



## HSEC - Policy into Practice Briefing (London)

**BHP Billiton**

**Q&A Session**

### **Mike Salamon – Senior Minerals Executive**

Ladies and gentlemen, we're firstly going to start with questions from the floor. There are, however, people on-line. For those on-line, just if you could remember to dial \*1 to indicate that you have a question. Please state your name and affiliation when asking questions.

*Q. You've laid out your thoughts on greenhouse gas emissions, and obviously you've got a number here of 60 million tonnes of emissions from the operations. That obviously doesn't include emissions from your products. I just wondered whether you could share with us your views on how you are going to address that, because obviously the Kyoto protocol does raise issues on the cost penalties from carbon, and in particular, from things like thermal coal. Recently we saw some speculation about what the Japanese government might do in terms of introducing taxes on carbon.*

### **Ian Wood**

Yes, you are quite right. The data that we presented in the HSEC Report is our internal emission through the production process, and again that's in accordance with the IPCC protocol. So, we don't account for the greenhouse gas emissions of our customers; they need to account for that themselves and will be reporting it through their processes. If we were to incorporate that, then clearly we would be double-counting. I also mentioned that we take into account the potential for carbon penalties in our new investments, so, as I said, we road test against three different prices, five, ten, twenty tonnes CO<sup>2</sup> equivalent. We have also extended that work to start to look at the potential impact on consumers about products. So, we are looking at the potential sensitivities to various consumer, and it

obviously depends where they are located in the world as to whether they will, in fact, accommodate or be required to accommodate a penalty on the consumption of that carbon. So, for example, our Ingwe coal mines, producing coal for consumption in South Africa won't have any exposure to the Kyoto Protocol because South Africa is a developing country and, therefore, not covered. Coal consumed in a developed country could potentially be subject to some sort of penalty. So we are also evaluating those sorts of sensitivities as well.

*Q. Two questions if I may, the first one, I was very interested in your talk about the learning curve of HSE because it reminded me a bit of Total Quality Management, in that 10 years ago big companies thought you stuck a green label at the end of a production line, and now you have to integrate it right through. Would it be a fair analysis to compare what you are doing to that, ie that you have to integrate it right through the operation? And I think a more specific question on the Australian oil and gas: How do you address the question of flaring?*

**Ian Wood**

I think you are quite right. What we have tried to do is have a totally integrated approach, so that our operations are effectively implementing our policy as part of their normal business. They have the management standards that they have to follow, and we audit to ensure that they are doing it. So, it's fully integrated within the way that we manage the company. That's a very significant difference to where we were as recently as just a couple of years ago. In our company, we have had safety management standards for a while, we have then developed environmental standards relatively recently, and we have now decided to put those together and add community. We hadn't had that approach before and it really is paying dividends, in terms of ensuring that our operations are focusing on those four core elements.

**David Walker, Senior Petroleum Executive**

The question around flaring. In all the countries that we operate in the oil and gas business, we actually operate under a formal consent, which is agreed between ourselves and the regulator. It's our company policy to actually try and beat that, obviously. Now, the actual amount of flaring is metered, it's measured and reported on a monthly basis. Obviously, our target is to actually meet, and in most cases actually beat, the consent. We are in some very environmentally-sensitive locations, both in Australia and here in the UK, for instance. We are very conscious of the visibility of flaring, as well as the actual volume of flare. So, we manage this very closely.

Q. *You mentioned very briefly biodiversity in your land management. I wonder if you could thrash out a bit what your biodiversity strategy is and, particularly, your exposure to protected areas.*

Q. *And the second one and obvious one, I think we will all be interested in, do you have any plans to give free anti-retroviral drugs to your South African workforce?*

**Ian Wood**

Okay, well I'll handle the biodiversity issue first. In our company, biodiversity is not our highest-level corporate priority. So, we haven't set a separate biodiversity policy. We are requiring that all of our operations that have significant land management issues, which is the majority of them, to develop a land management plan. We are not requiring a petroleum platform, for example, in the middle of the ocean to have a land management plan. Just about every other operation does need to have a land management plan. Some of our long established industrial facilities don't have any biodiversity issues. Some of our remote operations will have, and they are to address those issues on a site-specific basis.

In terms of protected areas, we don't advocate, or we are not currently advocating mining or processing in protected areas. So, we are not lobbying governments to open up national parks. We are also a member of the International Council on Mining and Metals, that you might be aware has just announced a partnership with the IUCN, the International Union for Conservation of Nature, which is the peak environment NGO, to work collaboratively towards the development of an agreed position on protected areas. So, we will be working on that protected area issue through that ICMM-IUCN partnership. The objective there is to really resolve an agreed position around the IUCN's protected areas 1-4.

**Mike Salamon - Senior Minerals Executive**

Maybe I can talk a little bit about the question on the anti-retrovirals. I think a number of points here. Firstly, our approach has been a fairly holistic one, and it's not been a narrow response. I think if you look at the nature and number of our workforce in Southern Africa, it's about 17,000 people. It's fairly high up the socio-economic scale, in the sense that these are trained operators, and then supervision and management. The majority of our workers are, in effect, like blue-collar workers anywhere else in the world; they live with their families, etc, etc. Our approach to the whole issue of remuneration and benefits has been a non-paternalistic one. They receive remuneration, opportunities to join medical aids and, as Ian mentioned in his presentation, the majority of those medical aids funds, in turn, deal with the

issue of anti-retrovirals. We are obviously debating and discussing with those medical aids their strategies going forward. We are probably different to, for example, the gold mining companies, which have very large labour forces, with a high percentage of migrant labour. So, I think our approach to the whole issue of HIV and AIDS has been a more holistic and possibly a more mature one, in that sense.

### **Ian Wood**

Mike, if I could just add to that on the issue of where our employees are accommodated. Less than 5% of our employees are accommodated within the traditional hostel, single-sex accommodation, which is a known risk factor, in terms of the sex worker industry. Those sorts of accommodation practices do tend to attract some spin-off industries in local community, and the sex worker one is obviously one of them. So, by recruiting locally, people can stay with their families and you reduce that risk factor.

*Q. Have you got any initial thoughts on the South African Mineral Charter and how that will affect your South African operations?*

### **Mike Salamon**

The Charter that we have seen so far still continues to be a draft charter. Really, it's going to be all about the implementation. A number of the key factors of that, for example, the scorecard that they tend to use, is not yet visible. So, we are pleased to see that, if there are going to be any changes, market value will be a key determinant. But other than that, it's actually very difficult to make any prognosis until we can actually measure some of the things. At this stage, we are not in a position to do that.

*Q. Firstly I was wondering if you could update on progress on working with WWF on sort of mine certification scheme. I think that's just in Australia at the moment.*

*Q. Secondly, I wondered if you could just give an update on how you are managing the political risk of operating nickel operations in a country like Colombia, where there are obviously various warring factions at the moment, particularly in light of new guidelines on use of security personnel?*

## **Ian Wood**

I might handle the WWF one, and then Mike will cover the Colombian issue. In terms of the WWF programme, it's actually progressing well now. We have the funding that we require, so the consortium of companies that are participating has come together and the project is now up and running. They have appointed a programme manager, we have had our first meeting, so this project is now under way. For those of you that are not familiar with it, this is really quite an interesting development within the mineral sector. You might have heard about the WWF programmes on forest stewardship or marine stewardship. What they are really trying to do is see whether there is a similar sort of model that could work in the mineral sector. Now, obviously, you can't go into a local hardware store here in London and buy BHP Billiton copper pipe or BHP Billiton stainless steel because we don't have chain of custody right the way through the value chain to the product that you consume. So, the objective of this particular model is to see whether we can certify individual mine sites, so that, perhaps, we can then get other parts of the value chain to say, 'we use certified copper from BHP Billiton that has been certified under this system'. So, it's a different sort of approach, I guess it's an upstream approach. We think it could potentially be of value. We are keen to get recognition for the efforts that we make on the HSEC area and believe that this might provide an opportunity for good operations to differentiate themselves from the laggards.

## **Mike Salamon**

Talking about Colombia. We have been involved in Colombia through the various predecessor organisations in the group for some 20 odd years, with the Cerro Matoso nickel operation in ex-Billiton, ex-Shell. More recently the Cerrejon coal operation where we, together with Anglo-American and Glencore, are shareholders in a very large coal operation. There are three elements to country risk management that we apply in Colombia, and would apply anywhere else. Indeed, Colombia has been a fairly high-profile case study and one which I have been involved with for many years. The first one is that we are very much a local company; we have a local board, a local chairman, in other words, he is a senior non-executive Colombian who chaired that board. We deal with the issues with in-country local management and executives. So, we are very much part of the corporate and social fabric of the country.

Site-specific, there are two things that I would say, one is this issue of the highest standards. I mean, in that particular CSG, the Colombian operation actually has the highest standards in all of these elements, much higher than Australia, for example. We have taken people

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from the Colombian operation to Australia to teach people about how to get to the sort of standards we have achieved there. So, as a corporate entity there, we are one of the top performers in terms of all sorts of measures.

The third one is corporate social investment. On page 43 in the HSE Report, there is a case study from Colombia, where clearly we play a very important role in the local community. The local community, in many respects, protects us from the broader issues because, in that way, they actually protect themselves. We are an important employer, and in the particular regional area, we are the most important source of jobs, of revenues, of business. We have not changed our approach to Colombia through the last five years. I mean, essentially, we have just carried on doing what we, so far, have felt has been a very successful and effective programme. And as I say, we are using Colombia as a model for other countries in which we operate, for example Mozambique. We are doing pretty much the same thing there, where issues are different but we are essentially a big target and they need to be managed effectively.

*Q.cont./ what about security personnel and guidelines there? Is it in the Code of Business Conduct?*

**Ian Wood**

Many aspects are covered in our systems. In fact if you have a look at the Voluntary Principles on use of security forces and human rights, and then have a look at our management standards, you will see that we have actually picked up most of the elements from those voluntary principles. The next step may be to develop a specific management standard around the use of security. But right at this moment, we haven't viewed that as a high enough priority to do that and we are going to bed down our existing management standards while keeping that issue under review.

**Mike Salamon**

In country, the actual security that we have in the operations is pretty limited. I mean, we have security, in a number of places, but we are not sort of operating private armies or that type of thing. It is low-key but effective.

*Q. I would just like to pick up on an earlier question on greenhouse gas emissions. You mentioned that you test the sensitivity of your portfolio, essentially, to different levels of*

*carbon price in \$5, \$10 and \$20. I just wondered, do you have a feel, is that just an interesting intellectual exercise? Or do you then actually apply that to the investment process, in which case, what is your current sense of whether a \$5, \$10 or \$20 price is likely to be the price needed for meeting Kyoto?*

*Q. Following on from that, is the sensitivity done against the objective of meeting Kyoto, or against the considerably higher standards that are likely to be envisaged by the IPCC?*

**Ian Wood**

It's actually formally incorporated within our capital approval process, so this is not just something that we do as an interesting exercise. It's a formal part of the process. We do evaluate potential investments against those prices. We do a sensitivity analysis. In terms of where the actual carbon price may come out, we can't predict that. The general consensus seems to be that it will be at the lower end of that scale rather than higher, but it's really too early for us to make any formal public comments about that.

*Q. You mentioned that you have meetings, I think it's twice a year, with NGO's. Could you give us any examples of what you've actually changed as a result of those meetings? Or do you actually set the agenda that limits discussion? Could you explain a bit more about those meetings?*

**Ian Wood**

Yes, okay, this evolved out of the dilemma we had with Ok Tedi. I think we went through a long period in the mid 1990s when we had a pretty unhappy relationship with a range of NGOs, both within Australia and globally, around the Ok Tedi issue. We ultimately came to the conclusion that that wasn't getting us anywhere. We were committed to try and resolve that issue in a responsible way and decided to invite some of these people to meet with us, meet with our senior management and talk about it around the table, rather than through the media. That proved to be a successful interaction, because they were able to see that we were genuinely committed to trying to fix it, and we were able to talk to them directly about what they thought might be an appropriate way to try and resolve the issues. So, that proved very successful, to the extent that we decided mutually that we would keep the group going and broaden the agenda to cover other issues of common interest.

In terms of the way in which it has influenced the way we do business, in some instances it has been quite direct. For example, the capital approval process that I mentioned before now has a clause in it that deals with looking at the sustainable benefits of our projects on closure. So, as projects come up for approval through the committees within the company, they have to demonstrate that they have looked at the sustainable benefits that will be left when that project ceases. So, rather than trying to think about that when there is six months to go, it's thought about right at the start of the approval process. That's a clear element that we have incorporated in our management systems as a result of a suggestion from the group. But we also talk about project-specific issues, and we get advice from them about potential exposures and how we should handle or respond to some of these issues. It has proven to be a very effective group. They participate, clearly, because they also think it's of value and that they are having an impact; I'm sure that if they felt it was a waste of time and they were just getting green-washed they wouldn't bother coming.

### **Mike Salamon**

Our Company is one way or another, at least in the media, associated with almost every project going in the world. It's actually quite interesting to get feedback from the group, so that it can almost be part of your due diligence process.

*Q. Mike, at the beginning of your talk, you mentioned the very long lead times in the mining industry. For example, Ok Tedi, BHP started thinking about it 35 years ago, and you are just now extricating yourselves. That means, or suggests, that there are projects you have which you would never now start if you didn't already have them? Today, we talked very much about operational management and managing HSE risks. What about strategic risks? I am particularly thinking about your coal business. If BHP is worried about global warming, surely long-term coal is not a business you want to be in?*

### **Mike Salamon**

Well, I'll have a go at that, but as you have probably gathered by now, I'm not the environmental expert. I could answer that in a number of ways. There are things that, for example, we would really not pursue today. For example riverine tailings and indeed marine tailings disposal. You know, these are things that the executive committee would have grave difficulty in dealing with. If we look at electricity generation in the broadest sense, if

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you look at the sources of fuel for electricity generation, the world has gross difficulty generating electricity without coal, if you take the United States, Europe, China. So, the figurative world where there is no coal, I don't think, is necessarily a viable one. I think the area which we are looking at, and we are looking at the customers, is being much more efficient. I think that's where we are headed: taking carbon-related fuels out of the electricity chain is not a viable scenario for the world. What is a viable scenario is much better utilisation of that coal, and that is an area through organisations like the World Coal Institute where we are headed.

*Q. cont./ What about fuel switching and the use of natural gas and heavy fuel oil that actually greatly improve the greenhouse impact of operations?*

**Mike Salamon**

Well, I think that's, in effect, what I am saying about coal, is that the manner in which it's used. Ian referred to the fugitive emissions in his presentation, for example. Those are emissions which come direct from coal mines. If we can use those efficiently, it means, in effect, we have to burn less coal.

*Q. Apologies if I've missed it, but I wonder if you could give us an update on BHP Billiton's exposure to uranium and nuclear power?*

**Ian Wood**

Yes, through the original acquisition of Rio Algom by Billiton, and then the merger, the combined group inherited this small operation in the US. We sold that earlier this year, so we no longer have any operating uranium assets. We have a couple of closed assets, or an asset or two that are in closure, but we have no producing assets in the uranium industry. I should also point out that the asset was sold because it was non-core; it wasn't of interest in terms of the portfolio. It was extremely well-regulated, I mean it wasn't something that we sold because we felt embarrassed or concerned about liabilities or anything like that, it just was extremely small and non-core.

*Q. Can I just ask for an update on two projects: one was the proposed aluminium smelter project in the Eastern Amazon region, and the other one was Gag Island, which I think had been mothballed, but I think recently the Indonesian government have sort of watered down their clamp down on open, cross-mining in forestry.*

**Mike Salamon**

The aluminium projects in the Amazon are not aluminium projects; its actually muted hydropower schemes to generate electricity, some of which electricity would be used in existing smelters. There are quite a number of those in Brazil. Brazil's principle source of electricity is hydropower. We are looking at three projects, all three of which are in fairly early days going through a very robust regulatory and approval framework. Our commitment to that is that we will only participate in any project which receives the necessary support from the Brazilian environmental authorities. Not one of them is in commitment phase yet; there hasn't been any capital approved for them. Gag Island is a relatively small island, and there's two conflicting bits of legislation in Indonesia, one to do with forestry and the other to do with minerals. The project itself, however, has stalled, partially to do with their conflicting legislation, but partially to do with the fact that it's probably a very tough economic call to pursue that project anyway. So, the only activity there I think is just continuing interaction with the local people following on from the exploration programmes that have taken place.

**Ian Wood**

It's also just worth noting that Gag Island itself is virtually all lateritic nickel. One of the reasons, or an effect of that, is that it creates a very strong vegetation anomaly. So, there is virtually no vegetation that would generally be considered forest over the laterites that would be mined. So, the whole proclamation of that protected forest area, which covers vast tracks of Indonesia, was not done based on a rigorous assessment of the conservation values of the particular areas that were included. It was a broad brush bureaucratic, 'let's declare some protected forests'. So, there are a lot of issues with it, but you are right, it does appear as though that could be resolved relatively shortly.

**Mike Salamon**

But that would not necessarily mean that the project would be reactivated.

*Q. I wonder if you could just talk us through again the process by which the customer groupings, the operating companies, set their own targets for HSEC, and the way in which they report those up to the senior management. Then, on a second question, I wonder if you could, you often in discussing the programme talk about sites, but if you could give us a bit more flavour about how you undertake environmental and social impacts of future investment propositions, and what the various hurdles they have to go through are, beyond the ones that you are required to do anyway by the regulator.*

**Ian Wood**

In terms of the targets, it's relatively straightforward. We have established the HSEC Forum, which was one of the components that Mike showed you in his presentation, which ensures that we have a really strong high-level network throughout the organisation. So, we can set these corporate targets and ensure that each one of the vice presidents responsible for HSEC in each one of the customer sector groups takes those targets and reflects those within its part of the organisation, so that when we aggregate our performance up, we are meeting the corporate target. We have a review process in place that enables us to track our performance throughout the year. So, we don't get to the end of the year and discover that we failed to meet the range of targets.

**Mike Salamon**

Greenhouse gas emissions are a practical example, where a big component is in the aluminium CSG. The targets that were set at the corporate level and then the reduction targets were devolved down to the smelters and practical plans were put in place. So, there is a top-down approach, but there's also a bottom-up one, in the sense that corporate would have a major debate with the guys in aluminium and wherever else to ensure that we are not just pie in the sky with these targets but that we actually achieve them.

*Q. Do the GHG targets apply at the corporate level or the asset level?*

**Ian Wood**

The targets apply at the corporate level rather than individual assets. For example, it would be ridiculous for us to require one of Mike's brand new aluminium smelters, that is already performing at world's best practice, to achieve a 5% reduction, because it would cost us an enormous amount of money. Whereas one of our older operations could probably achieve a

10% reduction and make money at the same time. We try and do this in a very smart way on a site-specific basis, but the point I was trying to make is that we have structures in place internally, so that we can track our progress and ensure that, overall, we meet our corporate targets. But it's not just a mandatory 'every operation must take these and meet them', because that would not be a cost-effective way to do it.

*Q. Have you identified any black empowerment groups that you would work with possibly? Or do you have any existing ones?*

**Mike Salamon**

Particularly in our coal operations, we have done a number of black empowerment exercises already. The biggest one is one called Eyesizwe, into which have gone a number of collieries. That's a significant coal producer in the country now, I think it's 18 million or 19 million tonnes of coal produced. There have been two others as well that we've done. The nature of black empowerment exercise is that they are specific to the opportunity and to the individual sets of investors. The three that I can think of in coal have been, I mean, in every instance, in fact, former employees who have left our group and become entrepreneurs. In each instance there have been situations where we have supported getting the business off the ground through technical support and what have you, but all three are now successful operations. In the ever-evolving charter, one of the parts of the charter actually says that, you know, the clock will be wound back and those sort of things will be incorporated.

*Q. cont./ And is there opportunity for those existing partnerships to increase in scope in the future? Or would you have to look elsewhere for new partners?*

**Mike Salamon**

I wouldn't like to speculate. I mean, each situation is unique; each one is a set of business investments; it's not some sort of generic activity.

*Q. Two questions, one was just going back to your figures on occupational health. You said it's 1.7% of your workforce. I was wondering if you had any sort of correlation, if you*

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*had done any work, to assess what financial impact that has, and if you could give us any figures about the investments you are putting into reducing that 1.7%. The other question was regarding the bribery and corruption policy. You have a policy of paying no bribes, but you still pay facilitation payments as appropriate in each country. I was wondering if you could explain two things: (a) What's the impact, if any, of paying no bribes on your business. (b) How you set the facilitation payment guidelines for each country?*

**Ian Wood**

Maybe I'll handle the last bit first. In terms of the facilitation payments, if you have a look in the Guide to Business Conduct, which you have got in your pack, it's quite clearly addressed in that document. We do have a zero-tolerance to bribes; there's absolutely no debate about that within the company. That's a sackable offence if anybody goes down that path. Facilitation payments is a difficult area, and I guess you could say that there is potential for some grey areas there. In the Guide to Business Conduct, we have provided some clear case study examples to try and help employees work their way through that. This would be one of the more common issues that is raised through the helplines that Mike referred to in his presentation. If an employee is faced with a situation where we are trying to get an approval for some importation of materials across a wharf or something, and is asked to pay to have the paperwork done, then the Guide to Business Conduct is something that they can refer to. If they are still not clear, they can call the helpline and get assistance with that. The bottom line really is that facilitation payments can only be made if it is transparent, open, above-board and consistent with accepted practices.

*Q. Will you be reporting on them?*

**Ian Wood**

Well we potentially could. I mean, this whole issue of reporting taxes and royalties and other official payments is a live issue for us at the moment. We are working collaboratively, and we have indicated that we are prepared to work collaboratively, with other companies, government departments, around this whole issue of disclosure of taxes, royalties and other payments to government. What you will find in our report this year is that we have simply reported the total number. We haven't done it on a country-by-country basis, but we are currently putting systems in place within the company, in our financial systems, so we could report audited country-by-country data next year, if this initiative progresses to that point.

## **Mike Salamon**

I think it's important to note that the initiative has to progress with broad support. It's not something that we are likely to do unilaterally. I mean, in terms of lost business, we are actually fairly upfront about our ethics. To my knowledge we have not lost any business, and we operate in countries where bad things are written about those countries

Q. cont./ Have there been any dismissals then? You said there was zero tolerance to bribes?

## **Mike Salamon**

I am aware of low level, where people steal. Bribes I'm not aware of? Theft and fraud I am aware of.

## **Ian Wood**

I'm aware of a couple in the former BHP, but again they were low level issues. You did ask another question on the occupational health and the value of people who become ill. Our company, like most, has provisions for occupational health issues and manages it as a standard part of the business. I can't tell you what somebody presenting with hearing loss, what the cost of that might be. I also can't tell you what the cost of our programmes around reducing occupational exposures is either. I guess we don't, certainly in my role, we don't sort focus on the cost and value of these sorts of things. We have a policy position that we are not going to hurt our employees. We are committed to doing whatever we need to do to achieve that.

*Q. Just, perhaps, following on the health and safety issues, do you have any, sort of, time bombs ticking away? You mentioned, of course, you have got some very long lead time and long-life operations? Perhaps I am specifically thinking in terms of chromium and manganese in South Africa, so that's the first question. Secondly, as far as safety is concerned, there is a major problem across the whole industry that people report of lost time injury frequency rate using a whole range of different criteria. Within the Global Reporting Initiative, are you actually pushing to try and make sure that everyone either includes or excludes contractors, that a lost time injury is standardised on the basis that someone is*

*actually hurt and can't come back to their pre-existing job, rather than to take on light duties or whatever?*

### **Mike Salamon**

Starting at the back there, not only through the GRI, but also just through interaction between the major corporations directly, between the HSE professionals, there is a very strong endeavour to standardise. Sometimes you see the statistics and they look different. It's just that some people report for 200,000 and we happen to report for a million, but quite often the underlying definition of what an LTI is, is the same. Ian also mentioned that we are headed down the route of leading indicators. What we are trying to do now is capture much more than LTIs, but capture what we call 'classified injuries'. It is challenging in terms of trying to define those, and even get them defined and implemented consistently through our own organisation, never mind other organisations. But all the professionals in the field will tell you that really you want to know more about the incidents ahead of the time. That's why we are headed down that road.

In terms of the time bombs, the two you specifically mentioned, chrome and manganese, chrome 6, which I guess is the issue you are referring to, is a very well-understood issue. It's an issue which the management of the chrome operations is managing. It has presented in one or two dumps, and the management of that presentation is under way and, indeed, preventing it in the future. In manganese, we are actively recovering, in fact, in chrome as well, we are activating the metal in the slag dumps, so the slag dumps will be barren down the line. One possible issue with manganese is a question of manganism, and we have epidemiological studies on that. We have got the University of Cape Town actually trying to understand if that is an issue, because we're not quite sure whether we've ever had any cases of it.

### **Ian Wood**

Well, we had a very similar situation in the former BHP, in that we had a manganese mine at a place called Groote Island in the Northern Territory, and also a manganese smelter in Tasmania in the south of the country. Again, we had some quite some significant investigations, I guess this would have been in or around the late 1980s, around this issue of manganism. Both those operations had been operating for around 25 to 30 years. Again, the conclusion was that there was no evidence of manganism in those operations. I'm sure you will be aware, over time, the occupational exposure limits have decreased, so the operations are now running substantially cleaner than they would have been 25 or 30 years

ago. I think the fact that we haven't had any cases to date suggests that it's highly unlikely in our businesses going forward. I think if there was going to be a problem it would have presented by now.

**Mike Salamon**

We have done similar surveys, for example, with the nickel operations, to try and assess these epidemiological studies.

*Q. Following on the LTIFR, you published a global total. Will you actually be giving breakdowns per CSG perhaps? BHP Billiton, in its global make-up, is completely different from Anglo American etc, etc. So, can we actually work out comparisons against, say, other aluminium companies, the aluminium CSG, etc.?*

**Ian Wood**

Yes. One of the things that we have required, as part of our targets, is that each one of our sites produce a site-based HSEC Report, and we have given them a guideline on the sort of information that should be included in that, and safety is certainly covered. So, if you go to our website, we are building it at the moment, so these reports won't be there yet, but we will have a website that will have the individual site reports on it. Obviously, we are such a big company that we can't incorporate all of that site-specific data in the report, or you wouldn't be able to carry it out of the room.

**Mike Salamon**

But the CSG presentations, the aluminium one I'm pretty sure had it in, and I suspect the other CSG presentations did. I think it is actually there in those CSG presentations.

*Q. Very quickly, final question: Ok Tedi, and the reaction of NGOs to Ok Tedi over the recent years has caused considerable conflict, management time, reputational issues. Can you tell us if there are any sites out there in the world which, whether justified or not, at the moment, are generating controversy? NGOs may not like them, whether you think you are entirely justified or not? These are things that may come back, which investors will pick up on and will then come back to us saying, "are there any at the moment that are sort of brewing in that way?"*



**Ian Wood**

I think it's probably fair to say that there are a very small number of operations where NGOs have particular interests in those operations. One example I can give you is our Tintaya copper mine in Peru. In fact, this is an area where our HSEC forum has been involved. A particular NGO, Oxfam USA, raised concerns about that project, brought it to their partner in Australia, who had then raised it through our Forum. We took it seriously, and I visited the site and had a look at what was going on, and there were some issues. There were some legitimate concerns. The operation is now working directly with those NGOs and the local communities to resolve those concerns. So, I don't necessarily see NGO attention on our operations as a bad thing. We are open to criticism, and will go and investigate if people have concerns with what we are doing. And there are other projects that come up from time to time through similar sorts of mechanisms. But in terms of our portfolio Ok Tedi is the one that was of primary concern to us. I think if you have a look at some of the other companies that have really taken a leadership position on the sustainable development agenda, they all virtually invariably had an Ok Tedi of their own in their portfolio that has really focused management's attention and led to the development of the sort of systems and policies that we have.

**Mike Salamon**

The one which I guess gets a lot of profile is Ekati, which is because it's in the pristine Arctic environment. But whatever systems we have in place, typically in the group Ekati, had an order of magnitude more as a consequence. To my knowledge it has been a pretty good operation under very, very tight regulations.

**Mike Salamon**

Ladies and gentlemen, thank you very, very much for the interaction, the questions. We've learnt a lot and I'm sure that Mark, Matt and myself will be happy to get further feedback. Thank you so much.

[END OF CONFERENCE]