BHP BILLITON CASE STUDY: MALARIA

The BHP Billiton Approach

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Health, Safety, Environment and Communities
BHP Billiton – A Global Footprint
BHP Billiton
World’s Largest Diversified Resources Company

- Listings on Australian, London and Johannesburg stock exchanges
- American Depository Receipts listing on the New York stock exchange
- Market capitalisation of about US$60 billion
- Turnover in 2003 of US$17.5 billion
- Pipeline of projects at US$8 billion
- 35,000 employees working in more than 100 sites across 20 countries
BHP Billiton
Vision

We aspire to be not only the premier supplier of natural resources and related products, but one of the world’s best companies – creating value and delivering superior, sustainable returns to our shareholders.

Values

- **Safety & environment** – An overriding commitment to health, safety, environment responsibility and community (“Zero Harm”)
- **Integrity** – Doing what we say we will do.
- **High performance** – The excitement and fulfillment of achieving superior business results and stretching our capabilities.
- **Win-win Relationships** – Having relationships which focus on the creation of value for all parties.
- **The courage to lead change** – Accepting the responsibility to inspire and deliver positive change in the face of adversity.
- **Respect for each other** – The embracing of diversity, enriched by openness, sharing, trust, teamwork and involvement.
• ±17000 employees in southern Africa
• ±12500 from previously disadvantaged communities
The Mozal Aluminium Smelter

- 506 000 t.p.a. primary aluminium smelter, built over two phases
- Over US$2 billion capital investment
- Mozambican export earnings climb from US$220 to over US$1 billion
- In 2001 Mozal contributed 55% of exports and 20% of imports
- Mozal contributed 4.6% to Mozambique’s economic growth of 14.8% in 2001
Why is business interested in managing malaria?

• Main beneficiaries are tourism, business, governments and communities
• Increasing evidence that malaria management is a positive precursor to development
• Boundaries of responsibilities – a partnership approach
• Costs of malaria to business include:
  ❑ Reduced productivity (absenteeism, morale)
  ❑ Medical (evacuations, treatment)
  ❑ Unattractive destination for skilled employees
  ❑ Discourages establishment of small supporting business
  ❑ Replacement recruitment and training

The management of malaria is good for business and the communities in which it operates
Beluluane Village School: 1999

- No roof, electricity and water
- No classes when raining
- 130 pupils
- Grades 1-5
- Up to 20% daily absenteeism (malaria)
“HOW”

- Site spraying in communities
- Industrial theatre for employees and community
- Chemical debate
- Joint forces with LSDI
  - 73 spray operators trained in 2000
  - 944 spray operators trained in 2003
  - Day one 100 km² was sprayed
  - Today we are spraying approximately 20 000 km²
- Initial funding R5 million from Mozal

Source: MRC
Lubombo Spatial Development Initiative (LSDI)

In July 1999 President Mbeki, President Chissano and King Mswati III signed the General Protocol which established a platform for regional cooperation, development and delivery.

In October 1999 the Lubombo Malaria Protocol and tri-national malaria programme was launched.
“HOW”

- Site spraying in communities
- Industrial theatre for employees and community
- Chemical debate
- Joint forces with LSDI
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Source: MRC
Partnership Funding for the LSDI

Source: MRC
Malaria Prevalence

Malaria parasite prevalence in children aged between 2 & 15 years in the four malaria control zones in Mozambique prior to, and following malaria vector control.

Source: MRC
Malaria Cases

Seasonal KwaZulu-Natal malaria case totals

Source: MRC
Regional Reductions in Malaria compared to baseline indicators in 1999/2000 malaria season.
## Impact of Vector Control Programme (Estimated)

<table>
<thead>
<tr>
<th></th>
<th>Mozal I</th>
<th>Mozal II</th>
<th>% change per million hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Million hours</td>
<td>26</td>
<td>14.5</td>
<td></td>
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<tr>
<td>Recorded cases</td>
<td>6000</td>
<td>997</td>
<td>-70%</td>
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<tr>
<td>Medical evacuations</td>
<td>300</td>
<td>40</td>
<td>-77%</td>
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<tr>
<td>Fatalities</td>
<td>13</td>
<td>1</td>
<td>-86%</td>
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</table>
Beluluane Village School: 1999

- No roof, electricity and water
- No classes when raining
- 130 pupils
- Grades 1-5
- Up to 20% daily absenteeism (malaria)
Beluluane Village School: 2004

- 420 pupils
- Additional grades progressively
- Water/electricity/ablutions
- Sports field
- MCDT built three additional schools
- Malaria parasitaemia reduced by 80%
MINISTER MOOSA ANNOUNCES MAJOR GREEN INVESTMENT FOR GREATER ST. LUCIA WETLAND PARK, SA’S FIRST WORLD HERITAGE SITE

“R432 million investment to go towards the improvement of the lives of local communities”

“The Greater St Lucia Wetland Park, South Africa’s first World Heritage Site, is set to become an international model of the way in which the protection of wilderness can contribute to the alleviation of poverty and benefit social groups way beyond their boundaries –,” added Minister Moosa.
# Accommodation Concessions

<table>
<thead>
<tr>
<th>Concession</th>
<th>Preferred Bidder</th>
<th>Concession period</th>
<th>Beds</th>
<th>Capex investment</th>
<th>Direct jobs</th>
<th>Direct jobs Fees</th>
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<tbody>
<tr>
<td>Amanzimyama</td>
<td>IL Leisure</td>
<td>15yrs</td>
<td>24</td>
<td>R20m</td>
<td>45</td>
<td>R17m</td>
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<td>Cape Vidal Beach</td>
<td>Lubombo Hotels</td>
<td>30yrs</td>
<td>600</td>
<td>R231m</td>
<td>500</td>
<td>R258m</td>
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<tr>
<td>Cape Vidal</td>
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<tr>
<td>Bhangazi</td>
<td>IL Leisure</td>
<td>15yrs</td>
<td>50</td>
<td>R29m</td>
<td>99</td>
<td>R66m</td>
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<tr>
<td>eNkovukeni</td>
<td>Wilderness Safaris</td>
<td>15yrs</td>
<td>12</td>
<td>R3m</td>
<td>22</td>
<td>R4m</td>
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<tr>
<td>KwaDapha Complex</td>
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<td>15yrs</td>
<td>74</td>
<td>R26m</td>
<td>87</td>
<td>R29m</td>
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<tr>
<td>Ndolozi A</td>
<td>Akani Leisure</td>
<td>20yrs</td>
<td>50</td>
<td>R49m</td>
<td>56</td>
<td>R36m</td>
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<tr>
<td>Ndolozi B</td>
<td>Akani Leisure</td>
<td>20yrs</td>
<td>10</td>
<td>R21m</td>
<td>33</td>
<td>R25m</td>
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<tr>
<td>Perrier's Rock</td>
<td>Halycon Hotels</td>
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<td>64</td>
<td>R54m</td>
<td>81</td>
<td>R64m</td>
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<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td>884</td>
<td><strong>R432m</strong></td>
<td><strong>923</strong></td>
<td><strong>R501m</strong></td>
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</tbody>
</table>
Conclusion

• “Zero Harm” extends into our communities

• BHP Billiton is committed to developing communities in which we operate - partnerships

• Triple bottom line approach

• The sustainability of our operations are dependant on the support of the surrounding communities.

“RISKS CAN BE MANAGED”
The largest company in a consolidating sector

Market value of minerals industry  US$416 bn
Value of Top Five  US$179 bn
Value of BHP Billiton  US$ 56 bn

Source: Datastream
Deep inventory of projects

**BROWNFIELD**

- Cerrejon
- WAIO RGP
- GoM Infrastr.
- NWS 4th Train
- WAIO Acc’d Exp’n
- Dendrobium
- Paranam
- BMA
- Esc’da Sulphide
- Blackwater CPP
- Eagle Norte
- Esc’da Norte
- Broadmeadow
- Panda UG
- Klipspruit
- Escondida CPR
- Worsley
- WA Iron Ore Long Term Expansion

**GREENFIELD**

- Minerva
- Angostura
- Mad Dog
- ROD
- WAIO Acc’d Exp’n
- WA Iron Ore Long Term Expansion
- Escondida CPR
- Blackwater CPP
- Esc’da Sulphide
- Klipspruit
- Eagle Norte
- Broadmeadow
- Esc’da Norte
- GoM Infrastr.
- NWS 4th Train
- Dendrobium
- Paranam
- BMA
- WAIO RGP
- Cerrejon
- WAIO Acc’d Exp’n

As at 19 February 2004

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

$US 200m