

The background of the entire page is a close-up photograph of water with numerous small, concentric ripples. The lighting creates a play of light and dark blue/grey tones across the surface of the water.

# **BHP**

## **Sustainability Report 2017**

**Minera Escondida  
Pampa Norte**

# We are BHP, a leading global resources company.

**Our purpose is to create long-term shareholder value through the discovery, acquisition, development and marketing of natural resources.**

**Our strategy is to own and operate large, long-life, low-cost, expandable, upstream assets diversified by commodity, geography and market.**

### OUR VALUES:

#### **Sustainability**

Putting health and safety first, being environmentally responsible and supporting our communities.

#### **Integrity**

Doing what is right and doing what we say we will do.

#### **Respect**

Embracing openness, trust, teamwork, diversity and relationships that are mutually beneficial.

#### **Performance**

Achieving superior business results by stretching our capabilities.

#### **Simplicity**

Focusing our efforts on the things that matter most.

#### **Accountability**

Defining and accepting responsibility and delivering on our commitments.

### WE ARE SUCCESSFUL WHEN:

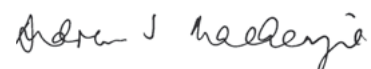
Our people start each day with a sense of purpose and end the day with a sense of accomplishment.

Our teams are inclusive and diverse.

Our communities, customers and suppliers value their relationships with us. Our asset portfolio is world-class and sustainably developed.

Our operational discipline and financial strength enables our future growth.

Our shareholders receive a superior return on their investment.



**Andrew Mackenzie**  
Chief Executive Officer

May 2017

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### ABOUT THIS REPORT

This Sustainability Report provides an account of the economic, environmental and social performance of the three operations of BHP in Chile between 1 January and 31 December 2017. It covers Minera Escondida and Pampa Norte (which includes Compañía Minera Cerro Colorado and Minera Spence), providing an integrated picture of their performance during the year.

As well as addressing the issues that are most important to both our internal and external stakeholders and the potential impacts, we report on the principal distinguishing aspects of the way in which BHP seeks to do business. This is the twelfth annual Sustainability Report published by the company in Chile. It was prepared in accordance with the Core option of the Global Reporting Initiative (GRI).

The last previous Report corresponded to 2016 and was published in June 2017.

The GRI Content Index for this Report can be found on [www.bhp.com](http://www.bhp.com) by going to Community/Community and Sustainability Reports, where it is necessary to search for "GRI Index Sustainability Report BHP Chile 2017".

Laguna Seca Plant,  
Minera Escondida.



## Message from the President



**We seek to strengthen our social licence through a process of continuous learning and hope the different stakeholders value our presence not only for our economic contribution, but also for the social capital that we are helping to build.**

We live in a globalised world that longs for and demands sustainable development. A society that expects to have access to information and for institutions and companies to be transparent. At BHP, we share this vision and strive to make it a reality in every decision we make. We understand that what was once considered an important and outstanding effort is today the basis for further progress.

In this context, I am pleased to present BHP Chile's Sustainability Report 2017 in which we report on our performance in areas such as health, safety, environment and our engagement with communities and society in general. We hope you will find valuable information about each of these areas in the report and you learn a little more about what we do.

At BHP, our main priority is the safety of people. This is why the most important result of the year was that all our workers returned home safe and healthy. In this area, we have significantly reduced high-potential incidents and established global programs to improve the quality of investigations, thus learning from these events and applying the lessons in the field with our leaders and workers. Our effort in safety can never be sufficient and for me it is a daily focus.

In the area of health, we are paying increasing attention to mental health, an area that represents increasing challenges for our workforce. We have

implemented awareness programs for this problem, which affects a significant proportion of society, and we have also provided tools to help our workers and their families to manage and mitigate its effects. We have also focused on reducing exposure to silica through the incorporation of new technologies and the redesign of activities.

In 2017, we celebrated important milestones in Antofagasta that reflect our unequivocal commitment to the region. The most prominent being; the approval and commencement of the Spence Growth Option (SGO) project that will extend the life of Spence by more than 50 years; the Kelar natural gas plant in Mejillones and the commencement of operations of the Escondida Water Supply (EWS).

We want to continue strengthening our sustainability indicators and improving our management of environmental issues. EWS is a fundamental part of this strategy, providing capacity of 2,500 litres per second of water for Escondida's processes, representing a pioneering initiative at the national level and moving us towards our goal of ceasing the use of fresh water from aquifers in our Chilean operations from 2030.

These milestones reflect our commitment to the country, the mining regions and communities of which we form a part. This commitment has been developed over the more than 30 years since we started our activities in Chile

and reinforces the vision with which we plan the future.

With this approach, we are continuing to advance the development of the sustainable mining that we all want. We also seek to strengthen our social licence through a process of continuous learning and hope the different stakeholders value our presence not only for our economic contribution, but also for the social capital that we are helping to build.

A handwritten signature in black ink, appearing to read 'Daniel Malchuk'.

**Daniel Malchuk**  
President BHP  
Minerals Americas



**We are a world-leading resources company. We extract and process minerals, oil and gas and our products are sold worldwide.**

**We have been present in Chile for over 30 years and hope to continue to be so for another 100 years and more.**

### ABOUT BHP

BHP is a world-leading company in diversified natural resources. With a presence in 12 countries, it is among the world's top producers of commodities that include oil, iron ore, copper and coal. BHP is listed on both the London and Australian stock exchanges.

In 2014, BHP launched a plan of profound restructuring of its assets in a bid to create a simpler, more agile and more efficient organisational structure. In March 2016, the company went on to announce a fundamental change in its way of working, essentially re-grouping its business units into three areas: Minerals Americas, Minerals Australia and Petroleum.

Together with the re-grouping of its operations by geographical area, BHP also standardised its processes globally, prior to simplifying and globalising the majority of functions. Through this model, which implies working as a global integrated team, BHP seeks to focus the efforts of its operational leaders on safety, culture, productivity and costs, with the common goal of achieving the best possible results.

On 1 September 2017, Ken MacKenzie became Chairman of the Board of Directors while the company's CEO is Andrew Mackenzie. BHP's headquarters are in Melbourne, Australia.

### MINERALS AMERICAS

Minerals Americas is the business unit that groups together BHP's mining operations in the American continent and it has its headquarters in Santiago, Chile. It comprises Minera Escondida Ltda. (57.5%) and Pampa Norte (Compañía Minera Cerro Colorado Ltda. and Minera Spence S.A.) in Chile, Potash (Canada) – as from 1 March 2017– and the following non-operated joint ventures: Antamina (Peru), Samarco and the Renova Foundation (Brazil), Cerrejón (Colombia), Resolution (United States) and Nimba (Guinea)<sup>1</sup>.

Since 2014, Daniel Malchuk, a Chilean, has served as President de BHP Minerals Americas.

<sup>1</sup>An asset located in Africa that forms part of the organisation of non-operated joint ventures that depend on Minerals Americas.



#### OUR OPERATIONS IN CHILE

BHP arrived in Chile in 1984 after acquiring Utah Corporation, which was then the main partner in Minera Escondida. In 2000, Billiton acquired Rio Algom whose assets included Spence and Cerro Colorado. In 2010, the Pampa Norte business unit was formed, bringing together these two operations.

With these three operations in its portfolio, BHP became the largest private player in Chile's mining industry.

#### ESCONDIDA

Escondida is one of the most important copper operations in Chile and the world. It is located in the Atacama Desert, 170 kilometres southeast of the city of Antofagasta, at 3,100 metres above sea level. It produces copper concentrate and cathodes from two open pits (Escondida and Escondida Norte). Copper concentrate is obtained through flotation of sulphide mineral while copper cathodes are obtained by leaching oxide mineral, bioleaching low-grade sulphides, solvent extraction and electrowinning.

Its current mine infrastructure comprises mineral crushing and transporting systems, three concentrator plants, two seawater desalination plants, two heap leach operations, two solvent extraction plants and an electrowinning plant as well as two slurry pipelines that

transport concentrate from the mine to the company's installations in Puerto Coloso where it is filtered and shipped to clients.

Minera Escondida's corporate offices are in the city of Antofagasta in northern Chile. The company's owners are BHP, the operator, with 57.5%, Río Tinto (30%) and Japan's JECO Corporation (10%) and JECO 2 Ltd. (2.5%).

Mauro Neves has been President of Minera Escondida since April 2017.

#### PAMPA NORTE

Pampa Norte is the business unit formed by Minera Spence S.A. and Minera Cerro Colorado Limitada.

Spence is an open-pit mine located in the Atacama Desert, in the Sierra Gorda municipal district of the Antofagasta Region, at 1,750 metres above sea level. It was the first BHP project to begin operation in the twenty-first century and has an associated leaching, solvent extraction and electrowinning process. It began producing cathodes in 2006 and, in 2017, launched the Spence Growth Option (SGO) project to start producing copper and molybdenum concentrate.

Cerro Colorado is located in the Pozo Almonte municipal district in the Pampa del Tamarugal area of the Tarapacá Region, at 2,600 metres above sea level. It is an open-pit operation

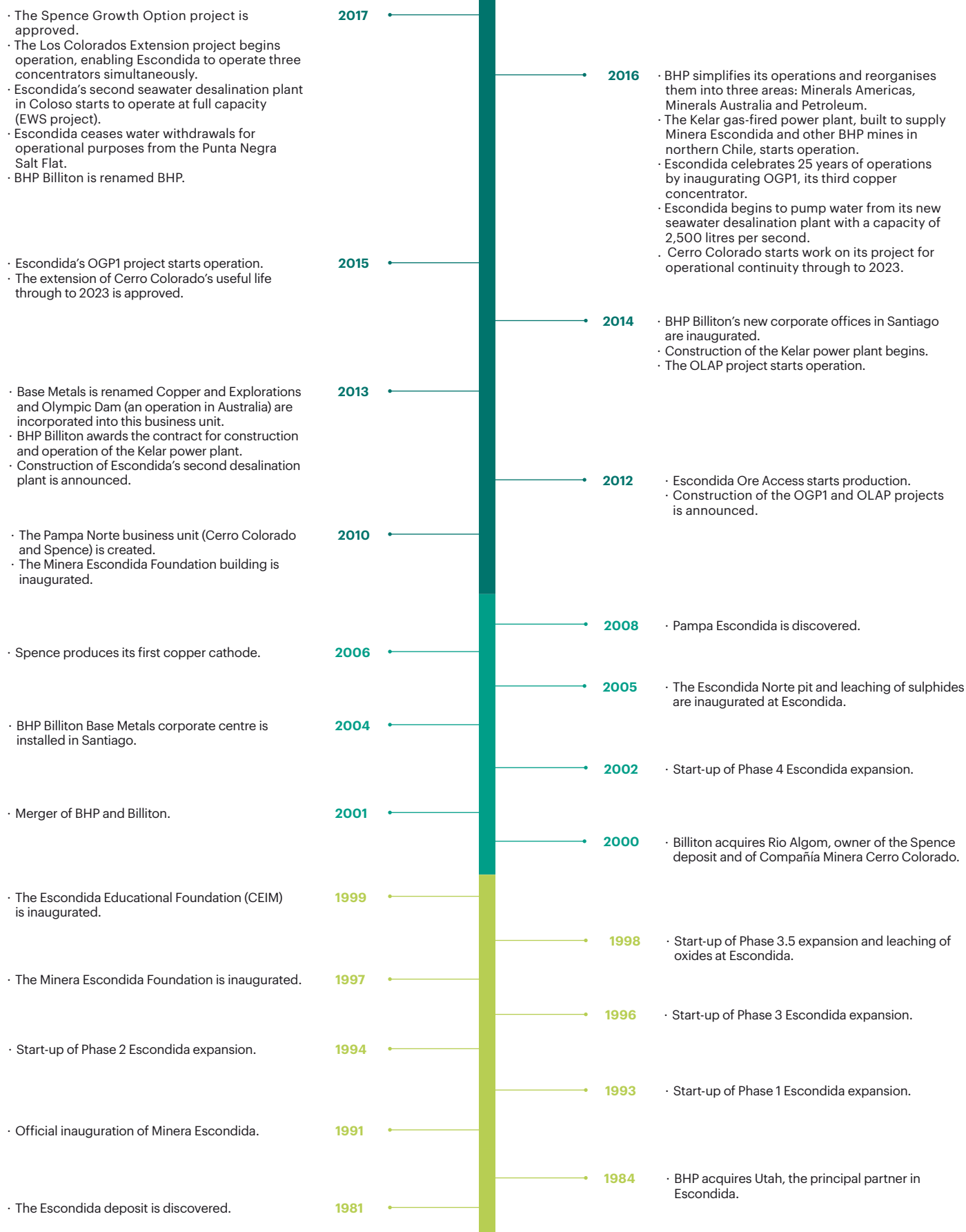
and processes the mineral using three crushing stages, heap leaching, solvent extraction and electrowinning.

It began production in 1994, with an expected useful life through to 2016. However, in September 2015, the Environmental Evaluation Commission (CEA) of the Tarapacá Region approved the Operational Continuity project that will prolong its life to 2023.

At the time this Report went to press, BHP announced an agreement to sell Cerro Colorado to EMR, an Australian private equity fund that has operations and projects in different countries.

Pampa Norte is 100% owned by BHP. Jorge Cortés has been President of Pampa Norte since 21 May 2018 when he replaced Kevin O'Kane, who left the company after 37 years, of which he spent 25 years in Chile.

## Línea del Tiempo





**We put health and safety first and are committed to being environmentally responsible and to supporting our communities.**

### OUR SUSTAINABILITY APPROACH

BHP's approach to sustainability is defined in Our Charter, the company's single most important corporate document, where we expressly establish our priorities.

We put health and safety first, we are responsible towards the environment, we respect human rights and we support the communities in which we operate.

In health and safety, we seek to identify and manage fatality risks, safeguarding both our own and contractors' employees, suppliers and the communities in which we operate, so that they remain safe and healthy.

We are committed to responsible management of the natural resources we use and focus on preventing and minimising impacts on the environment. Similarly, we strive to be part of the communities where we are present, fostering long-term relationships of trust that respect local cultures and generate lasting benefits.

Our Charter enables us to understand the purpose and values that inspire us as well as how we measure success. This document is complemented by our Code of Business Conduct, which helps us to put into practice the values to which we adhere.

In order to reinforce employees' awareness of the importance of sustainability, BHP has implemented

the HSEC Awards, an annual contest that recognises the best initiatives worldwide in Health, Safety, Environment and Community. In 2017, our operations in Chile obtained recognitions that included two first places in Health and Safety. Some of these initiatives are presented in this Report as case studies.

### ANALYSIS OF MATERIALITY

The content of this Report was defined in line with the issues of most interest to our stakeholders and the relevance they have for the company.

Our evaluation of materiality is carried out in accordance with the principles of the Global Reporting Initiative (GRI) and guarantees the provision of transparent information on key issues.

Material issues were listed by priority, based on interviews with different stakeholders and the review of public sources and corporate documents.



#### OUR MATERIAL ISSUES

- Our approach to sustainability: the way we address management of Health, Safety, Environment and Community; how we manage risks and ensure we operate with integrity.
- Our production results in 2017, taxation and exports; the initiatives we implemented to strengthen our operational performance and project our presence in Chile in the long term.
- Management of suppliers: amount of services hired, number of local suppliers and their distribution by operation and region.
- Health and safety management: our approach, tools, processes and key initiatives to protect the health and safety of people; our performance expressed as accidentability and fatality rates and number of people with work-related illnesses.
- Approach to labour relations: collective bargaining processes in 2017 and approach to work with trade union bodies.
- Impacts on health in our operations: the programs, projects and infrastructure we implement to protect employees' physical and mental health.
- Culture: progress on inclusion and diversity; our policies, programs and channels for developing people and strengthening the organisational culture.
- Responsible management of the environment, biodiversity and the strategic resources we need for our operations in each of their phases; the impacts we generate and the projects and plans we implement to manage and minimise them.
- Our relations with the communities of which we are part and with society in general: the social investment programs and projects we implement to contribute to local development and people's quality of life.
- Our approach to working with indigenous peoples: programs and initiatives we implement or support to contribute to their development according to the priorities defined independently by the indigenous communities in the vicinity of our operations.

## Sustainability Achievements 2017

### Safety



- All our employees went home safe and healthy.
- BHP Chile's average TRIF<sup>1</sup> was 2.1

### Health



- All our operations are implementing plans to control and reduce exposure to silica through specific projects.

### Environment



- We increased our operations' use of desalinated water by 118% and implemented water efficiency projects that represented a saving of 414 l/s.

### Communities



- We did not have any significant community incidents<sup>2</sup> at our operations.
- In 2017, our social investment reached US\$28 million and we acquired products and services for US\$3,318 million from Chilean suppliers.

These achievements are in line with BHP's FY2018-FY2022 sustainability targets and its long-term objectives, which are reported in the financial year. For further information, see BHP's 2017 Sustainability Report, which is available on [bhp.com](http://bhp.com).

<sup>1</sup> The TRIF is calculated as the number of recordable incidents per million hours worked.

<sup>2</sup> A significant incident, caused by an operation controlled by BHP, is one that is classified as 4 or above on a severity scale (1 to 7) defined in our corporate risk management documents.



**In our actions, processes, systems and interactions with our different stakeholders, we seek to comply with Our Charter, whose values are the guide for carrying out our work ethically and responsibly.**

### CODE OF BUSINESS CONDUCT

Our Code of Business Conduct indicates how we should put the values of Our Charter into practice and establishes standards of behaviour for those who work at BHP or represent it.

Through compliance with it, we seek to promote a culture of respect within the organisation, to do the right thing and to honour our commitments. It also helps us to preserve trust and build solid relationships with our stakeholders, maintain ethical and responsible commercial practices and manage the business in line with high standards of integrity.

All those who form part of the organisation must comply with the guidelines of this Code and undertake annual training in it. That includes the company's directors, senior managers, other employees, contractors and suppliers (when they are governed by specific contractual obligations).

The Code clearly defines our obligations when faced with cases in which people can be exposed to situations that put compliance at risk.

### ETHICSPPOINT

We have mechanisms through which both our internal and external stakeholders can communicate any complaints or concerns in this field. One particularly important mechanism is the EthicsPoint. This multilingual service, which is available 24 hours a day, is specially designed as a confidential channel for enquiries and concerns about business conduct that may be at odds with our values and ethical business standards. The cases reported are valued by the company which investigates them appropriately, allowing it to take the corresponding corrective measures.

EthicsPoint is managed by an independent third party and concerns can be raised anonymously if the person so wishes. BHP rejects all forms of reprisal against any person who raises a concern or participates in an investigation of this type.



#### COMPLIANCE PROGRAM

The way we conduct our business is as important as the spirit of the law, which implies working in an integral and responsible manner.

The Compliance Program provides the basis for assessing the risks to which our business is exposed in this field and advising on the implementation of mitigation measures. The risks considered are related mainly to corruption, asset laundering, the financing of terrorism, transactions with institutions or persons who have received sanctions, and acts at odds with free competition.

This Program includes the design, implementation and monitoring of controls that are identified as critical. It is applicable to all the organisation and also covers aspects specific to Chilean legislation since, as an international company, our work is governed by the laws and regulation of the countries where we operate.

A fundamental aim of the Program is to create awareness and share knowledge within the organisation about these risks.

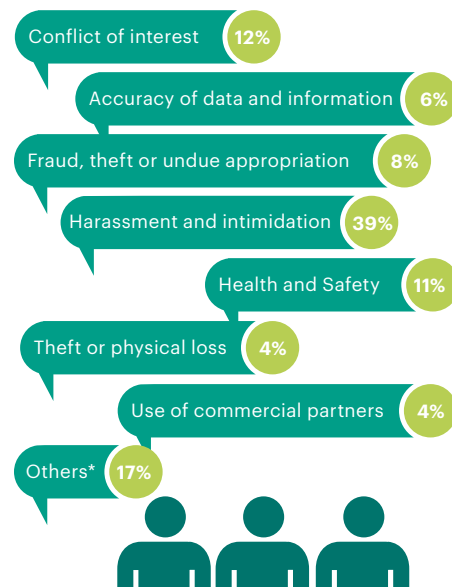
In 2017, the percentage of employees who, in line with their role, received in-person training on anti-corruption issues (including aspects for crime prevention) and free competition reached 98% and 97%, respectively.

#### STAKEHOLDER RELATIONS

We seek to promote relations of understanding with our stakeholders, giving priority to seeking opportunities for the creation of shared value.

In the Appendix on page 51, there is a table listing our stakeholders in Chile and the methods we use to relate with them.

#### EthicsPoint cases in Chile by category



\*: Use of alcohol, drugs and tobacco; asking a question; behaviour, competition and anti-monopoly; cybersecurity; community relations; equality in employment; fraud, theft or undue appropriation; loss of property of BHP or an employee; intellectual property; maintaining relations with suppliers; performance; protection of BHP assets; undue dismissal.

Total: 119 cases.

# PERFOR MANCE

*Worker in the Laguna Seca  
concentrator, Minera Escondida.*



**In 2017, we produced  
1,190,142 tonnes of fine  
copper, accounting for  
21.6% of Chile's output and  
5.9% of world output**



*Samples of copper cathodes,  
Minera Escondida.*

**We acquired products  
and services for  
US\$3,318 million from  
1,874 Chilean suppliers**





**We are the main private company of copper mining in Chile and, from that position, we seek to contribute to the economic and social development of the country.**

**To this end, we foster a model of work based on our priorities of safety, productivity and culture and implement projects that allow us to sustain our activities in the long term.**

Mining makes a significant contribution to Chile's national income, tax revenues (US\$2,644 million in 2017), the creation of business and employment opportunities and the country's growth. Copper, in particular, has a decisive impact on the national economy.

Chile is the world's largest copper producer, with an output of 5.5 million tonnes<sup>1</sup> in 2017, equivalent to 27.2% of world production.

In addition, copper continues to be the country's main export, accounting for 49.1% of the total value exported in 2017.

BHP is the largest private player in Chile's copper industry. Its three operations produced 1,190,142 tonnes in 2017, equivalent to 21.6% of the country's total output and close to 6% of world production. The company's exports, at US\$6,570.3 million, represented approximately 19% of total exports of Chilean copper.

As well as its contribution as the country's main source of foreign currency, the copper mining industry has an indirect impact on the national and regional economy through its different multiplier effects.

Our contribution to society is reflected in more detail in the distribution of value added which, in 2017, totalled US\$7,816 million<sup>3</sup> considering Minera Escondida and Pampa Norte.

Total payments to Chilean suppliers reached US\$3,318 million.

### PERFORMANCE OF OPERATIONS

In 2017, Escondida produced 925,414 tonnes, comprising 687,440 tonnes of copper contained in concentrate and 237,974 tonnes of cathodes. This represented a drop of 8% on the previous year that was explained by lower ore grades, the 44-day strike that affected the operation in February and March and climate events of June that meant a temporary suspension of operations.

In the second half of the year, production at Escondida was up by 29% on the same period in 2016, due principally to the start-up of the extension of the Los Colorados concentrator.

Escondida's second seawater desalination plant (EWS) reached full capacity in 2017. The plant is located in Puerto Coloso, south of Antofagasta, alongside the company's first desalination plant which has been in

<sup>1</sup> Source: Chilean Copper Commission (COCHILCO).

<sup>2</sup> Source: Central Bank of Chile.

<sup>3</sup> Value added corresponds to economic value distributed which includes, among other elements, operating costs, employees' wages and benefits, other payments to third parties, taxes and investment in the community.

## CASE STUDY: KELAR POWER PLANT



### Reducing our carbon footprint

The Kelar plant is a natural gas-fired power plant, located in Mejillones in the Antofagasta Region. Its maximum net power of 517 MW makes it the largest plant of its type in northern Chile. Technologically designed to be one of the cleanest, safest and most reliable systems, its objective is to supply the growing energy demand of the company's operations.

In 2012, BHP decided to modify the original Kelar project - which consisted in the installation and operation of two coal-fired thermoelectric units - in order to ensure a cleaner and more sustainable supply of power for its operations.

Kelar has not only displaced power plants that use more polluting fuels (thanks to which, it will avoid estimated emissions of at least 750,000 tonnes of carbon dioxide in the current calendar year,) but, due to its flexibility and start-up speed, has also facilitated a greater integration of renewable energies, principally wind and solar, into the grid. In this sense, it serves

as a bridge from which to advance towards the energy transformation Chile needs.

With an estimated useful life of 30 years, it is one more example of the development and growth plan that allows us to project our operations into the future. It forms part of our strategy and goal to remain in Chile for many years more, producing copper safely and sustainably.

The plant's financing, design, construction and operation were entrusted to a consortium formed by Korea Southern Power Co. and Samsung C & T Corp. The initiative represented an investment of US\$600 million.

### Key Figures, 2017

Operating Data	Unit	Pampa Norte		Minera Escondida	Total BHP Chile
		Cerro Colorado	Spence		
Total fine copper production	fmt	66.165	198.563	925.414	1.190.142
Share of Chilean copper production	%	1,2	3,6	16,8	21,6
Sales	US\$ million	1.689		6.364	8.053
Direct employees <sup>(1)</sup>	Employees	1.046	1.199	3.578	6.552
Contractors' employees <sup>(2)</sup>	FTE <sup>(3)</sup>	2.428		6.249	8.677
Investment in community	US\$ million	3,8		24,2	28
N° of local suppliers <sup>(4)</sup>	Suppliers				562
Percentage of local suppliers <sup>(5)</sup>	%				28,06%

(1) Includes Santiago office.

(2) Includes contractors in Santiago.

(3) Full-Time Equivalent.

(4) Includes the three operations. A local supplier is a company belonging to one of the regions in which the operations are located; in this case the Tarapacá and Antofagasta Regions.

(5) Calculated as a percentage of total Chilean suppliers.



operation since 2006.

Pampa Norte produced 264,728 tonnes of high-purity copper cathodes in 2017, up by 9% from 241,493 tonnes in 2016. Out of this total, 198,563 tonnes corresponded to Spence and 66,165 tonnes to Cerro Colorado.

In 2017, BHP's Board of Directors approved the Spence Growth Option (SGO) project to extend the life of this operation by more than 50 years through the construction of a concentrator plant and related installations for the exploitation of the sulphide resources located beneath the current pit.

#### BUSSINESS STRATEGY

BHP's global strategy is to own and operate large, long-life, low-cost and expandable assets diversified by commodity, geography and market.

Our investment plan focuses on maintaining production and increasing productivity, aspects that are essential to counteract the natural decline of deposits and maintain the profile of the operation.

#### EXPLORATIONS

Exploration activity is key to BHP's growth strategy.

In 2017, our activities focused on the search for large copper deposits in Chile, Peru, Ecuador, the United States, Canada and Australia.

In Chile, the United States and Australia, targets in exploration properties were identified and tested, implying some 9,800 metres of drilling and 490 kilometres of geophysical activities. In Peru and Canada, reconnaissance work was carried out to identify targets for 2018 while, in Ecuador, Explorations opened an office, successfully implementing the plan to enter this country.

In order to generate projects, our geologists actively seek new opportunities, both within BHP concessions and in third-party properties, around the world. This allows us to have a diversified, high-quality and long-term portfolio.

#### VALUE CHAIN MANAGMENT

We relate to our suppliers of goods and services under a commercial framework aligned with the values of Our Charter and national and international norms and regulatory frameworks.

We engage actively with suppliers throughout the purchasing process in order to ensure their compliance with these legal requirements and our standards on health, safety, the environment and community.

#### SUPPLY INNOVATION

Building on the lessons learned through the World-Class Supplier Program, a new

open innovation program for the mining industry was created at the beginning of 2017. Known as Expande, it is led by Fundación Chile, BHP, Codelco and Antofagasta Minerals.

It seeks to contribute to the quest for technological solutions by linking mining companies with suppliers and other players such as universities, the government, investment funds, the banking sector, export promotion agencies and international networks of knowledge.

In collaboration with Expande, we launched 10 operational challenges in 2017, related to key issues that include the reduction of health and safety risks, water efficiency and increased productivity in concentrators and the dry area (crushing and conveyor belts).

Through our Supply Innovation area, we seek to consolidate a model of growth that is sustainable beyond the exploitation of current deposits and accelerates the development of innovative capabilities that put us on a better footing to address the industry's competitiveness and productivity challenges.

#### CONTRIBUTION TO THE FUNDACIÓN CHILE

Since 2005, we have sought to consolidate Fundación Chile financially. For more than three decades, this private non-profit corporation has



### More than 50 years of life for Spence

In August 2017, BHP's Board of Directors approved an investment of US\$2,460 million for the Spence Growth Option (SGO) project, which will extend the operation's life by more than 50 years. With SGO, Spence will change the way it operates and begin to produce copper and molybdenum concentrate.

The project includes the design, engineering and construction of a conventional sulphide concentrator, with a nominal capacity of 95,000 tonnes per day. In its first 10 years of operation, annual incremental production will be approximately 185,000 tonnes of copper in the form of concentrate and 4,000 tonnes of

molybdenum, with an estimated starting date of 2021. Current production of copper cathodes will continue until 2025.

To supply the water that Spence will require for its new processes, SGO also envisages the construction of a seawater desalination plant on Mejillones Bay, with a design capacity of approximately 1,000 litres per second of industrial quality water. The plant will be built and operated by a third party, who will transfer it to Spence after 20 years. As a result, the mine will operate with 100% desalinated water.

Through SGO, we are also reinforcing our commitment to fostering inclusion and diversity in our work teams. Our

objectives, therefore, include the hiring of people from the local community and, once the project is completed, we aspire to gender parity in the operations team. We will also be encouraging our construction contractors to have a diverse workforce.

With this initiative, the company is projecting its presence in the Antofagasta Region over the coming decades and is taking a consistent step in its strategy of delivering higher copper production in a sustainable manner, taking advantage of the potential of Spence's large and high-quality resources.

played a leading role in the introduction of high-impact innovations to address the country's challenges as regards sustainability and the development of human capital. In this way, it has helped to increase the competitiveness and globalisation of different sectors of the economy, including mining.

Under this strategic alliance, BHP - represented by Minera Escondida - became a partner in Fundación Chile and forms part of its Board of Directors.

### ALLIANCES AND DISTINCTIONS 2017

#### ALLIANCES

BHP is a member of the principal international organisations related to sustainability issues. They include:

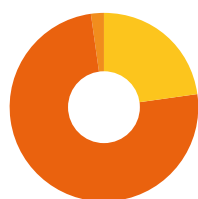
- International Council on Mining and Metals (ICMM). Through our membership of this organisation, we are committed to aligning our management standards and practices with its sustainability framework.
- UN Global Compact. BHP signed this pact in 2003, adhering to the 10 universal principles on human rights,

labour standards, the environment and anti-corruption.

- World Business Council for Sustainable Development (WBCSD). This organisation brings together over 200 companies and works exclusively to promote sustainable development.
- International Copper Association (ICA). This leading international organisation for the promotion of copper has around 500 associates and is active in approximately 60 countries.
- Transparency International (IT). This global civil society organisation leads the fight against corruption.



## Procurement from Chilean suppliers (US\$ million)



2017

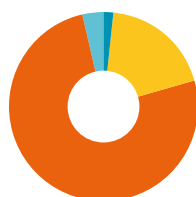
- Pampa Norte 23%
- Minera Escondida 75%
- BHP Santiago 2%
- Total: 3.318

No. of Chilean suppliers<sup>1</sup>

2017

- Pampa Norte 36%
- Minera Escondida 48,5%
- BHP Santiago 15,5%
- Total: 1.874

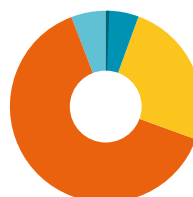
## Distribution of national suppliers, BHP Chile / Expenditure by region (US\$ million)



2017

- Arica y Parinacota 0,0%
- Tarapacá 1,7%
- Antofagasta 18,9%
- Santiago Metropolitan 75,9%
- Other regions 3,4%
- Total: 3.318

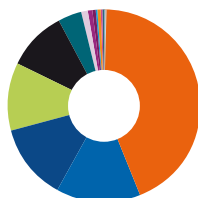
## No. by region



2017

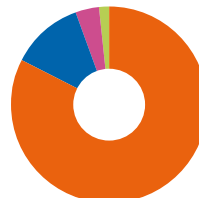
- Arica y Parinacota 0,3%
- Tarapacá 6,6%
- Antofagasta 23,4%
- Santiago Metropolitan 63,5%
- Other regions 6,2%
- Total: 1.874

## Destination of sales



2017 / By Country

- China 44,15%
- Japan 14,08%
- India 12,82%
- Chile 11,24%
- South Korea 10,14%
- United States 3,99%
- Taiwan 1,26%
- Brazil 0,59%
- Netherlands 0,45%
- Italy 0,41%
- Bulgaria 0,38%
- Spain 0,23%
- United Arab Emirates 0,10%
- Thailand 0,10%
- Germany 0,05%
- Indonesia 0,02%
- Total: 1.191.135 tonnes



2017 / By Continent

- Asia 82,66%
- South America 11,84%
- North America 3,99%
- Europe 1,51%
- Total: 1.191.135

<sup>1</sup> In order to calculate the percentage of Chilean suppliers by business and at the BHP Minerals Americas corporate level, a base of 2,618 suppliers was used since the figure of 1,874 refers to the total of unique suppliers.



### Escondida operates three concentrators

In September 2017, with the ramp-up of the Los Colorados concentrator extension project, Minera Escondida became the first mining site in the world to operate three concentrators simultaneously (the others are the Laguna Seca and OGP1 plants). As a result, it achieved a processing capacity of more than 400,000 tonnes per day.

This is a key initiative for Escondida's long-term strategy since it will allow it to offset the natural decline in ore grades and take annual production back to an average of around 1.2 million tonnes of fine copper for a decade.

The Los Colorados extension brought Escondida's oldest concentrator back into operation, extending its useful life for 10 years, with a treatment capacity of close to 100,000 tonnes per day. The initiative required an investment of the order of US\$180 million.

In Chile, BHP belongs to the following industry organisations:

- Mining Council A.G. This business association brings together the largest copper, gold, silver and molybdenum producers that operate in the country.
- National Mining Society (SONAMI). This association represents large, mid-sized and small metallic and non-metallic mining companies.

Además, BHP Chile está particularmente involucrada en las siguientes iniciativas público-privadas:

- Alianza Valor Minera. This institution seeks to represent the plurality of interests that coexist in the sector. The strategic pillars of its work point to a virtuous, inclusive and sustainable mining industry.
- National High-Grade Mining Program. The main objective of this initiative, spearheaded by the government's Economic Development Agency (CORFO) and the Mining Ministry and coordinated by Fundación Chile, is to strengthen productivity, competitiveness and innovation in Chile's mining industry and among its suppliers.

At the local level, we participate in the Regional Mining Working Groups in Iquique and Antofagasta, in the Iquique and Antofagasta Industrialists' Associations and in the Mining Safety Councils of the Tarapacá and Antofagasta Regions.

### RECOGNITIONS

In 2017, the company received the following recognitions:

- Minera Escondida received the Outstanding Strategic Partner of 2017 Award from the Chile's Association of Industrial Suppliers of the Mining Industry (APRIMIN). This award recognises the mining company that has stood out in strengthening its relationship with suppliers of goods and services for the sector.
- Minera Escondida's Water Supply (EWS) project received the Industrial Desalination Plant of the Year Prize at the Global Water Awards 2017, an event organised by Global Water Intelligence. The organisation indicated that the plant has demonstrated the viability of large-scale desalination for mining operations in Chile and set new standards for all the industry.

PEOPLE

Worker in the Truck Shop,  
Cerro Colorado.



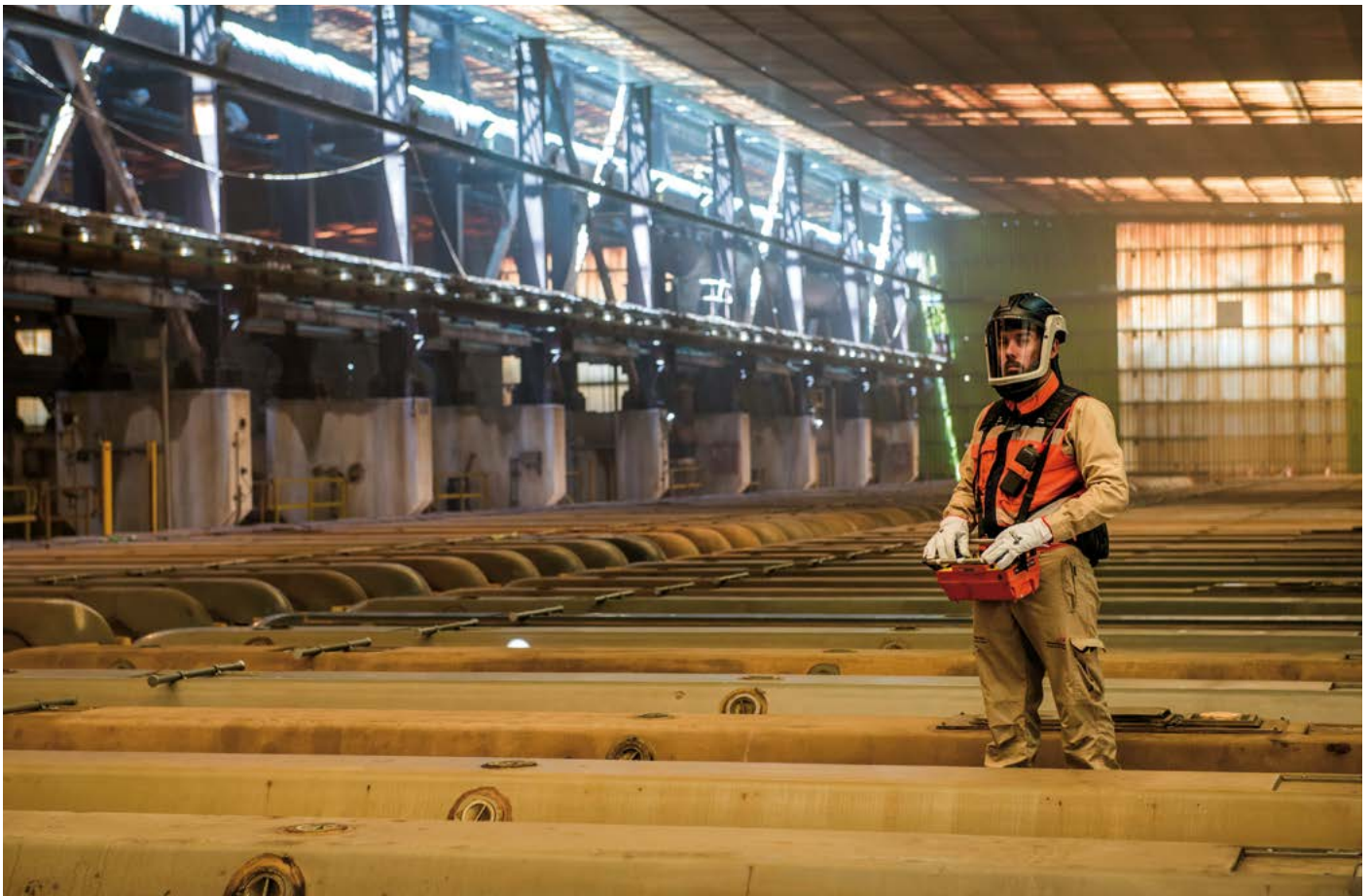


**In 2017, we increased the  
percentage of women in  
our workforce to 15% and  
continued to advance  
towards our goal of gender  
parity by 2025**

*Worker in the Truck Shop,  
Minera Spence.*

**Our Total Recordable  
Injury Frequency Rate  
(TRIF) was 2.1, in line  
with our undertakings for  
the period**





**We promote a work environment that safeguards our employees' health and safety and in which they can all develop and achieve their maximum potential.**

### **SAFETY**

#### **OUR APPROACH**

Our employees' safety is our top priority.

We must understand, manage, control and, wherever possible, eliminate the safety risks of our business in order to have a workplace free of fatalities.

A critical aspect of our management is to identify, control and eliminate risks opportunely. In addition, we make a point of communicating safety events so as to share their lessons and improve the quality of corrective and preventive actions and avoid their recurrence.

#### **MODEL OF CONTRACT MANAGEMENT**

In line with our objective of improving our safety performance, we strengthened this aspect of management of contractors and, at Minerals Americas, introduced a new model of management of standard contracts in 2017.

This model completely separates commercial evaluation from safety risk assessment. A low-cost contract but with a high safety risk is, for example, classified as "high complexity" and, in other words, we put safety above cost.

#### **OUR PERFORMANCE**

In 2017, we reinforced our work on safety across all operations. In line with this, we began to incorporate the four steps of the Field Leadership Program (Layered

Audit and Coaching, Critical Control Observation, Planned Task Observation and Take Time Talk) into our routines. By allowing the different positions and levels of both employees and contractors to carry out standardised activities in the field, this fosters cultural change and improves safety results through committed leaders who are present in the field.

Across all Minerals Americas operations, we also standardised the 10 most recurrent risks, which account for approximately 97% of our significant events. This served to unify criteria and standardise best practices as a means of having a common approach across all sites and projects as well as explorations.

We measure our safety goals by financial year but, in the 2017 calendar year, the average TRIF of our operations in Chile was 2.1 per million hours worked.

Although this result was in line with our undertakings for the period, we remain alert and focused on maintaining the safety of our workers.

### **CULTURE**

#### **OUR FOCUS**

At BHP, we believe that culture is the basis for achieving our safety and productivity goals.

We foster a culture in which our employees are motivated, feel valued

## Case Study: CONTROL OF BLASTING TO REDUCE EXPOSURE TO SILICA



One very important initiative as regards reducing workers' exposure is the project to reduce exposure to silica during blasting work. Implemented by Minera Escondida in 2017, it consists in the use of atomisers and water tanks attached to earth-moving equipment to abate dust by spraying water mist directly over its source. This decreases potential exposure to silica by between 51% and 66% as well as significantly improving the working environment for operations.

Following verification of the measure's effectiveness, it is now a technical specification for the machinery used for blasting at Escondida and is being shared with all other BHP operations.

The system has the advantage of being easy to replicate and having low maintenance and installation costs.

This innovative project won the People's Choice Award at BHP's 2017 HSEC Awards.

for their contribution and have opportunities to develop and achieve their full potential.

We aspire to be an inclusive and diverse company where everyone feels comfortable and, therefore, able to give the best of themselves. In pursuit of this objective, we promote equal opportunities of work, development and promotion, without discrimination by gender, nationality, ethnic origin, different capabilities, way of thinking or sexual orientation.

We promote people based on merit and seek to eliminate any form of discrimination for which purpose we have established processes and systems.

One of our priorities is to build relationships of trust and credibility with employees, based on mutual respect. We strive to achieve results that are beneficial for them and the company and we are committed to compliance with the laws and regulation that govern workers' rights.

### PERFORMANCE ON CULTURE

In order to measure our performance on culture, we carry out an annual Employee Perception Survey

(EPS) across all our operations. Answering this survey is voluntary and it allows our employees to express an honest opinion about their experience of working for the company.

The results are key for identifying areas on which we should focus attention.

One example of this was the launch of the first phase of Flexible Work, which marked the start of a new cultural path for the organisation. This initiative was a response to the results of the survey which, among other things, highlighted the value that employees attach to working in a flexible environment that permits a better balance between personal and work life.

The results of the EPS have also generated other initiatives that are transversal to the organisation, such as the Mental Health Program, which began to be implemented in 2016.

### INCLUSION AND DIVERSITY

In 2017, as part of our inclusion and diversity agenda, we set up the Local Inclusion and Diversity Council, formed by representatives of different areas of the organisation. This Council defined a strategy, set priorities and implemented a plan of action.

The progress achieved during the year included an analysis of the state of maturity of Inclusion and Diversity (I&D) at Minerals Americas, the launch of Flexible Work in our corporate offices and our support for the Gender Parity Initiative, a public-private partnership to promote gender equity in Chile.

The Inclusion and Diversity Council

also agreed to include Disabilities and Indigenous Peoples as specific priorities in the I&D strategy for the region. Work in these areas will focus on matters that include understanding current Chilean legislation and its impacts for the company and analysing and defining an inclusive standard for people with disabilities. In addition, a work plan is being developed to promote the selection, recruitment and retention of persons belonging to indigenous peoples in the operations' areas of influence, with active undertakings and goals that allow us to contribute to the economic empowerment of these peoples.

At the global level, BHP has set itself the goal of achieving gender balance in all its operations by 2025 and of being a company with a diverse and inclusive workforce.

In the case of BHP in Chile, women accounted for 15% of our workforce at end-2017, up from 13.3% in 2016.

### LABOUR RELATIONS

As an important player in Chile's mining industry, we understand the importance of labour relations that recognise people's contribution and ensure the long-term sustainability of our operations.

In line with this, we provide proper guarantees of full respect for our

## Case Study: INCREASED SAFETY IN HOPPER CHANGES

Changing a truck's hopper is one of the highest-risk tasks carried out by the mine maintenance area because the lifting of this high-tonnage component traditionally takes place outdoors, using two mobile cranes. In addition to the complexity of operating two independent cranes, this means exposure to weather conditions, particularly wind - which can cause unexpected movements of the hopper - and rain.

The biggest risk of this way of performing the task is that the mobile cranes could overturn or collide during the manoeuvre.

Spence developed and began to implement a project to change hoppers inside the Truck Shop, using two existing bridge cranes in a tandem configuration (operated by a single remote control). This eliminates the risk of the cranes overturning or colliding as well as the weather factor.

Spence is the only operation in Chile's large-scale mining industry to change hoppers in this way. This



project obtained first place in the Safety Excellence category at BHP's 2017 HSEC Awards.

employees' labour rights as well as their collective instruments. We seek to maintain honest and permanent dialogue in the framework of compliance with Our Charter of values and the legislation in force.

As of the end of 2017, 86.5% of our employees were covered by collective contracts.

### COLLECTIVE NEGOTIATIONS AT ESCONDIDA

Escondida's Union N°1, which represents operators and maintenance personnel, called a 44-day strike - starting on 9 February 2017- in the framework of the collective bargaining process. The strike ended on March 24, after the Union announced its decision to invoke Article 369 of Chile's Labour Code, thereby extending for 18 months the collective contract that had expired on 31 January 2017.

On that day, the company activated a plan to restart operations so that its own and contractors' employees could gradually resume their work and production could be re-established safely. The mine resumed full operation at the end of April.

In July, Minera Escondida and the leaders of Union N°1 reached an agreement on renewal of the exceptional shifts, permitting the start of the process of renewal or authorisation of the 7x7 shift system

in force and authorisation of a 4x3 system by the government's Directorate of Labour, prior to its approval and full application.

In October 2017, as a result of negotiations ahead of the legal deadline, the company and Escondida Union N°2, which represents supervisors and staff, signed a new collective agreement with a duration of 36 months (the previous contract expired in December 2017).

### RATIONALISATION PLAN

As part of its constant focus on organising, adjusting and modifying processes so as to remain competitive in the market and sustainable over time, Minera Escondida announced a rationalisation plan at the end of November 2017. This involved around 3% of its workforce, equivalent to some 120 employees, including supervisors, operators and maintenance personnel.

Escondida publicly informed that it took this decision following a critical assessment of its operational situation and the resources required to carry out its activities.

### CODE OF CONDUCT AND ETHICSPPOINT

As indicated in the chapter on Governance, Ethics and Compliance, we seek, through Our Charter and our Code of Business Conduct, to foster a culture

in which we respect and care for each other, do what is right and what we have promised and feel comfortable to say what we think.

This is why we ask all the company's employees to participate in annual training in order to regularly update their knowledge and understanding of the obligations established in our Code of Business Conduct.

In 2017, around 97% of BHP Chile's employees participated in this training.

As also indicated in the section on Governance (page 10), we have in place a number of mechanisms that facilitate open expression of the complaints or concerns which our own employees, contractors' employees and stakeholders in general may have. One of the most important of these mechanisms is the EthicsPoint.

The information it receives is valued and investigated by the company and helps us to improve and protect our values.

### TRAINING AND DEVELOPMENT

At BHP, we want all our employees to have the opportunity to grow, achieve their potential and have productive and meaningful work experiences. To this end, we implement training plans designed to develop the capabilities needed to support the requirements of the business, enhance the skills of our

## Case Study: FIRST WOMAN SHOVEL OPERATOR AT ESCONDIDA



Cristina Ledezma González is an extraction equipment operator who has been with the company for 13 years. After undertaking training in the operation of electromechanical shovels, she became Minera Escondida's first woman shovel operator, a position that requires great technical skill. This marked a milestone in women's inclusion in mining.

Since joining the company, her goal had been to operate high-tonnage machinery - a goal she was able to achieve, thanks to the company's career development plans, which allow employees to grow in their professional training and enrich their contribution to the production process.

Like Cristina, we want more women to contribute with their human and professional potential to the development of Escondida and its leadership on inclusion and diversity.

employees and, in this way, strengthen the effectiveness of our workforce.

We know that training is a huge challenge for the mining industry globally, given the increasingly complex and difficult scenario it faces.

We boost our people's skills through regular reviews of performance and operational results, combined with robust development programs that seek principally to increase productivity.

We also have a performance improvement plan, headed by our leaders, whose aim is to help employees progress on a daily basis. Through regular "one-on-one" conversations, we foster feedback on expectations about employees' performance and how to improve their current role and future roles.

Our aim in this field is to build a high-performance organisation with a model that provides fair recognition for employees.

In Chile, BHP is a member of the Mining Skills Council (CCM), an initiative of the Mining Council on which it is advised by Innovum Fundación Chile. Its purpose is to provide information, standards and tools for adapting the training of technicians and professionals to the needs of the mining labour market in both qualitative and quantitative terms.

## HEALTH

### OUR APPROACH

We work constantly to protect the health and well-being of employees and contractors. We are aware that, in our workplaces, we can be exposed to harmful agents and health risks. To prevent occupational illnesses and injuries, we identify and evaluate risk factors, manage their impact and monitor our employees' state of health. We also manage work-related injuries or illnesses and support our workforce so that it is physically and mentally healthy.

### EXPOSURE TO DUST AND SILICA

One of our key objectives is to keep our employees free of occupational illnesses. Our goals and management in this field are guided by levels of internal compliance with the standards established by the Occupational Safety and Health Administration (OSHA) of the United States.

All our operations have plans to control and reduce exposure to silica through specific projects and we give priority to design and engineering controls that are monitored annually.

According to the Chilean norm, 1,661 people were exposed to silica, including our own and contractors' employees.

## OCCUPATIONAL HEALTH RISKS

In order to guard against fatal accidents, injuries and operational incidents caused by fatigue and drowsiness, we have special programs for operators of high-tonnage equipment. They include provision of the conditions for resting properly, early detection of health problems that can cause fatigue and the corresponding treatment as well as the implementation of fatigue alert devices for operators.

Alcohol and drug programs have been implemented at all our sites in compliance with legal requirements. As well as testing, we have access to rehabilitation for those employees who voluntarily request it.

Surveys have been carried out at our operations in order to identify ergonomic factors which pose a risk to the upper extremities and prioritise projects to reduce these risks.

In addition, we implement regular preventive medical surveillance programs for the early detection of work-related health problems.

As calculated according to the Chilean norm, we had four employees with occupational illnesses in 2017.

To date, no cases of silicosis have occurred at our operations.

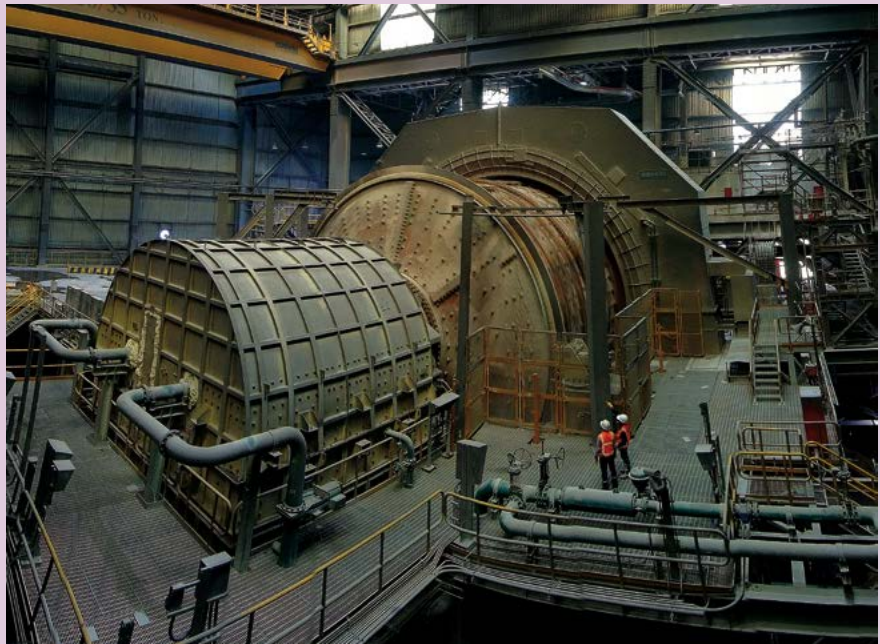
## Case Study: TECHNOLOGICAL IMPROVEMENTS IN THE SAG MILL

**In 2017, we incorporated new technologies that allow our people to work more safely.**

Changing mill linings is a critical maintenance activity in the concentrator, due to the time involved and the associated risks. In particular, the installation of bolts for attaching the lining, when done from inside the mill, exposes people to the risk of crushing by interaction with the relining machine.

In order to eliminate this material risk, we implemented a steel-rubber solution (Megaliner) that fulfils the same operational function as a welded liner. These liners are lighter, reduce the number of pieces and can be bolted on from outside the mill (Boss Bolt System), eliminating the exposure of personnel that occurs when the task is carried out inside the mill.

In this way, it was possible not only to avoid the risk of a fatality by crushing, but also reduce the time required to change linings (from 100 to 75 hours), with the resulting increase in mill availability.



## Case Study: RAPID RESULTS AT SPENCE AND QUALITY CIRCLES AT ESCONDIDA



At BHP, we are constantly seeking to improve and advance in culture, productivity and safety by promoting initiatives that directly involve our employees.

One example of this is Spence's Rapid Results Plan. It is a structured process that helps the operation implement solutions and build its work teams' capabilities. In 2017, four large groups were formed to work on projects that took 100 days and involved great creative energy on the part of multidisciplinary teams drawn from different areas and shifts. Each group set itself not only an overall objective but also a daily objective that could be measured and whose results were shared with all the organisation. In view of the success of the first stage of the program, its implementation will continue

in 2018, with new equipment and projects under development. Escondida's Quality Circles initiative also points in the same direction. In 2017, 75 Circles were established, involving more than 500 employees. This method is part of the continuous improvement approach and seeks to strengthen our capacity to listen through the implementation of solutions proposed by employees.

In this case, they meet voluntarily to find solutions to common problems and, in this way, improve their work. The program's aim is to create awareness that the company's development depends on all and each of its members working as a team and exchanging experiences and knowledge.

## Case Study: LEADERSHIP IN THE FIELD

### Strengthening our culture of safety

In July 2017, BHP began to implement its Field Leadership Program globally. The aim is to promote a cultural change in the way we think about and practice safety in the workplace, through visible leaders and work teams that are committed to self-care.

It is applicable to contractors' employees as well as our own employees across all our operations, projects and explorations.

Through this initiative, we are seeking to ensure that our leaders spend more time in the field with their teams, carrying out safety activities, establishing conversations, strengthening ties and recognising best practices.

This provides valuable opportunities for them to engage and talk with workers and help them identify the risks to which they are exposed, explore other risks that have not yet been identified and understand the critical controls that are there to keep them safe. In



addition, it permits verification that controls are properly implemented and effectively comply with the performance standard required for working safely.

### MENTAL HEALTH AND WELL-BEING

We are aware that mental illnesses can affect the quality of life and behaviour of our employees.

The key objectives of our Mental Health Program are to raise awareness among employees about the importance of mental illnesses, connect people with the support resources offered by the company (professional guidance) and foster a culture of care within the organisation.

In 2017, we incorporated Resilience as an additional pillar of the Mental Health Program. This initiative seeks to equip our employees with skills for addressing adverse situations, adapting positively to changes and staying healthy.

In line with our goal of connecting people with support tools, we encourage our employees to use the Employee Assistance Program (EAP) through which they can obtain professional psychological, medical, nutritional, financial and legal guidance. This service is confidential, free-of-charge and available 24 hours a day, seven days a week, and is designed to be used not only by employees but also their family group.

At the end of December, BHP Minerals Americas also launched a Wellness Program for its employees, starting with a pilot plan in our Santiago offices. Its purpose is to bring together and complement various initiatives that

promote healthy lifestyles, generating a positive impact on the health of our people in the medium and long term.

### LIFE AT THE MINE

Employees' quality of working life is closely related to working conditions which, by definition, can entail risks for their health and safety.

In this field, a number of plans seek to encourage physical activity and healthy eating at mine sites. Our operations, both at Escondida and Pampa Norte, have leisure facilities such as gyms, sports pitches and training rooms.

# ENVIRON MENT



In the framework of our water strategy, we increased the use of desalinated water in our operational processes by more than 118%, decreasing withdrawals from aquifers





*Crop growing by the Talabre  
Atacameño Community.*



**We are aware that, by their nature, our operations generate impacts on the air, water, biodiversity and territory in general.**

**As well as complying with our regulatory obligations in this field, we take responsibility for the environmental and social impacts of our activities, seeking to avoid and minimise them and, when necessary, compensating for them.**

### OUR APPROACH

We have a consistent and significant commitment to global environmental challenges such as climate change and the protection of biodiversity.

In 2017, BHP globally announced its public environmental goals for 2018-2022. They include reducing freshwater withdrawals by 15% and keeping greenhouse gas (GHG) emissions at or below their level in FY2017.

As a long-term goal, we have also set ourselves the challenge of becoming carbon-neutral in the second half of this century. In line with this, we are actively exploring technical and commercial options related to the boom in renewable energies and the structure of our energy supply contracts. In this area, the interconnection of Chile's two main electricity systems opens up interesting opportunities.

It is important to note that our performance on environmental sustainability is based on our commitment to the Paris Agreement and the United Nations Sustainable Development Goals.

### STRATEGIC RESOURCES

#### WATER

At BHP, we are aware that water is a strategic resource for both environmental sustainability and our production processes and its efficient and responsible use is, therefore, a priority. Our strategy of migrating towards a situation in which, by 2030, we use only seawater is reflected in Escondida's two desalination plants and the plant under construction for Spence.

We are, in addition, returning to the Chilean state the continental water rights we cease to use as a result of this transition to other sources. At the same time, we have a portfolio of water-saving projects that will make our use of this resource ever more efficient.

In line with our long-term goal, we are part of BHP's global Responsible Water Management initiative, which seeks to establish the foundations for positioning the company as a world leader in this field by 2022. This initiative reflects the belief that, by managing risks, improving our performance and transparency, valuing water effectively in taking decisions and promoting technology and collaboration with others, we will deliver results in terms of productivity and the long-term robustness of the business as well as lasting environmental and social results.



#### LAGUNILLAS VEGETATION COVERAGE

Since 2006, we have been implementing a management plan for recovery of the ecosystem and aquifer of the Lagunillas wetland, located in the area of influence of Compañía Minera Cerro Colorado, at 4,000 metres above sea level.

As of the end of 2017, the recovery of the area's vegetation coverage had reached 83%, ahead of our undertaking of 78%.

#### BIODIVERSITY

We are committed to protecting and preserving the biodiversity of the areas around our operations. We make a point of identifying and managing the direct and indirect impacts that our activities could have on the ecosystem in the regions where we operate.

Our undertaking in this field transcends our area of influence. One example of this is the project for conservation of the Valdivian Coastal Reserve in southern Chile, which we have been supporting since 2011 in alliance with a number of bodies for the protection of biodiversity.

In BHP's 2017 HSEC Awards, this initiative received the Award for Excellence in the Environment.

#### ENVIRONMENTS IN WHICH WE OPERATE

Our operations in the north of Chile are located in two types of environment: a high Andean ecosystem, characterised by its salt flats, and a marine ecosystem. In both cases, we implement not only monitoring programs geared to compliance with our legal commitments, but also voluntary studies through which to gain a better and greater understanding of our surroundings.

We provide permanent support for research activities to monitor the salt flats that are important for the breeding of flamingos in Bolivia, Argentina, Peru and Chile, along with other initiatives led by our company. We also support and promote the development of protected wild areas such as the Lullillaco National Park and the La Portada Natural Monument, both in the Antofagasta Region.

#### AIR

We are aware that the emission of particulate matter (PM) is an important environmental issue for mining operations because, if not controlled, it can have an impact on the environment for both employees and nearby communities.

Each of our mine sites has an air quality management plan through which to identify, evaluate and minimise the impact of PM emissions. This allows us to

implement control measures such as the treatment and watering of mine roads and the reduction of emissions from crushing operations, accompanied by the corresponding monitoring systems.

The maintenance and operation of dust control equipment and the irrigation of roads are key tools for ensuring proper air quality at our operations and for neighbouring communities.

In the case of Spence, we also participate actively in the Sierra Gorda Air Quality Working Table, a public-private entity whose objective is to implement air quality initiatives based on broad agreement among those involved.

#### WASTE

One of the challenges of the mining industry is to achieve progress on options for minimising and recycling both domestic and industrial waste.

In the framework of our commitment to protecting and caring for the environment, all our operations have plans for managing industrial waste. The largest volume of this corresponds to "massive mining waste" (solids), comprising principally sterile material, gravel and tailings.

Specific controls ensure the stability of the deposits used for each of these types of waste. In addition, Escondida's Laguna Seca tailings dam and Spence's gravel deposit are subject to weekly monitoring

Case Study: WATER STRATEGY



**A step forward on sustainability**

In line with BHP's global public goal of reducing freshwater withdrawals by 15% by 2022, the water strategy of our operations in Chile aims to change the balance of their water supply sources, reducing the use of aquifers and maximising the use of desalinated seawater, whilst, at the same time, optimising consumption by increasing recovery of the resource in their different industrial processes.

In 2017, we achieved two important milestones in this strategy: we permanently stopped withdrawing water for operational purposes from the Punta Negra Salt Flat and we presented an Environmental Impact Study to continue withdrawals from Monturaqui after 2019 for 11 years, but reducing them from their current 1,400 litres per second (l/s) to 640 l/s.

2017 also marked the start of operations of the Escondida Water Supply (EWS) project, a seawater desalination plant that, with a nominal

capacity to produce 2,500 l/s of industrial quality water, is one of the largest in the world. Together with Escondida's first desalination plant, which has been in operation since 2006 and has a capacity of 525 l/s, this means that, as from 2018, desalination will become our main source of water.

This strategy is also reflected in the Spence Growth Option (SGO) project which, in addition to a new concentrator, includes the construction of a third BHP desalination plant in Chile. It will be built and operated by a third party and be transferred to Spence after 20 years.

In a further milestone, Spence renounced 450 l/s of water rights it was not using in the Baltinache sector to the north of the Atacama Salt Flat.

In the framework of Cerro Colorado's Operational Continuity project, initiated in 2016 (which will extend the mine's useful life through to 2023), BHP has also undertaken to reduce the average

annual rate of withdrawal from the Pampa Lagunillas well field from 150 l/s to 135 l/s and to return water rights not used after 2023 to the state.

BHP's three operations in Chile have, in addition, continued to implement water efficiency projects which, in 2017, allowed them to save 414 l/s as compared to the total of 2,795 l/s captured in their processes.



while, at Cerro Colorado, the unloading platforms of its gravel deposits are inspected daily.

As well as permitting regular unloading under optimum stability conditions, these controls include verification of maximum humidity levels so as to avoid infiltration of the solutions contained in the material.

We are committed to continuing to look for ways to improve our waste management as a means of reducing our environmental footprint.

#### CLOSURE PLANS

Our three operations in Chile each have a closure plan approved by the National Geology and Mining Service (SERNAGEOMIN) as required under the country's legislation (Law N° 20.551 of 2011) and in accordance with our sustainability approach and requirements for performance on Health, Safety, Environment and Community, which cover the complete life cycle of projects.

Minera Escondida's closure plan obtained approval from SERNAGEOMIN under a transitory regime in June 2015. Each year, it has provided the state of Chile with the required monetary guarantees against the obligations involved in the mine's exploitation.

In 2019, it plans to begin the process of requesting approval of its closure plan under the general regime and is currently preparing the necessary information.

Since Chile's law regulating mine closures came into force, Cerro

Colorado and Spence have complied with all its modes of application and, in 2015, obtained the corresponding approvals under the transitory regime. Subsequently, in the context of obtaining environmental approval for Cerro Colorado's Operational Continuity project and the Spence Growth Option (SGO) project, Cerro Colorado obtained approval of its closure plan under the general regime while Spence is in the process of doing so.

#### ENERGY AND CLIMATE CHANGE

We recognise the strategic value of energy and our responsibility to contribute to minimising greenhouse gas emissions.

We support a transition to a low-carbon economy and invest in technologies such as the capture and storage of carbon and solar energy in batteries that point in this direction. This is an area in which we can and want to be recognised. It is essential for our long-term sustainability.

This includes our commitment to gradually replacing the more polluting fuels used in our processes with low-emissions alternatives, incorporating electricity generated from renewable sources and implementing energy efficiency practices throughout the organisation.

It was in this context that we decided to build Kelar as a natural gas-fired power plant, rather than a coal plant as originally envisaged.

In March 2018, BHP voluntarily

submitted Kelar to the UN Clean Development Mechanism (CDM) to certify the reduction in carbon emissions it implies. Its certification envisages an average reduction of up to 203,344 tonnes of CO<sub>2</sub>-e per year over a 10-year horizon.

# SOCIETY

The play, *Miniatures*, at the 2018 Santiago a Mil International Theatre Festival.



**In Antofagasta, we support  
over 80 cultural and social  
inclusion projects**



*View of the city of Antofagasta.*

**Over 170,000 people have  
trained at the Industrial  
and Mining Training Centre  
(CEIM)**





**We aspire to be part of Chile in the coming decades and it is, therefore, vital that we maintain a solid commitment to the communities and society of which we form part.**

**We seek to make a valuable contribution and build long-term relationships through the initiatives we undertake in the framework of our social investment.**

### OUR APPROACH

By working together with the communities where we have operations and with governments, we can contribute to economic and social development.

We strive to be the preferred partner, creating long-term value in the communities, regions and countries where we work, because we are committed to our success being also the success of the society of which we are a part.

### COMMUNITY RELATIONS

The long-term nature of our operations requires that we build strong and respectful relations with the communities that receive us.

We understand that we play an important role in contributing to the economic, social and environmental development of the country and, in this way, to improving the living standards of its inhabitants.

We foster relationships based on trust and respect for local culture that generate lasting benefits.

Through different instances of participation, we promote open and permanent communication with nearby communities as a means of gaining a better understanding of their characteristics and needs and contributing to their economic, social

and cultural empowerment.

Our community relations policy includes active participation in public-private alliances and collaboration with civil society.

### SOCIAL INVESTMENT FRAMEWORK

Our social investment framework is anchored in a community development strategy that emphasises programs with a positive long-term impact.

In Chile, this commitment is aligned with the pillars of BHP's social investment globally: governance and institutional strengthening, capacity building and inclusion and the environment with a focus on biodiversity and conservation. These are, in turn, consistent with the UN Sustainable Development Goals.

The necessary resources are provided through our voluntary undertaking to invest 1% of our pre-tax profits (calculated on the average of the previous three years) in the community.

In Chile, this contribution reached US\$28,027,771 in 2017.

## Case Study: COLLABORATION FOR THE ART AND CULTURE OF INDIGENOUS PEOPLES IN CHILE

For 15 years now, we have accompanied the Chilean Museum of Pre-Columbian Art in its mission of fostering appreciation of the richness of the culture of indigenous peoples and their current descendants. Seventeen exhibitions, as well as the Museum's expansion project inaugurated in 2014, have made a great contribution to helping Chileans to reconnect with their vast indigenous heritage.

These years of collaboration and work together form part of BHP's Indigenous Peoples Policy. Through it, our company urges us to work to build solid long-term relationships with indigenous communities in the places where we undertake our activities. In the case of Chile, this means the Tarapacá and Antofagasta Regions where there are lands ancestrally inhabited by Aymara, Quechua and Atacameño communities.

In line with the Indigenous Peoples Policy, we have begun to implement a model of work that

seeks to integrate the vision and ancestral knowledge of the current descendants of the country's indigenous peoples into the projects developed and implemented with the Museum. This process includes opportunities for dialogue with the communities to learn about their interests and expectations.

Examples of this include the exhibition we inaugurated in November 2017 in which members of the Taira Atacameño community actively participated and the exhibition "Faces of the Far North" presented in Antofagasta and San Pedro de Atacama in 2017 and 2016, which included testimonies from the Lickan Antay community.

Other projects include the ethnographic, archaeological and astronomical study of a section of the Inca Trail in the south of the Atacama Desert and a touristic-patrimonial brochure to publicise the Kezala rock art circuit in Talabre, San Pedro de Atacama, which was prepared together with this Atacameño community.



### COMMUNICATION AND RESPONSE MECHANISMS

At a global level, we work to identify and manage the impacts of our operations on the community, as well as the risks they may represent for the safety and health of people, human rights and the environment, among other aspects. Any person or group can inform us about their concerns or worries through a number of mechanisms we put at their disposal and which we regularly use as a means of responding. In addition, all our operations must have readily accessible mechanisms for receiving complaints and claims and respond to them in a timely manner.

In 2017, we implemented a Community Complaints Procedure, which is a consistent process for identifying, registering, handling and reporting complaints from communities near Cerro Colorado, Spence and Minera Escondida. It includes a telephone line that operates 24 hours a day, 365 days a year, a WhatsApp line and an e-mail address.

The observations and enquiries we receive serve as an indicator of areas where we can improve management. They are, in addition, the visible manifestation of some real or perceived impact of our operations on the community.

In 2017, a total of four complaints

were received: two from communities in Antofagasta, one from Coloso and one from indigenous communities.

### HUMAN RIGHTS APPROACH

Our strategy of developing large-scale long-life assets gives us an opportunity to make a positive contribution to respect for human rights and their protection, both within the organisation and in our relations with society in general.

We strive to ensure that all our activities respect these rights in both the workplace and the supply chain as well as in relations with nearby communities and indigenous peoples.

At the global level, we adhere to the UN Declaration of Human Rights and the principles of the UN Global Compact as well as the Guiding Principles on Business and Human Rights, which require companies to incorporate these undertakings into their systems and processes.

### CULTURAL PROGRAM

We view culture as a keystone of our contribution to society in Chile because we are convinced that cultural development improves people's quality of life and well-being and strengthens a country's social capital.

We believe that the arts and culture contribute to communities' social,

cultural and economic empowerment and the construction of a more diverse and vibrant society.

Our Cultural Program, with an annual agenda of activities and events that encompasses different disciplines and interests, has opened a new form of access to high-quality culture for thousands of people, contributing to social equity and Chile's decentralisation in this field.

Since 1999, we have supported the Teatro a Mil Foundation (FITAM) and its Santiago a Mil International Theatre Festival, which is considered Chile's most important performing arts festival. In January 2017, the Festival offered events in different theatres and public spaces in eight of the country's municipal districts, including its versions in Iquique and Antofagasta, which have been held for the past eight and nine years, respectively.

Another emblematic annual event is the Pensamiento Propio (Own Thought) cycle of conversations, led by Cristián Warken, which BHP has presented uninterruptedly since 2002, offering a free and open space for reflection and knowledge. During its 16 years of history, around a hundred leading exponents of different disciplines, from both Chile and other countries, have participated in these conversations.

In addition, the "In 100 Words"



literary contest takes place each year in four cities: Santiago, Concepción, Iquique and Antofagasta. Presented by BHP/Minera Escondida and organised by Fundación Plagio, it invites the inhabitants of each city to write a short story about life there. More than 6,000 entries were submitted to the latest version of “Antofagasta in 100 Words” and over 9,000 in the case of “Iquique in 100 Words”.

In 2017, we launched a new version of the MAVI BHP/Minera Escondida Contemporary Young Art Award, under which a group of artists aged under 35 are selected and their work is displayed in Santiago’s Visual Arts Museum (MAVI) throughout the summer, during which it is seen by some 10,000 visitors. Launched 12 years ago, this award is currently Chile’s most important platform for the promotion of new talent in contemporary art.

All cultural projects include educational programs with activities specially designed for primary and secondary schoolchildren which take place in schools in Santiago, Antofagasta, Mejillones and San Pedro de Atacama.

#### CREO

The CREO Plan was launched in 2011 as a tripartite initiative, led by Antofagasta’s Municipal Government, the Regional Government and BHP/Minera Escondida, to address the challenge of the city’s growth. Today, 11 bodies are represented on its board of directors, including representatives of the community. There, they analyse and plan initiatives that contribute to the sustainable development of Antofagasta and its transformation in the future into a city with world-class quality of life standards.

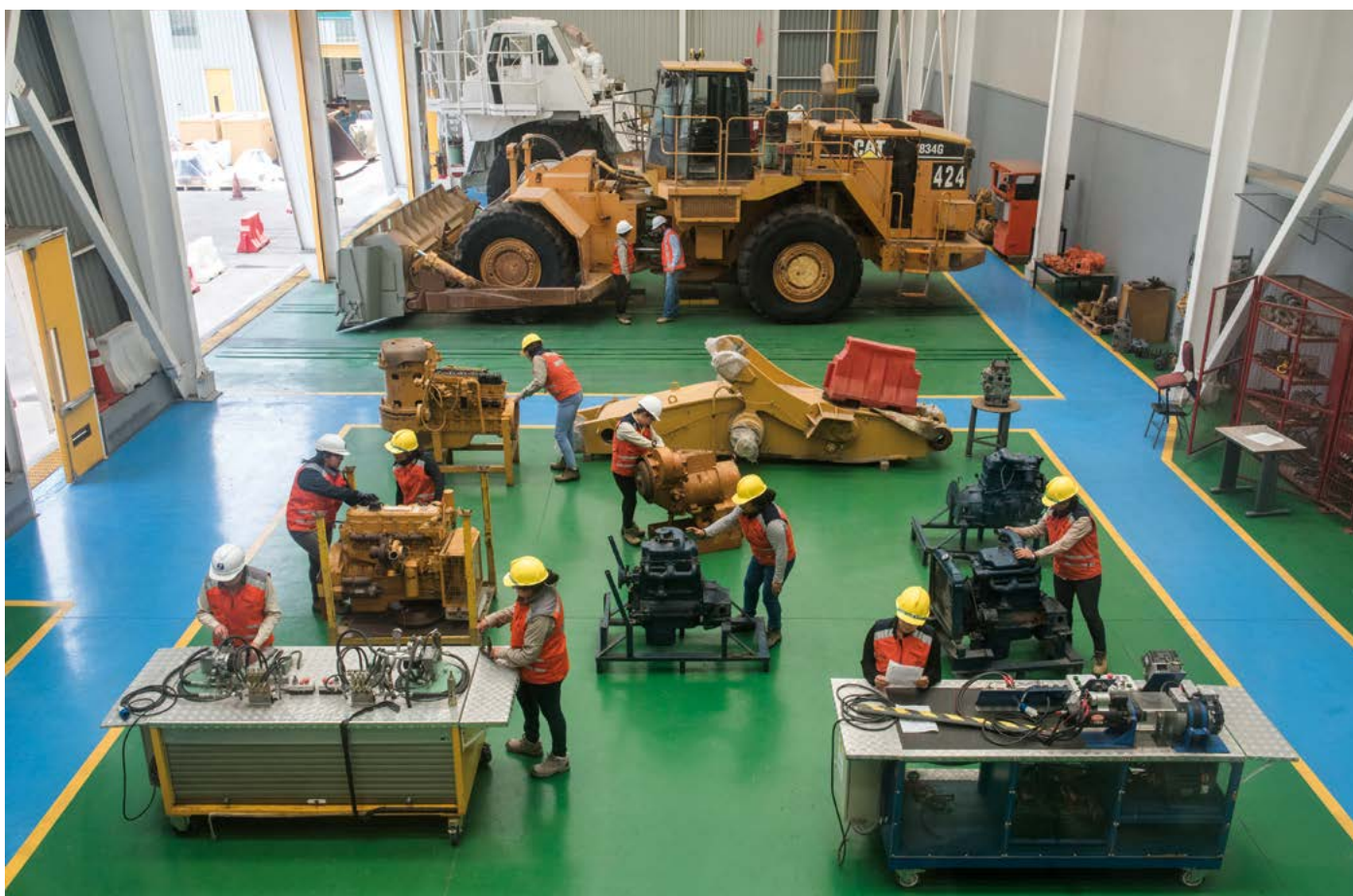
In 2017, CREO continued to work on the implementation of its 2015-2021 master plan, which focuses on the design and implementation of strategic projects along the seafront and in the northern-central and upper-central parts of the city, with a strong emphasis on the transformation of public spaces, the formation of social capital, mobility and environmental sustainability.

The milestones of the year included the Plaza Antonio Rendic project in the Corvallis sector, which is the city’s first solar plaza; construction of the La Cantera square; a participatory painting program that transformed the facades of 260 homes in different sectors of the city; and the second stage of the construction of bicycle lanes, adding a 5-kilometre high-standard stretch that connects the upper-central part of the

city with the centre.

In 2017, the first OECD Meeting of Mining Regions also took place, an initiative promoted by CREO Antofagasta in conjunction with the Catholic University of the North, the Antofagasta Industrialists’ Association and the Municipal Government. It brought together around 70 speakers and was attended by more than 400 guests from 13 countries, who were able to exchange experiences and best practices on productivity, economic diversification, quality of life and governance in the mining regions of OECD member countries.

A second version of the Social Innovation Festival (fiiS) was also held. This forms part of the AntofaEmprende initiative and was presented jointly with the Minera Escondida Foundation and the Santo Tomás University.



#### **BUILDING LOCAL CAPABILITIES: CEIM AND FME**

In Antofagasta, Minera Escondida complements its social contribution through two entities whose work focuses on the community: the Minera Escondida Foundation (FME) and the Industrial and Mining Training Centre (CEIM).

Established in 1996, FME is the pioneering institution of its type in Chile. It is non-profit and autonomous and its purpose is to develop capabilities in the region's people and communities.

Its work has two strategic pillars: Early Childhood Education and Social Participation, with the latter targeting young entrepreneurs and innovators.

The Early Childhood Program is one of FME's most important initiatives and seeks to develop language and communication skills in children aged between 0 and 8 years.

In 2017, the program worked with over 1,000 children, 57 teachers and 26 educational communities in San Pedro de Atacama and Mejillones. During the year, there was a 51% advance in the Developed category of the language area among second-year primary pupils, which compared very favourably with a standardised countrywide sample in which only 18.6% reached this category.

In the case of Social Participation, FME continued to implement the Agents of Change Training Program, which

brings together young people and social leaders from different municipal districts in the region in a bid to equip them with new social development skills, fostering a proactive and decision-making culture as a means of training citizens to lead social changes and transformations.

This program encompasses different activities such as the Somos contest for social organisations, the AntofaEmprende contest for Minera Escondida employees and contractors, and the Social Innovation Festival (fiis).

The Industrial and Mining Training Centre (CEIM) offers the country specialisation programs in mining and industrial trades.

In the more than 20 years since it was established, it has trained approximately 170,000 people, using a skill development model that includes both theoretical and practical classes.

Since 2015, Minera Escondida has awarded 159 scholarships for training at CEIM. In 2017, it financed six programs, corresponding to 89 scholarships for people from Atacameño communities as well as from Antofagasta and Vallenar, who received training in trades that are in high demand in the labour market. The courses are certified by Chile's Mining Skills Council.

CEIM is a national model for technical training and ranks in top place in training people for the mining industry

countrywide. In 2017, it trained over 22,000 people, of whom more than 1,000 were women.

#### **CONTRIBUTION IN ANTOFAGASTA**

Through Minera Escondida, we implemented more than 80 projects in Antofagasta in 2017, principally in the fields of culture and social inclusion.

In culture, we supported the fourth version of the Antofagasta Science Festival through our alliance with Fundación Puerto de Ideas. Some 15,000 people were able to enjoy its scientific conferences, interactive activities, exhibitions and workshops for children and adults, which took place at seven heritage sites in the city.

A sixth version of the Antofadocs International Film Festival was also held. With more than 40 guests and six venues around Antofagasta, the five-day festival offered the public a selection of the best films internationally.

Other important initiatives that we support include the Zicosur International Book Fair (FILZIC) and the Zicosur International Theatre Festival (FITZA).

The Social Inclusion Program impacts many people, including not only its direct beneficiaries but also their families and their surroundings, improving their quality of life through the knowledge and opportunities created by the public-private partnership we foster.

## Case Study: PROGRAM OF SUPPORT FOR EMPLOYABILITY IN INDIGENOUS COMMUNITIES



The Program of Support for Indigenous Employability forms part of our commitment to contribute to the economic empowerment of communities through investments that foster employment and training opportunities.

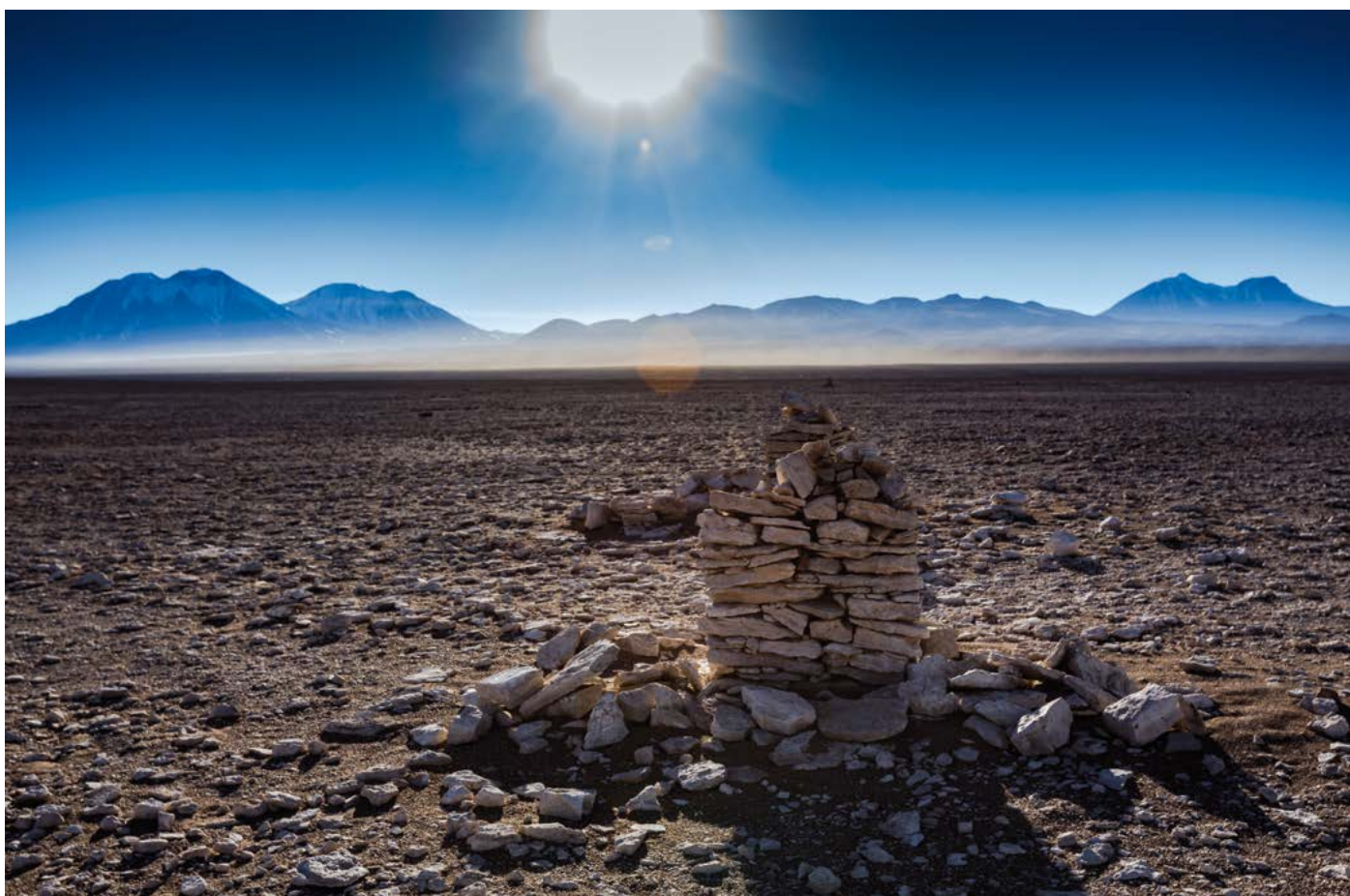
The Program is led by the Indigenous Affairs Area of BHP/Minera Escondida and the communities themselves and implemented by the Industrial and Mining Training Centre (CEIM). In July 2017, Hydrometallurgy Plant Operator, Concentrator Plant Operator and High-Tonnage Truck Operator courses were launched and were attended by 55 members of our

host communities of Peine, Socaire, Camar, Talabre, Toconao and San Pedro de Atacama. Ninety per cent of the students were indigenous women.

In order to ensure respect for the communities' ways of life and traditions, they have participated actively in the Program's development. In one example of this, classes were held in Antofagasta every weekend, but were suspended when there were celebrations and activities in the students' communities so as to permit compatibility between the commitment to studying, work in the community and family life.

The courses have an average length of 310 chronological hours and provide

the technical knowledge required to perform these jobs at a mine as well as strengthening transversal skills such as working safely and as a team, leadership and other effective communication tools, recommended by the company's Human Resources team. The Program completed its 2017-2018 version in May 2018.



In 2017, Minera Escondida renewed its alliance the Regional Government, the TECHO Chile NGO, the Fundación Superación de la Pobreza and the Jesuit Service for Migrants to provide tools that help families living in shantytowns to escape poverty and achieve insertion into the labour market.

Through the Shantytown Eradication Plan, we supported 60 shantytowns, helping to put more than 6,700 families on the road to obtaining a definitive home, undertake the training required to obtain a stable job and expand their educational opportunities.

Similarly, through the Coloso Fund, an initiative supported by Minera Escondida that seeks to strengthen social and economic organisations and make them sustainable over time, the Union of Women of the Sea of Caleta Coloso was able to implement a training course on making diving suits.

#### **INDIGENOUS PEOPLES**

Through our Indigenous Peoples Policy, we seek to build solid long-term relationships with the indigenous peoples of the countries where we have our activities.

In Chile, we are present in the Tarapacá and Antofagasta Regions where there are lands ancestrally inhabited by Aymara, Quechua and Atacameño communities. With them, we always seek to maintain

relationships based on trust, good faith and mutual understanding. We recognise and respect the right to culture, land and self-determination and seek to form successful partnerships with indigenous peoples as a means of contributing to their economic empowerment, their social development needs and their cultural well-being.

Based on this definition, we have begun to implement a new framework for relations. Under this, we aspire to build mechanisms to safeguard participation and permanent dialogue, addressing aspects related to the contribution the company can make through development strategies that the communities themselves and their representative institutions define and through effective participation in environmental and territorial management.

This model includes participatory and inclusive assessments of social and environmental impacts, implemented through culturally appropriate consultation processes that ensure effective representation and consideration of the communities' concerns in the decisions taken by our processes.



# APPENDIX

## Stakeholders

Who are they?	Engagement methods
<b>Direct employees and their families</b>	
Employees and their families; social, sports and trade union organisations.	Mass meetings led by the operation's general manager / Specific meetings to review operational matters and coordination / Internal media such as company magazines, newsletters, internal television channels and radio / Communications campaigns on specific issues such as health, safety and culture / Employee Perception Survey and other measurements of work climate / Meetings between Unions and Human Resources / Training talks; recreational, sports, social and cultural activities; ceremonies of recognition for years of service; celebration of key Chilean and international dates; special events / Performance evaluations.
<b>Contractors</b>	
Contractors' employees.	Through contract administrators (who channel information and support coordination) / Regular meetings with the Health, Safety, Environment and Community, Finance, Supply and Human Resources areas, geared to the contract administrator and risk prevention expert or similar professional, depending on the matter.
<b>Suppliers</b>	
Suppliers of goods and services.	Digitalisation of procurement processes (technological diffusion program) / Participation in World-Class Supplier Program, Supply Innovation.
<b>Indigenous communities and expanded community</b>	
The communities in Cerro Colorado's area of influence are Mamiña, Quipisca, Parca, Iquiuca, Macaya and Apo in the valleys of the Andean foothills of the Pozo Almonte municipal district as well as Lirima, Collacagua and Cancosa on the Andean Plateau of the Pica municipal district and the town of Pozo Almonte in the Pampa del Tamarugal. / In the case of Spence, the inhabitants of the Sierra Gorda municipal district: the towns of Sierra Gorda and Baquedano. / In the case of Escondida, the Antofagasta municipal district and the Coloso community, the Mejillones municipal district, the San Pedro de Atacama municipal district and the La Grande Atacama Indigenous Development Area, especially the communities on the southern edge of the Salt Flat: Peine, Socaire, Camar, Talabre and Toconoa.	Development of projects with neighbouring communities as well as regular field work with the different participants in joint social investment projects and initiatives / Working groups with neighbouring communities / Alliances for the development of community activities / Distribution of Sustainability Report / Engagement and dialogue process with indigenous communities (principles of ILO Convention 169) / Workshops implemented by Escondida in Coloso, Minera Escondida Foundation's office for indigenous affairs.
<b>Government and regulatory bodies</b>	
National and regional government authorities / National and regional heads of public services.	Formal and technical meetings / Joint projects through the establishment of alliances.
<b>Associations, organisations, NGOs and others</b>	
Iquique Industrialists' Association (AII) and Antofagasta Industrialists' Association (AIA) / Tarapacá and Antofagasta Regional Mining Safety Councils / At the national level, membership of Chilean Mining Council, National Mining Society (SONAMI), Acción Empresas, Icare and other civil society organisations / Through specific projects, relations with Casa de la Paz and Fundación Juventud Emprendedora which are regional environmental NGOs.	Periodic meetings with participation of company representatives / Coordination for implementation of joint initiatives / In the case of NGOs, informative and technical meetings as well as field visits, distribution of reports and other methods.

## Performance

### 1 | Economic Value Generated, BHP Chile (US\$ million)

	2016		2017	
	Pampa Norte <sup>(1)</sup>	Minera Escondida	Pampa Norte <sup>(1)</sup>	Minera Escondida
Operating income	1.402	5.273	1.689	6.364
Financial Income	29	1	38	4
Non-operating income	2	54	2	51
<b>Economic value generated</b>	<b>1.433</b>	<b>5.327</b>	<b>1.729</b>	<b>6.420</b>

(1) Figures for Pampa Norte are the sum of Spence and Cerro Colorado.

### 2 | Economic Value Distributed,<sup>(1)</sup> BHP Chile (US\$ million)

	2016		2017	
	Pampa Norte <sup>(3)</sup>	Minera Escondida	Pampa Norte <sup>(3)</sup>	Minera Escondida
Operating costs	666	1.380	823	1807
Employee wages and benefits	117	268	128	333
Other payments to third parties	200	1.153	218	1.144
Taxes	12	422	147	443
Financial expenses	21	50	23	124
Investment in the community			3,8	24,3
Owners	1.880	700		2.599
<b>Economic value distributed</b>	<b>2.909</b>	<b>3.997</b>	<b>1.343</b>	<b>6.474</b>
<b>Economic value retained<sup>(2)</sup></b>	<b>-1.476</b>	<b>1.330</b>	<b>387</b>	<b>-55</b>

- (1) Employee wages and benefits: Value distributed to employees through payments that include wages, social security contributions, bonuses, social and health benefits, holidays and training.  
 Other payments to third parties: Includes payments by the company to contractors for services provided during the year.  
 Taxes: Contribution of the company to the state through Income Tax and the Specific Mining Tax. Also includes payments such as business licences, property tax and stamp duty.  
 Financial expenses: Correspond to payment of the company's financial obligations as well as other expenses arising from financial operations.  
 Investment in the community: Includes social programs, sponsorships and donations.  
 Owners: Dividends paid to the company's shareholders.  
 Environment: Includes expenditure on environmental projects.
- (2) Retained by the company: Money reinvested in the company for continuity of operations. Includes depreciation and amortisation of the period as well as profits of the period. Calculated as the difference between Economic Value Generated and Economic Value Distributed.
- (3) Figures for Pampa Norte are the sum Spence and Cerro Colorado.

**3 | Distribution to National Suppliers, BHP Chile**

	N° of Suppliers by Region		Suppliers by Region (%), 2017	Payments to Suppliers by Region (US\$ million)		Payments by Region (%), 2017
	2016	2017		2016	2017	
Arica y Parinacota Region	6	6	0,3	0	1	0
Tarapacá Region	126	123	6,6	39	57	1,7
Antofagasta Region	448	439	23,4	590	627	18,9
Santiago Metropolitan Region	1.235	1.190	63,5	2958	2.520	75,9
Other regions	124	116	6,2	132	114	3,4
<b>Total</b>	<b>1.939</b>	<b>1.874</b>	<b>100</b>	<b>3.719</b>	<b>3.318</b>	<b>100</b>

**4 | Copper Sales by Product (tonnes), BHP Chile**

Sales	2015	2016	2017
Fine copper in concentrate	793.953	689.884	688.602
Fine copper in cathodes	580.733	553.640	502.533
<b>Total fine copper <sup>(1)</sup></b>	<b>1.374.686</b>	<b>1.243.524</b>	<b>1.191.135</b>

(1) Includes only own production.

## 5 | Key Figures, BHP Chile

		2016				2017			
Operating Data	Unit	Pampa Norte		Minera Escondida	Total BHP Chile	Pampa Norte		Minera Escondida	Total BHP Chile
		Cerro Colorado	Spence			Cerro Colorado	Spence		
Fine copper produced (cathodes)	t	74.002	167.491	312.147	553.640	66.165	198.563	237.974	502.702
Fine copper produced (concentrate)	t	NA	NA	689.884	689.884	NA	NA	687.440	687.440
Total fine copper produced	t	74.002	167.491	1.002.031	1.243.524	66.165	198.563	925.414	1.190.142
<b>Financial Data</b>									
Sales <sup>(1)</sup>	US\$ million	1.402		5.273	6.675	1.689		6.364	8.053
Economic value distributed <sup>(1)</sup>	US\$ million	2.909		3.997	6.906	1.343		6.474	7.817
Economic value distributed to the community <sup>(1)</sup>	US\$ million	13		25,4	38	3,8		24,3	28
<b>Workforce and Contractors</b>									
Direct employees	Employees	953	1.064	3.600	6.180 <sup>(2)</sup>	1.046	1.199	3.578	6.552 <sup>(2)</sup>
Total contractors' employees (Operations and Projects) <sup>(3)</sup>	FTE <sup>(4)</sup>	1.003	1.458	5.961	8.422	2.428		6.249	8.802
Percentage of women in the organisation	%	7,8	6,4	10,6	11,4	12	12,7	12	15
TRIF (Global) <sup>(5)</sup>	NA	2,26	4,70	1,43	1,98	1,94	3,33	2,20	2,1
Frequency Rate	NA	2,82	2,39	1,23	1,70	0,0	1,38	1,74	1,38
Severity Rate	NA	87,78	60,24	303,60	227,60	0,00	17,90	98,20	74,07
<b>Suppliers</b>									
N° of local suppliers <sup>(6)</sup>	Suppliers				571				562
Local suppliers	%				29%				28,06
<b>Environmental Data</b>									
Total water consumption	ML				83.472	3.022	6.952	79.157	88.131
Total energy consumption (direct and indirect)	GJ	2.792.486	4.093.415	25.848.596	32.734.498	2.957.223	4.222.532	24.002.788	31.182.543
Total GHG emissions	KT CO <sub>2</sub> eq	332	540	4.283	5.155	346	627	3.928	4.901

(1) Figures for Pampa Norte are the sum of Spence and Cerro Colorado.

(2) Includes offices in Santiago.

(3) Includes contractors of BHP Santiago.

(4) Full-Time Equivalent.

(5) Includes direct employees and contractors.

(6) Includes the three operations. A local supplier is a company belonging to the region in which the operations are located. In this case, the Tarapacá and Antofagasta Regions.

ND: Not available.  
NA: Not applicable.

## People

### 6 | Direct Employees, BHP Chile

	2015	2016	2017
BHP Santiago	511	563	729
Pampa Norte	2.107	2.017	2.245
Minera Escondida	3.798	3.600	3.578
<b>Total</b>	<b>6.416</b>	<b>6.180</b>	<b>6.552</b>

### 7 | Direct Employees by Category, BHP Chile 2017

Category	Pampa Norte**		Minera Escondida		BHP Santiago		Total BHP Chile			
	Male	Female	Male	Female	Male	Female	Male	%Male	Female	%Female
Executives	7	1	131	20	60	24	198	81	45	19
Supervisors / professionals	291	68	696	140	373	225	1.360	76	433	24
Operators, administrative and similar (OAS)	1.664	120	2.328	223	0	0	3.992	92	343	8
Graduates	6	7	3	0	24	23	33	52	30	48
Operators and Maintenance Personnel Development Program (Apprentices)	0	81	0	37	0	0	0	0	118	100
<b>Total</b>	<b>1.968</b>	<b>277</b>	<b>3.158</b>	<b>420</b>	<b>457</b>	<b>272</b>	<b>5.583</b>	<b>85</b>	<b>969</b>	<b>15</b>

(\*) Full-Time Equivalent.

(\*\*) Includes Iquique office.

### 8 | Direct Female Employees, BHP Chile

	2015		2016		2017	
	Nº	%	Nº	%	Nº	%
BHP Santiago	130	25	181	32	272	37
Pampa Norte*	170	8	142	7	277	12
Minera Escondida	328	9	382	11	420	12
<b>Total</b>	<b>628</b>	<b>10</b>	<b>705</b>	<b>11,4</b>	<b>969</b>	<b>15</b>

\* Includes Iquique office.

## 9 | Direct Employees by Age, 2017, and Average Age, BHP Chile

	< 30			30 - 50			> 50			Average Age	
	Male	Female	Total	Male	Female	Total	Male	Female	Total	2016	2017
BHP Santiago	34	39	73	342	207	549	81	26	107	40,7	38
Pampa Norte*	167	81	248	1.525	192	1.717	276	4	280	40	40
Minera Escondida	188	102	290	2.225	307	2.532	745	11	756	42	43
<b>Total</b>	<b>389</b>	<b>222</b>	<b>611</b>	<b>4.092</b>	<b>706</b>	<b>4.798</b>	<b>1.102</b>	<b>41</b>	<b>1.143</b>	<b>40,9</b>	<b>41</b>

## 10 | Turnover and New Hires, BHP Chile, 2017

	BHP Santiago	Pampa Norte	Minera Escondida	Total BHP Chile
Total workforce	729	2.245	3.578	6.552
Total exits	88	103	197	388
Total new hires	245	273	214	732
<b>Turnover (%)<sup>(1)</sup></b>	<b>12,1</b>	<b>4,6</b>	<b>5,5</b>	<b>5,9</b>
<b>Rate of New Hires (%)<sup>(2)</sup></b>	<b>33,6</b>	<b>12,2</b>	<b>6,0</b>	<b>11,2</b>

(1) Calculated as exits/workforce.

(2) Calculated as new hires/workforce.

## 11 | Absenteeism, BHP Chile, 2017

	BHP Santiago		Pampa Norte		Minera Escondida		Total BHP Chile
	Male	Female	Male	Female	Male	Female	
Hours planned	647.307	376.654	4.003.525	327.289	7.020.978	747.810	13.123.563
Hours of absenteeism	36.605	37.368	469.438	44.089	1.332.330	123.625	2.043.453
Absenteeism Rate (%)	5,7	9,9	11,7	13,5	18,9	16,5	15,6

## Environment

### 12 | Strategic Inputs, BHP Operations in Chile

Strategic Inputs	Unit	2015		2016		2017	
		Pampa Norte	Minera Escondida	Pampa Norte	Minera Escondida	Pampa Norte	Minera Escondida
Diesel <sup>(1)</sup>	m³	115.139	291.578	110.564	341.206	116.441	239.952
Oil and lubricants	m³	3.381	6.738	3.885	7.471	4.322	6.456
Explosives	T	27.020	110.199	33.019	104.846	29.052	49.179
Tyres	Nº	622	1.639	650	2.086	646	1.404
Quicklime	T	NA	182.031	NA	155.571	NA	148.224
Sulphuric acid	T	592.928	730.583	656.370	832.474	626.876	615.947
Extractants	T	474	1.119	500	515	443	127
Mill balls	T	NA	61.859	NA	75.446	NA	67.528
Anodes	Nº	6.304	11.435	10.641	12.625	3.840	13.923

(1) In the case of Pampa Norte, also includes petrol consumption.

### 13 | Energy Consumption by Source, BHP Operations in Chile

Direct and Indirect Energy Consumed	Métrica	2016			2017		
		Pampa Norte		Minera Escondida	Pampa Norte		Minera Escondida
		Cerro Colorado	Spence		Cerro Colorado	Spence	
Diésel (1)	GJ	1.869.905	2.304.505	11.757.429	2.179.732	2.186.864	10.137.625
Petrol	GJ			8.140			3.967
Liquefied Petroleum Gas (LPG)	GJ	0	2.073	2.118	0	3.087	1.935
<b>Subtotal energy consumed directly</b>	<b>GJ</b>	<b>1.869.905</b>	<b>2.306.579</b>	<b>11.759.547</b>	<b>2.179.732</b>	<b>2.189.951</b>	<b>10.143.528</b>
<b>Energy consumed indirectly</b>							
Electricity	GJ	917.293	1.877.883	14.089.050	777.491	2.032.581	13.859.261
<b>Subtotal energy consumed indirectly</b>	<b>GJ</b>	<b>917.293</b>	<b>1.877.883</b>	<b>14.089.050</b>	<b>777.491</b>	<b>2.032.581</b>	<b>13.859.261</b>
<b>Total energy consumed directly and indirectly</b>	<b>GJ</b>	<b>2.787.198</b>	<b>4.184.461</b>	<b>25.848.596</b>	<b>2.957.223</b>	<b>4.222.532</b>	<b>24.002.788</b>
Efficiency in total energy consumption	GJ/t of fine Cu produced	37,7	24,4	25,8	44,7	21,3	25,9

(1) In the case of Cerro Colorado and Escondida includes petrol consumption. Petrol not consumed at Spence.

ND: Not available.  
NA: Not applicable.

#### 14 | Water Withdrawals by Source, BHP Operations in Chile (ML)

Operation	Water Sources	2015	2016	2017
Cerro Colorado	Lagunillas	3.526	3.773	3.796(2)
Spence	FACB & ADASA	6789	6458	6.317
Minera Escondida	Monturaqui	44.105	43.385	36.138
	Punta Negra Salt Flat	9.248	9.220	1.897
	Hamburgo	2.608	2.423	1.837
	Mine drainage	3.403	3.725	2.121
	Seawater	24.376	29.570	75.777
	Water from bottom of mine	1.299	873	1.376
<b>Water returned to source (1)</b>		<b>15.400</b>	<b>16.617</b>	<b>41.764</b>
<b>Total water withdrawn, BHP Chile</b>		<b>95.366</b>	<b>100.089</b>	<b>129.895</b>
<b>Total water consumed, BHP Chile</b>		<b>79.966</b>	<b>83.472</b>	<b>88.131</b>

(1) Corresponds to reject brine and Punta Negra Salt Flat and Lagunillas Recharge System.

(2) Water withdrawals at CMCC in 2017 include pit drainage.

#### 15 | Water Treated/Reused, BHP Operations in Chile (ML)

Utilisation of Treated Water	2015		2016		2017		
	Pampa Norte	Minera Escondida	Pampa Norte	Minera Escondida	Pampa Norte	Minera Escondida	
					Cerro Colorado	Spence	
Effluents of sewage treatment plants	ND	944	71	490	66	90	584
Reuse of process water	ND	167.507	148.315	163.344	16.133	155.845	182.588
<b>Total volume of water recycled and/or reused</b>	<b>ND</b>	<b>168.451</b>	<b>148.386</b>	<b>163.834</b>	<b>16.199</b>	<b>155.935</b>	<b>183.172</b>
<b>Percentage of water recycled and/or reused*</b>	<b>ND</b>	<b>71%</b>	<b>95%</b>	<b>70%</b>	<b>84%</b>	<b>96%</b>	<b>70%</b>

\*According to the definition of the Water Accounting Framework (WAF), the percentage of water reused corresponds to the ratio between the sum of the treated flow of water that enters a task and the total sum of the water entering that task. The water balances of Minera Escondida and Cerro Colorado only consider recirculation between the different processes.

ND: Not available.  
NA: Not applicable.

**16 | Greenhouse Gas Emissions, BHP Operations in Chile**

2015					
Type of Emissions	Unit	Pampa Norte		Minera Escondida	BHP Chile
		Cerro Colorado	Spence		
Direct emissions	KT CO <sub>2</sub> -e	157	188	881	1.226
Indirect emissions	KT CO <sub>2</sub> -e	207	444	3.079	3.730
<b>Total emissions</b>	<b>KT CO<sub>2</sub>-e</b>	<b>364</b>	<b>632</b>	<b>3.960</b>	<b>4.957</b>
Intensity of direct emissions	KT CO <sub>2</sub> -e/KT Cu produced	2,1	1,1	0,8	0,9
Intensity of indirect emissions	KT CO <sub>2</sub> -e/KT Cu produced	2,8	2,5	2,7	2,7
<b>Intensity of total emissions</b>	<b>KT CO<sub>2</sub>-e/KT Cu produced</b>	<b>4,9</b>	<b>3,6</b>	<b>3,5</b>	<b>3,5</b>
2016					
Type of Emissions	Unit	Pampa Norte		Minera Escondida	BHP Chile
		Cerro Colorado	Spence		
Direct emissions	KT CO <sub>2</sub> -e	136	163	841	1.140
Indirect emissions	KT CO <sub>2</sub> -e	198	406	3.240	3.845
<b>Total emissions</b>	<b>KT CO<sub>2</sub>-e</b>	<b>334</b>	<b>569</b>	<b>4.081</b>	<b>4.984</b>
Intensity of direct emissions	KT CO <sub>2</sub> -e/KT Cu produced	1,8	1,0	0,8	0,9
Intensity of indirect emissions	KT CO <sub>2</sub> -e/KT Cu produced	2,7	2,4	3,2	3,1
<b>Intensity of total emissions</b>	<b>KT CO<sub>2</sub>-e/KT Cu produced</b>	<b>4,5</b>	<b>3,4</b>	<b>4,1</b>	<b>4,0</b>
2017					
Type of Emissions	Unit	Pampa Norte		Minera Escondida	BHP Chile
		Cerro Colorado	Spence		
Direct emissions	KT CO <sub>2</sub> -e	164	159	740	1.063
Indirect emissions	KT CO <sub>2</sub> -e	182	467	3.188	3.837
<b>Total emissions</b>	<b>KT CO<sub>2</sub>-e</b>	<b>346</b>	<b>627</b>	<b>3.928</b>	<b>4.901</b>
Intensity of direct emissions	KT CO <sub>2</sub> -e/KT Cu produced	2,5	0,8	0,8	0,9
Intensity of indirect emissions	KT CO <sub>2</sub> -e/KT Cu produced	2,7	2,4	3,4	3,2
<b>Intensity of total emissions</b>	<b>KT CO<sub>2</sub>-e/KT Cu produced</b>	<b>5,2</b>	<b>3,2</b>	<b>4,2</b>	<b>4,1</b>

**17 | Air Quality, Concentration of PM10 (ug/m³N)**

Operation	Place of Measurement	Average Annual Concentration		
		2015	2016	2017
Minera Escondida	Villa San Lorenzo	132	135	125
	Camp 2000	79	83	61
	Camp 5400	86	78	69
	Coloso	34	33	32
Cerro Colorado	Mamiña	33	33	34
	Parca	34	41	39
Spence	Sierra Gorda	57	48	46

## 18 | Solid Waste, BHP Operations in Chile

Type of Solid Waste	Unit	2015			2016			2017		
		Pampa Norte			Pampa Norte			Pampa Norte		
		Cerro Colorado	Spence	Minera Escondida	Cerro Colorado	Spence	Minera Escondida	Cerro Colorado	Spence	Minera Escondida
Hazardous	t	2.019	ND	10.100	2.437	1.612	11.530	2.237	3.449	7.450
Non-hazardous	t	619	ND	51.055	2.840	5.300	36.197	2.466	7.599	16.715
<b>Total</b>	<b>t</b>	<b>2.638</b>	<b>ND</b>	<b>61.155</b>	<b>5.277</b>	<b>6.912</b>	<b>47.727</b>	<b>4.703</b>	<b>11.048</b>	<b>24.165</b>
Intensity of hazardous waste	t/t of Cu produced	0,027	ND	0,009	0,03	0,01	0,01	0,03	0,02	0,01
Intensity of non-hazardous waste	t/t of Cu produced	0,008	ND	0,044	0,04	0,03	0,04	0,04	0,04	0,02

## 19 | Treatment and Disposal of Hazardous Waste (t)

Treatment or Disposal of Hazardous Waste	2015			2016			2017		
	Pampa Norte			Pampa Norte			Pampa Norte		
	Cerro Colorado	Spence	Minera Escondida	Cerro Colorado	Spence	Minera Escondida	Cerro Colorado	Spence	Minera Escondida
Reuse	1.291	ND	4.409	1.033	NA	6.089	NA	0	4.601
External recycling	124	ND	1.309	240	NA	1.342	1.136	2.296	797
External security landfill	604	ND	4.382	1.164	1.612	4.108	1.101	1.153	2.052
<b>Total</b>	<b>2.019</b>	<b>ND</b>	<b>10.100</b>	<b>2.437</b>	<b>1.612</b>	<b>11.539</b>	<b>2.237</b>	<b>3.449</b>	<b>7.450</b>

## 20 | Treatment and Disposal of Non-Hazardous Waste (t)

Treatment or Disposal of Non-Hazardous Waste	2015			2016			2017		
	Pampa Norte			Pampa Norte			Pampa Norte		
	Cerro Colorado	Spence	Minera Escondida	Cerro Colorado	Spence	Minera Escondida	Cerro Colorado	Spence	Minera Escondida
External recycling	0	ND	30.705	2.099	1.277	19.815	2.062	2.346	694
Landfill	619	ND	20.350	741	1.185	16.382	404	1.271	16.021
Industrial landfill (Rescon)	NA	ND	NA	NA	2.838	NA	NA	6.713	NA
<b>Total</b>	<b>619</b>	<b>ND</b>	<b>51.055</b>	<b>2.840</b>	<b>5.300</b>	<b>36.197</b>	<b>2.466</b>	<b>10.330</b>	<b>16.715</b>

## 21 | Massive Mining Waste, BHP Chile (t)

Treatment or Disposal of Non-Hazardous Waste	2015			2016			2017		
	Pampa Norte			Pampa Norte			Pampa Norte		
	Cerro Colorado	Spence	Minera Escondida	Cerro Colorado	Spence	Minera Escondida	Cerro Colorado	Spence	Minera Escondida
Waste rock	46.222.570	47.639.688	187.239.371	43.334.978	61.210.902	200.929.243	59.152.469	55.404.753	166.039.207
Tailings	0	0	82.131.466	0	0	82.359.965	0	0	78.792.689
Leaching gravel	NA	NA	0	NA	NA	14.793.118	NA	NA	13.119.610
Low-grade mineral	NA	5.008.371	0	NA	8.331.571	0	NA	0	78.291.219

ND: Not available.  
NA: Not applicable.

**22 | Recyclable Waste, BHP Operations in Chile (t)**

		2015			2016			2017		
Type of Waste	Classification	Pampa Norte			Pampa Norte			Pampa Norte		
		Cerro Colorado	Spence	Minera Escondida	Cerro Colorado	Spence	Minera Escondida	Cerro Colorado	Spence	Minera Escondida
Non-Hazardous	Iron scrap	43	158	30.625	44	158	19.815	750	937	694
	Recycling of plastic bottles, cardboard and industrial plastics(1)(2)	0	ND	80	0	384	NA	1.312	948	NA
	Batteries	18	ND	NA	16	0	54	NA	NA	12
Hazardous	Lead-containing sludges	29	ND	431	113	0	163	NA	NA	177
	Lead anodes	NA	ND	858	NA	0	1.097	NA	1.069	607
Others/reused bins		NA	ND	20	NA	ND	28	NA	NA	NA

**23 | Energy Saving Initiatives (GJ)**

		2015		2016		2017	
Initiative		Pampa Norte		Pampa Norte		Pampa Norte	
		Cerro Colorado	Minera Escondida	Cerro Colorado	Minera Escondida	Cerro Colorado	Minera Escondida
Change of membrane osmosis rack Coloso		NA	3.200	NA	4.472	NA	919
Improvements to SAG mills		NA	100.257	NA	1.303	NA	**
Implementation of Sele Cartridge		NA	99.888	NA	69.475	NA	27.884
Use of used oil for blasting		NA	NA	8.865	NA	7.660	NA
Modification of software of 793F and 797F trucks (FY18)		NA	*	NA	*	NA	12.046
Change of pumping line of existing desalination plant (FY18)		NA	*	NA	*	NA	3.920
Irrigating blanket (FY18)		NA	*	NA	*	NA	4.672
Total		-	203.345	8.865	75.250	7.660	49.441

\* Project launched in FY18.

\*\* Initiative completed in FY17 and forms part of the baseline of FY18.

**24 | Emissions Reductions Initiatives (t CO2-e)**

		2015		2016		2017	
Initiative		Pampa Norte		Pampa Norte		Pampa Norte	
		Cerro Colorado	Minera Escondida	Cerro Colorado	Minera Escondida	Cerro Colorado	Minera Escondida
Change of membrane osmosis rack Coloso		NA	763	NA	1.028	NA	211
Improvements to SAG mills		NA	23.945	NA	300	NA	**
Implementation of Sele Cartridge		NA	25.606	NA	15.979	NA	6.413
Use of used oil for blasting		ND	NA	164	NA	1.762	NA
Modification of software of 793F and 797F trucks (FY18)		NA	*	NA	*	NA	875
Change of pumping line of existing desalination plant (FY18)		NA	*	NA	*	NA	902
Irrigating blanket (FY18)		NA	*	NA	*	NA	1.074
Total		-	50.314	164	17.307	1.762	9.475

\* Project launched in FY18.

\*\* Initiative completed in FY17 and forms part of the baseline of FY18.

ND: Not available.

NA: Not applicable.



**Informe de los Profesionales Independientes**  
**"Informe de Sustentabilidad BHP Chile Inc. 2017"**

Señores  
Presidente y Directores  
**BHP Chile Inc.**  
Presente

Hemos revisado los contenidos de información y datos presentados en el "Informe de Sustentabilidad BHP Chile Inc. 2017" que se mencionan más adelante de BHP Chile al 31 de diciembre de 2017 (en adelante "BHP Chile").

La preparación de dicho informe, es responsabilidad de la Administración de BHP Chile. Asimismo, la Administración de BHP Chile también es responsable de la información y las afirmaciones contenidas en el mismo, de la definición del alcance del informe y de la gestión y control de los sistemas de información que hayan proporcionado la información reportada.

Nuestra revisión fue efectuada de acuerdo con normas de trabajos de atestiguación emitidas por el Colegio de Contadores de Chile A.G. Una revisión tiene un alcance significativamente menor al de un examen, cuyo objetivo es de expresar una opinión sobre el "Informe de Sustentabilidad BHP Chile 2017". En consecuencia no expresamos tal opinión.

Los contenidos de información y datos presentados en el "Informe de Sustentabilidad BHP Chile 2017" fueron revisados tomando en consideración los criterios descritos en el Estándar para la elaboración de Informes de Sostenibilidad del Global Reporting Initiative (GRI) y su respectivo suplemento para el Sector de Minería y Metales y se resumen a continuación:

- Determinar que la información y los datos presentados en el "Informe de Sustentabilidad BHP Chile 2017" estén debidamente respaldados con evidencias suficientes.
- Determinar que BHP Chile haya elaborado su "Informe de Sustentabilidad BHP Chile 2017" conforme a los principios de Contenido y Calidad del Estándar GRI y su Suplemento para el Sector de Minería y Metales.
- Confirmar la opción de conformidad "esencial" declarado por BHP Chile en su "Informe de Sustentabilidad BHP Chile 2017", según el Estándar GRI.

Nuestros procedimientos consideraron la formulación de preguntas a la Dirección, Gerencias y Unidades de BHP Chile involucradas en el proceso de elaboración del Reporte, así como en la realización de otros procedimientos analíticos y pruebas por cómo se describen a continuación:

- Entrevistas a personal clave de BHP Chile, a objeto de evaluar el proceso de elaboración del "Informe de Sustentabilidad 2017 BHP Chile", la definición de su contenido y los sistemas de información utilizados.
- Verificación de los datos incluidos en el "Informe de Sustentabilidad BHP Chile 2017" a partir de la documentación de respaldo proporcionada por BHP Chile.
- Análisis de los procesos de recopilación y de control interno de los datos cuantitativos reflejados en el "Informe de Sustentabilidad BHP Chile 2017".
- Verificación de la fiabilidad de la información utilizando procedimientos analíticos y pruebas de revisión en bases a muestreos y revisión de cálculos mediante re-cálculos.
- Visita a las oficinas corporativas de BHP en la Región Metropolitana, y visitas a las operaciones de la Compañía Minera Cerro Colorado.
- Revisión de la redacción del "Informe de Sustentabilidad BHP Chile 2017".

Basados en nuestra revisión, no tenemos conocimiento que:

- La información y los datos publicados en el "Informe de Sustentabilidad BHP Chile 2017", no estén debidamente respaldados con evidencias suficientes.
- El "Informe de Sustentabilidad BHP Chile 2017" no haya sido elaborado en conformidad con el Estándar para la Elaboración de Reportes de Sostenibilidad del GRI y su Suplemento para el Sector de Minería y Metales.
- La opción de conformidad "esencial" declarado por BHP Chile no cumpla con los requisitos que están establecidos en el Estándar GRI.

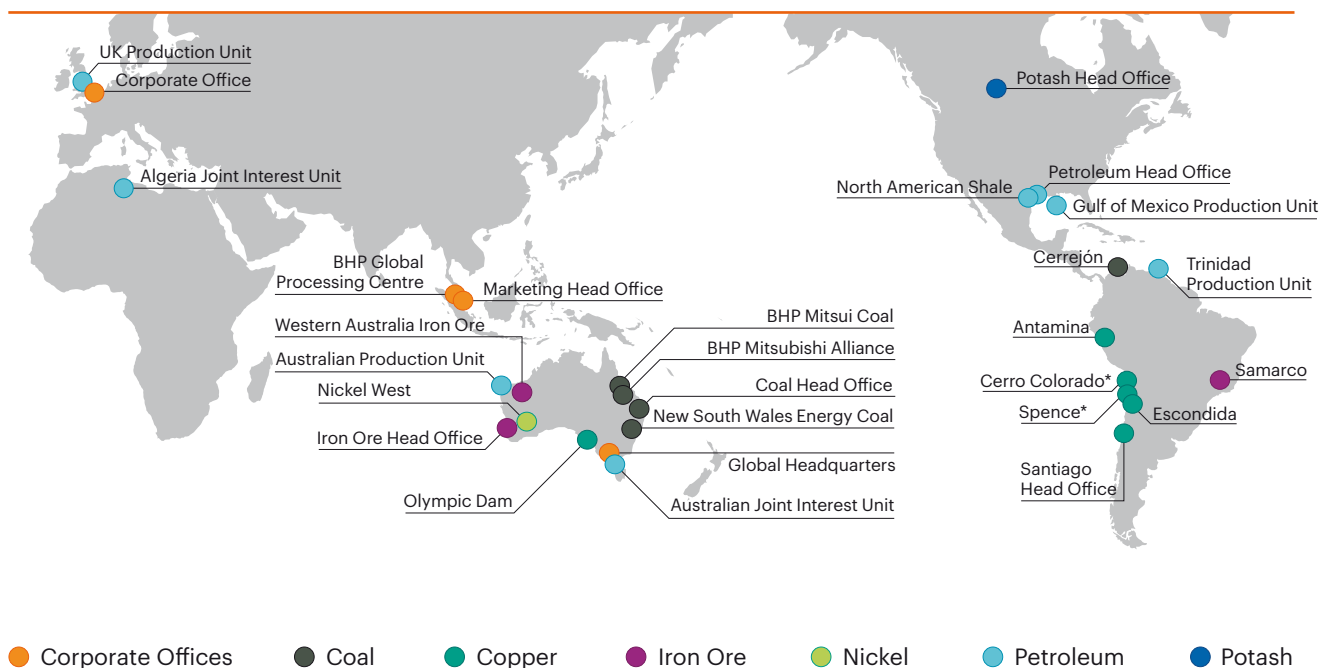
Atentamente,

KPMG Ltda.

Luis Felipe Encina K-P  
Socio

Santiago, 8 de junio de 2018





(\*) Cerro Colorado and Spence form the Pampa Norte business unit.

## BHP Chile Sustainability Report

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**Minera Escondida**

Latitude: 24° 15' 30" S  
Longitude: 69° 4' 15" W  
Altitude: 3,100 metres above  
sea level.

**Cerro Colorado**

Latitude: 20° 3' 33" S  
Longitude: 69° 15' 49" W  
Altitude: 2,600 metres above  
sea level.

**Spence**

Latitude: 22°48' 24" S  
Longitude: 69° 16' 20" W  
Altitude: 1,750 metres above  
sea level.

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