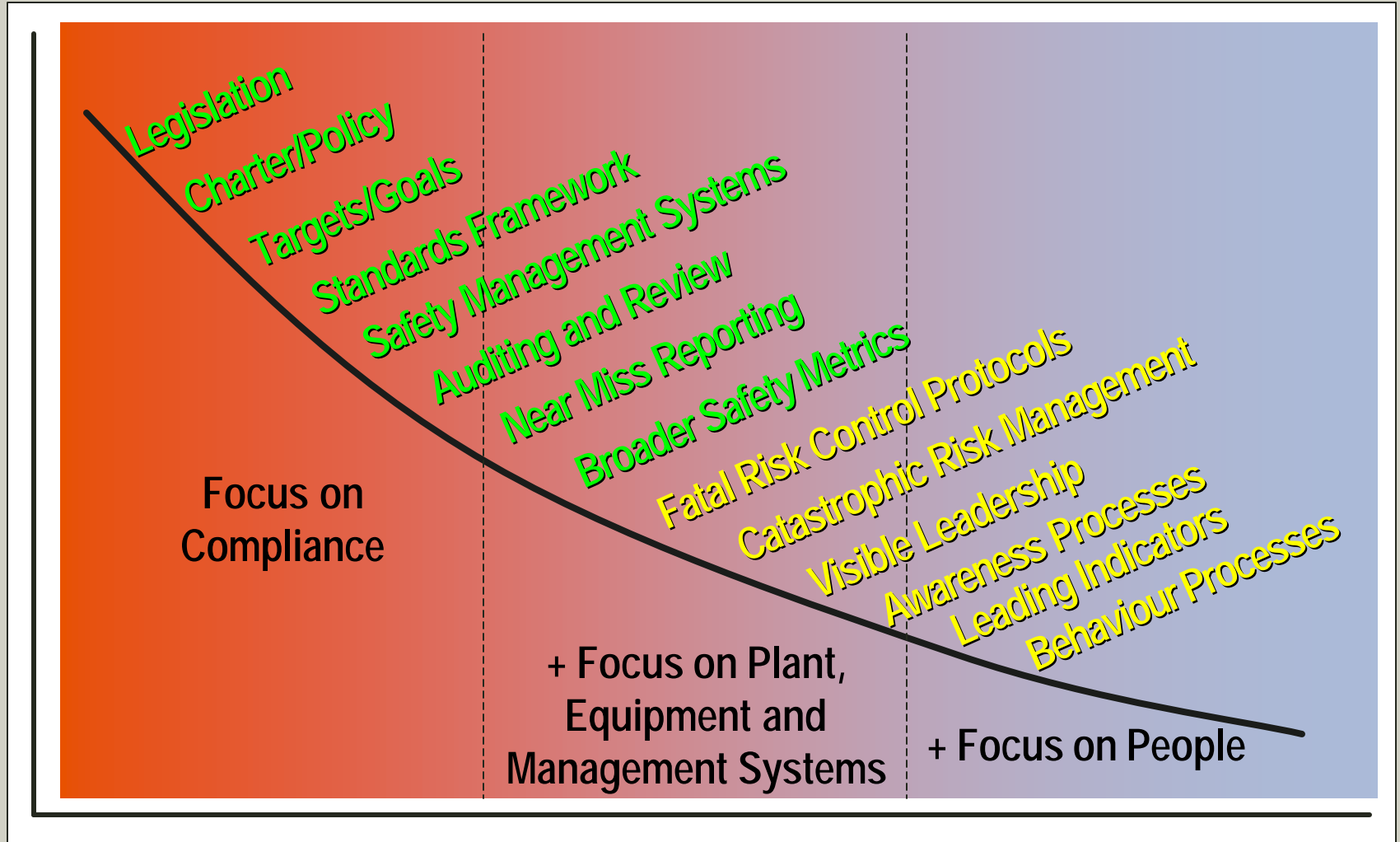
# Safety Performance

- Fatal incidents involving vehicles and mobile plant
- Significant additional focus to eliminate fatalities
- Target of 50% reduction in injury frequency rate by 2007



NB Indicative total LTIFR for Australian Minerals Industry estimated at 8 in 2001-2, 11 in 2000-1

# Safety Improvement Journey



# HSEC Systems and Performance

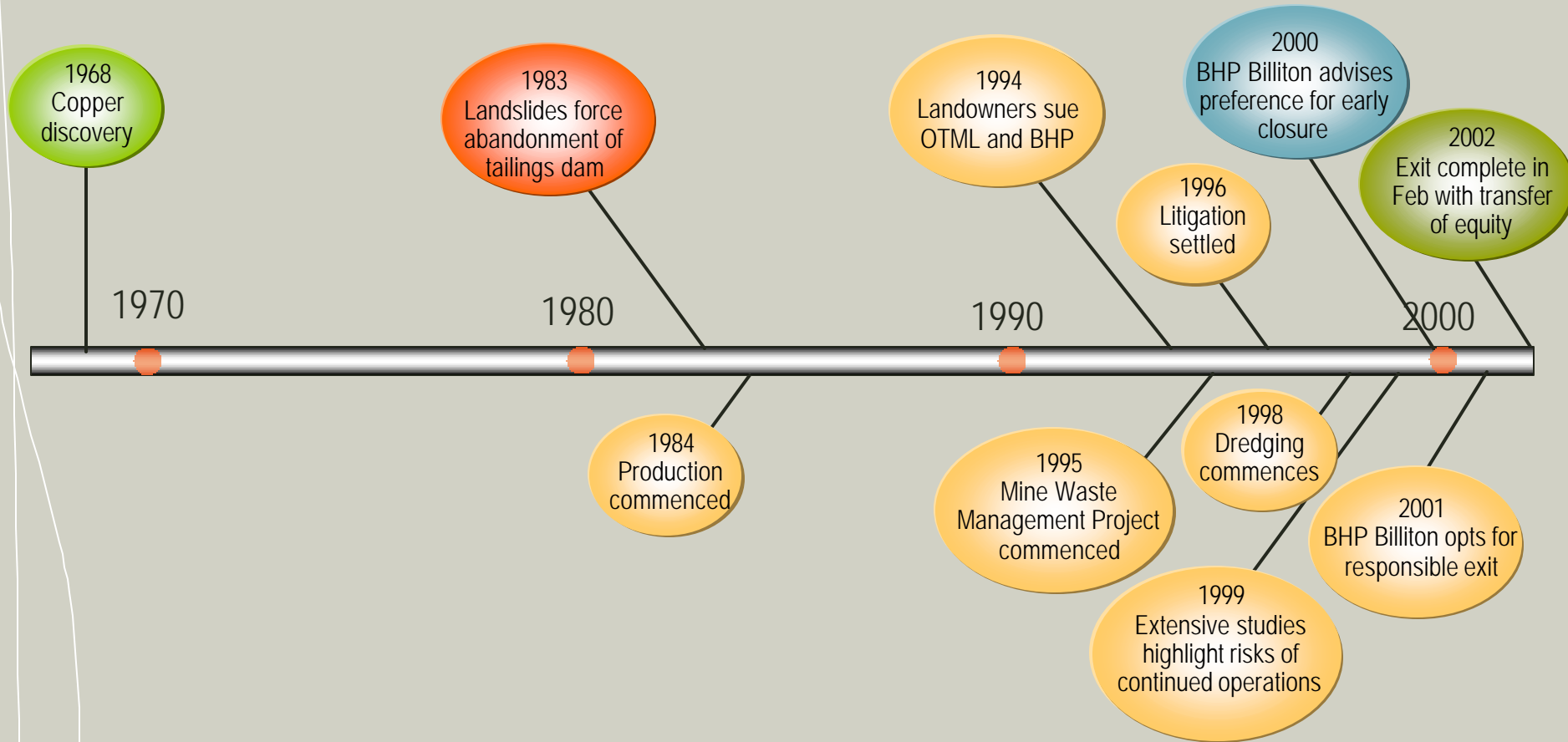
Ian Wood

Vice-President, Sustainable Development



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# Ok Tedi Copper Mine in PNG



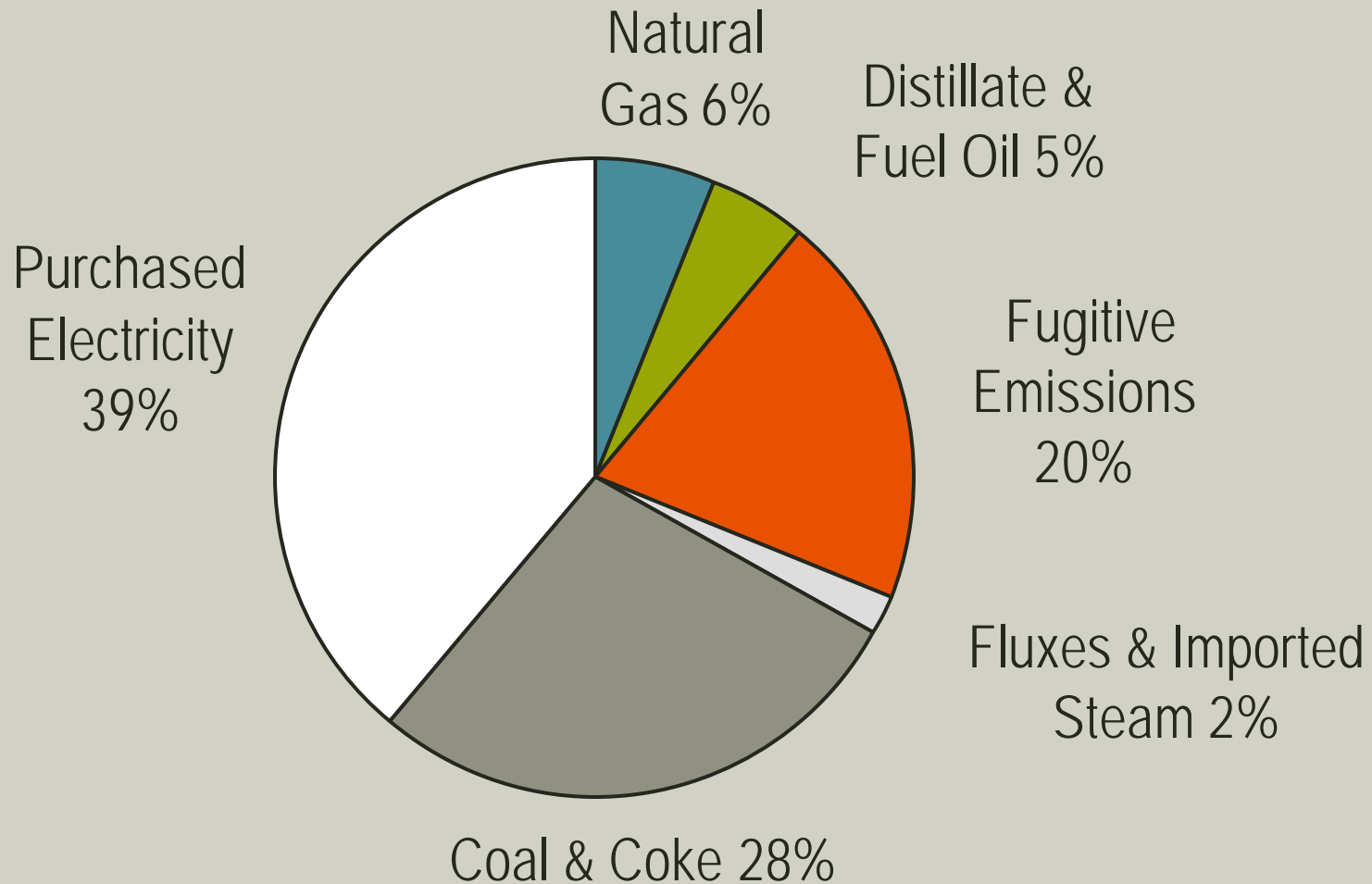


## Ok Tedi: Exit Arrangements

- 52% equity transferred to PNG Sustainable Development Program Company
- Future dividends to be used for sustainable development programs
- One third to be disbursed over mine life
- Two thirds after the mine closes
- Permanent dredging or alternative mitigation provided for by OTML
- Cash provisioning for mine closure costs

# Greenhouse Gas Emissions

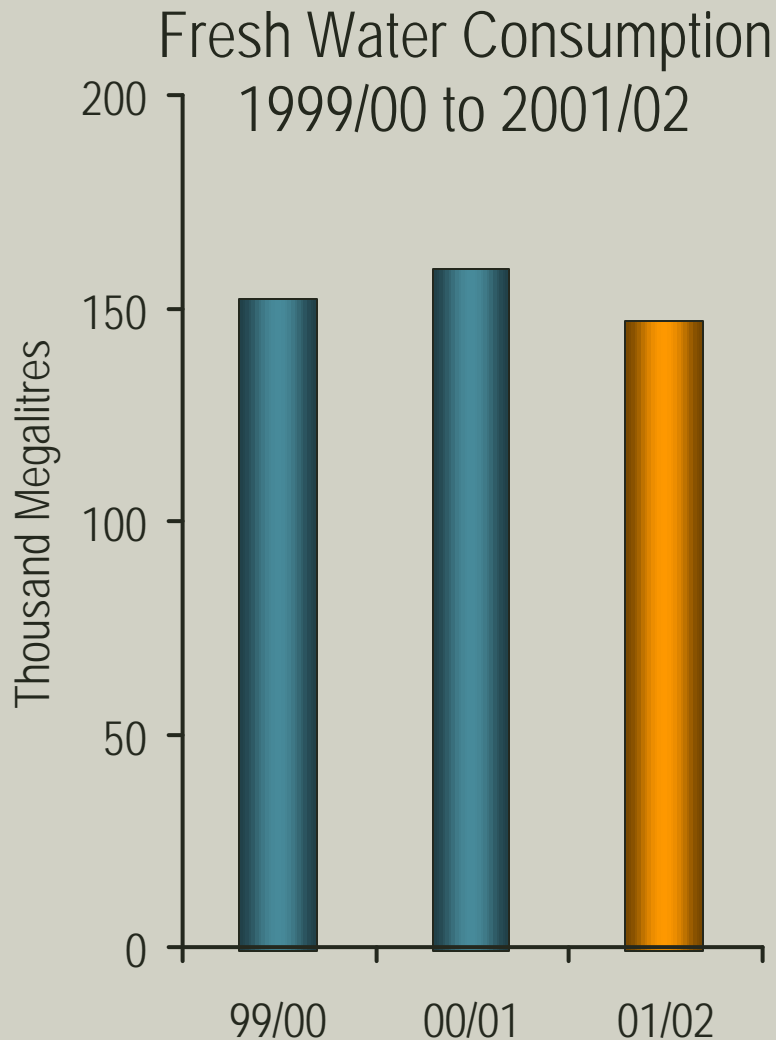
Total GHG emissions of 60 million tonnes CO<sub>2</sub>-e



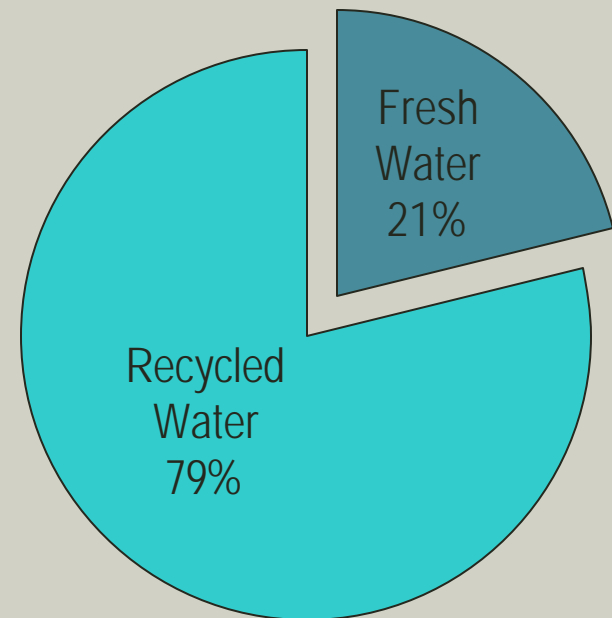
# Climate Change Action Plan

- Intensity reduction target of 5% per unit of production (2002-07)
- For sites >100,000 tonnes CO<sub>2</sub>-e per annum to have energy conservation and greenhouse gas management programmes by 2003
- Carbon pricing sensitivity analysis in major CO<sub>2</sub> emitting projects
- Collaboration with customers
- Funding of research

# Managing our Water Resource



### Fresh Water vs Recycled Water Consumption



# Improving our Environmental Performance

- ISO 14001 implementation by FY2003
- Targeting a 20% reduction in waste
- Land management plans
- Commitment to life cycle analysis of major products

# Our commitment to Human Rights

- UN Universal Declaration of Human Rights
- Signatory to the UN Global Compact
- Human Rights Self Assessment Tool

# Supporting Local Communities

- US\$40.3 million on community programmes
- US\$809 million in taxes and royalties worldwide
- Sites setting KPIs to measure performance



# Summary

- Financial stability provides platform for continual improvement
- Strong growth prospects in familiar environments
- Sound governance structures, including in HSEC area
- HSEC performance driven by targets, for which senior management are accountable
- Committed to clear and relevant public reporting, following GRI guidelines



# Sustainable Development and the Resources Sector

***‘Without the private sector, sustainable development will remain only a distant dream. We are not asking corporations to do something different from their normal business; we are asking them to do their normal business differently.’***

Kofi Annan, UN Secretary General

Address to the World Summit on Sustainable Development

Johannesburg, September 2002



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