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## **BHP Billiton Plc – Economic Contribution Report 2017**

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### **Introduction**

Our Economic Contribution Report (“Report”) for the year ended 30 June 2017 was released today.

BHP has a long-standing commitment to transparency. We first disclosed details of our tax and royalty payments in 2000 and we have continually updated and expanded our disclosure in the years since. As in prior years, the Report discloses the taxes and royalties we paid on a country-by-country and project-by-project basis in FY2017. This year, we also disclose our total direct economic contribution on a country-by-country basis.

The Report complies with a number of different transparency regimes. The information on our payments to governments is set out in accordance with the UK Regulations, which implement the EU Accounting Directive. By issuing the Report, we comply with the Australian Voluntary Tax Transparency Code. Beyond these requirements, we voluntarily disclose our total direct economic contribution on a country-by-country basis. We also provide details of each of our subsidiaries in ‘tax haven’ countries.

Our Economic Contribution Report 2017 has today been submitted to the National Storage Mechanism and will shortly be available for inspection at: [www.morningstar.co.uk/uk/NSM](http://www.morningstar.co.uk/uk/NSM). It is also available to be downloaded on the BHP website at: <http://www.bhp.com/-/media/documents/investors/annual-reports/2017/bhpeconomiccontributionreport2017.pdf>

BHP is proud of the contribution that we make to our host countries. In FY2017, our total economic contribution was US\$26.1 billion which included payments to suppliers, wages and employee benefits, dividends, taxes and royalties. This includes our voluntary contributions to our host communities. In FY2017, we invested US\$72.9 million in communities.

In FY2017, we paid US\$4.7 billion globally in taxes, royalties and other payments. Our global adjusted effective tax rate was 34 per cent. Once royalties are included, this rate increases to 44 per cent.

Below are extracted sections of our full Economic Contribution Report 2017 that together meet the UK Regulations.

## Our payments to governments

### Payments made by country and level of government

The information on taxes paid by classification and country presented below has been prepared on the basis set out in the 'Basis of report preparation' section of the Report. BHP has prepared this information in accordance with the UK Regulations. Our Report addresses BHP's reporting obligations under DTR 4.3A of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules. The 'Basis of preparation' and 'Glossary' contain information about the content of the Report and form part of the Report.

US\$ millions	Corporate income taxes	Royalty-related income taxes	Taxes levied on production	Total taxes paid	Royalties	Production entitlements	Fees	Payments for infrastructure improvements	Signature, discovery and production bonuses	Total payments as defined by the UK Regulations	Other payments	Total payments to governments
<b>Total payments to governments</b>	<b>1,564.4</b>	<b>481.4</b>	<b>148.3</b>	<b>2,194.0</b>	<b>2,115.0</b>	<b>96.5</b>	<b>87.0</b>	<b>9.9</b>	<b>14.9</b>	<b>4,517.4</b>	<b>183.9</b>	<b>4,701.3</b>
<b>Algeria (1)</b>	-	-	-	-	-	<b>92.5</b>	-	-	-	<b>92.5</b>	-	<b>92.5</b>
Government of Algeria	-	-	-	-	-	92.5	-	-	-	92.5	-	92.5
<b>Australia (2)</b>	<b>1,159.7</b>	<b>495.3</b>	<b>42.1</b>	<b>1,697.2</b>	<b>1,911.4</b>	-	<b>24.9</b>	<b>3.3</b>	-	<b>3,636.8</b>	<b>156.6</b>	<b>3,793.4</b>
Government of Australia	1,159.7	495.3	42.1	1,697.2	111.9	-	3.9	-	-	1,813.0	(17.5)	1,795.5
State of Western Australia	-	-	-	-	1,028.9	-	14.7	3.3	-	1,046.9	79.0	1,125.9
Town of Port Hedland (Western Australia)	-	-	-	-	-	-	-	-	-	-	3.8	3.8
Shire of East Pilbara (Western Australia)	-	-	-	-	-	-	-	-	-	-	2.5	2.5
Shire of Ashburton (Western Australia)	-	-	-	-	-	-	-	-	-	-	0.4	0.4
Shire of Wiluna (Western Australia)	-	-	-	-	-	-	-	-	-	-	0.8	0.8
Shire of Leonara (Western Australia)	-	-	-	-	-	-	-	-	-	-	0.7	0.7
State of Queensland	-	-	-	-	636.8	-	3.4	-	-	640.2	46.1	686.2
Isaac Regional Council (Queensland)	-	-	-	-	-	-	0.1	-	-	0.1	9.1	9.1
Mackay Regional Council (Queensland)	-	-	-	-	-	-	-	-	-	-	0.5	0.5
State of New South Wales	-	-	0.0	0.0	90.3	-	2.0	-	-	92.3	9.1	101.4
Shire of Muswellbrook (New South Wales)	-	-	-	-	-	-	-	-	-	-	0.4	0.4
State of South Australia	-	-	-	-	43.5	-	0.9	-	-	44.4	8.6	53.0

State of Victoria	-	-	-	-	-	-	-	-	-	-	10.0	10.0
Central Highlands Regional Council	-	-	-	-	-	-	-	-	-	-	3.0	3.0
City of Kalgoorlie-Boulder	-	-	-	-	-	-	-	-	-	-	0.1	0.1
City of Rockingham	-	-	-	-	-	-	-	-	-	-	0.1	0.1
Other Australian Governments	-	-	-	-	-	-	-	-	-	-	0.2	0.2
<b>Brazil</b>	<b>86.8</b>	-	<b>10.5</b>	<b>97.3</b>	-	-	<b>0.0</b>	-	-	<b>97.3</b>	<b>5.1</b>	<b>102.5</b>
Government of Brazil	86.8	-	10.5	97.3	-	-	0.0	-	-	97.3	5.1	102.5
<b>Canada</b>	<b>12.3</b>	-	-	<b>12.3</b>	-	-	<b>7.6</b>	<b>6.6</b>	-	<b>26.5</b>	<b>3.7</b>	<b>30.1</b>
Government of Canada	12.6	-	-	12.6	-	-	0.1	-	-	12.7	0.8	13.5
Government of Saskatchewan	-	-	-	-	-	-	7.4	5.9	-	13.3	0.1	13.4
Rural Municipality of Leroy (Saskatchewan)	-	-	-	-	-	-	-	0.4	-	0.4	2.6	2.9
Rural Municipality of Prairie Rose (Saskatchewan)	-	-	-	-	-	-	-	0.2	-	0.2	0.0	0.2
Government of Ontario	-	-	-	-	-	-	0.0	-	-	0.0	0.1	0.1
Government of Quebec	-	-	-	-	-	-	0.0	0.2	-	0.2	0.0	0.2
Government of British Columbia	(0.3)	-	-	(0.3)	-	-	-	-	-	(0.3)	0.0	(0.3)
Other Canadian Governments	-	-	-	-	-	-	-	-	-	-	0.1	0.1
<b>Chile (3)</b>	<b>340.9</b>	<b>(14.0)</b>	-	<b>326.9</b>	-	-	<b>15.4</b>	-	-	<b>342.4</b>	<b>4.5</b>	<b>346.8</b>
Government of Chile	340.9	(14.0)	-	326.9	-	-	15.3	-	-	342.3	3.0	345.3
Municipalidad De Pozo Almonte	-	-	-	-	-	-	-	-	-	-	0.3	0.3
Municipalidad De Sierra Gorda	-	-	-	-	-	-	-	-	-	-	0.6	0.6
Municipalidad De Antofagasta	-	-	-	-	-	-	0.1	-	-	0.1	0.6	0.7
<b>China</b>	<b>0.8</b>	-	-	<b>0.8</b>	-	-	-	-	-	<b>0.8</b>	-	<b>0.8</b>
China Tax Bureau	0.8	-	-	0.8	-	-	-	-	-	0.8	-	0.8
<b>Colombia</b>	<b>1.0</b>	-	-	<b>1.0</b>	-	-	-	-	-	<b>1.0</b>	-	<b>1.0</b>
Government of Colombia	1.0	-	-	1.0	-	-	-	-	-	1.0	-	1.0
<b>India</b>	<b>0.1</b>	-	-	<b>0.1</b>	-	-	-	-	-	<b>0.1</b>	<b>0.6</b>	<b>0.6</b>



<b>United States</b>	<b>(73.8)</b>	-	<b>95.6</b>	<b>21.8</b>	<b>203.3</b>	-	<b>17.8</b>	-	<b>11.3</b>	<b>254.1</b>	<b>7.3</b>	<b>261.4</b>
Government of United States	(68.0)	-	-	<b>(68.0)</b>	-	-	0.0	-	-	<b>(68.0)</b>	-	(68.0)
U.S. Nuclear Regulatory Commission	-	-	-	-	-	-	0.2	-	-	<b>0.2</b>	-	0.2
US Department of the Interior	-	-	-	-	160.6	-	14.0	-	11.2	<b>185.8</b>	-	185.8
US Department of the Treasury	5.7	-	-	<b>5.7</b>	0.0	-	0.0	-	-	<b>5.8</b>	0.6	6.4
Arizona State Land Department	0.0	-	-	<b>0.0</b>	-	-	0.6	-	-	<b>0.6</b>	-	0.6
Department of Natural Resources (Louisiana)	-	-	-	-	2.0	-	-	-	-	<b>2.0</b>	-	2.0
State of Utah	0.0	-	-	<b>0.0</b>	-	-	0.1	-	-	<b>0.1</b>	-	0.1
State of Texas	(13.0)	-	<b>72.4</b>	<b>59.4</b>	-	-	0.0	-	-	<b>59.4</b>	0.3	59.7
State of Louisiana	2.0	-	15.7	<b>17.7</b>	-	-	0.2	-	-	<b>18.0</b>	1.5	19.5
State of Arkansas	-	-	7.0	<b>7.0</b>	-	-	-	-	-	<b>7.0</b>	0.0	7.0
State of New Mexico	(0.5)	-	-	<b>(0.5)</b>	-	-	0.0	-	-	<b>(0.5)</b>	0.0	(0.5)
State of Arizona	0.0	-	-	<b>0.0</b>	-	-	0.4	-	-	<b>0.4</b>	0.0	0.4
State of California	0.0	-	-	<b>0.0</b>	-	-	0.0	-	-	<b>0.0</b>	0.0	0.1
Commissioner for the Texas General Land Office	-	-	-	-	40.6	-	2.1	-	0.2	<b>43.0</b>	-	43.0
Railroad Commission of Texas	-	-	0.5	<b>0.5</b>	-	-	-	-	-	<b>0.5</b>	-	0.5
Karnes County (Texas)	-	-	-	-	-	-	0.0	-	-	<b>0.0</b>	0.4	0.4
McMullen County (Texas)	-	-	-	-	-	-	-	-	-	-	2.5	2.5
Montgomery County (Texas)	-	-	-	-	-	-	-	-	-	-	0.5	0.5
Atascosa County (Texas)	-	-	-	-	-	-	-	-	-	-	0.2	0.2
Aldine Independent School District (Texas)	-	-	-	-	-	-	-	-	-	-	0.3	0.3
White County (Arkansas)	-	-	-	-	-	-	-	-	-	-	1.0	1.0
Navajo Nation Council	-	-	-	-	-	-	0.0	-	-	<b>0.0</b>	0.1	0.1

Figures are rounded to the nearest decimal point.

(1) Production entitlements of 2.1 million barrels of oil equivalent (boe) paid in-kind.

(2) The corporate income tax paid in Australia in FY2017 was US\$1.2 billion. In addition, we anticipate making final corporate income tax payments in CY2017 of approximately US\$1.2 billion relating to FY2017 income. This will increase our total Australian corporate income tax payments for FY2017 to US\$2.4 billion.

(3) Income and mining taxes are paid in Chile on a calendar year basis. However, for the purpose of the Report, taxes paid are included for BHP's financial year (1 July 2016 to 30 June 2017). For reference, income tax and specific tax on mining activities paid by Escondida and Pampa Norte for CY2016 amount to US\$247 million and US\$61 million respectively. Refunds of US\$335 million were received during FY2017 primarily in relation to CY2015 Escondida payments which were included in the FY2016 net corporate income taxes paid to Chile of US\$488.5 million.

(4) Production entitlements of 0.1 million boe paid in-kind.

## Payments made on a project-by-project basis

Taxes paid by classification and project are presented in this section and have been prepared on the basis set out in the 'Basis of report preparation' section of the Report.

US\$ millions	Corporate income taxes	Royalty-related income taxes	Taxes levied on production	Total taxes paid	Royalties	Production entitlements	Fees	Payments for infrastructure improvements	Signature, discovery and production bonuses	Total payments as defined by the UK Regulations	Other payments	Total payments to governments
<b>Total payments to governments</b>	<b>1,564.4</b>	<b>481.4</b>	<b>148.3</b>	<b>2,194.0</b>	<b>2,115.0</b>	<b>96.5</b>	<b>87.0</b>	<b>9.9</b>	<b>14.9</b>	<b>4,517.4</b>	<b>183.9</b>	<b>4,701.3</b>
<b>Petroleum</b>	<b>237.4</b>	<b>456.7</b>	<b>138.2</b>	<b>832.3</b>	<b>315.2</b>	<b>96.5</b>	<b>38.4</b>	<b>0.2</b>	<b>14.9</b>	<b>1,297.5</b>	<b>25.8</b>	<b>1,323.3</b>
Australia Production Unit - Western Australia	183.9	155.1	-	339.1	-	-	0.5	-	-	339.6	5.8	345.4
Australia Production Unit - Victoria	(0.0)	22.6	-	22.6	-	-	-	-	-	22.6	-	22.6
Bass Strait	(4.3)	278.9	-	274.6	-	-	-	-	-	274.6	12.2	286.8
North West Shelf	148.7	-	42.1	190.8	111.9	-	0.3	-	-	303.0	(0.1)	302.9
Gulf of Mexico	(10.9)	-	-	(10.9)	159.1	-	14.1	-	11.2	173.4	1.5	174.9
North America Shale (Fayetteville)	-	-	7.0	7.0	0.5	-	0.0	-	-	7.5	1.0	8.5
North America Shale (Haynesville)	(63.0)	-	88.1	25.1	43.7	-	2.2	-	0.2	71.2	2.9	74.0
North America Shale (Permian Basin, Eagle Ford)	-	-	0.5	0.5	-	-	0.2	-	-	0.7	1.7	2.4
Trinidad and Tobago Production Unit (1)	0.7	-	-	0.7	-	4.0	20.4	-	3.6	28.7	-	28.7
Algeria Joint Interest Unit (2)	(45.3)	-	-	(45.3)	-	92.5	-	-	-	47.2	-	47.2
UK Production Unit	9.6	-	-	9.6	-	-	-	-	-	9.6	-	9.6
Head Office - BHP Billiton Petroleum International Pty Ltd	14.6	-	-	14.6	-	-	-	-	-	14.6	-	14.6
Head Office - BHP Billiton Brasil Investimentos Ltda	0.2	-	0.0	0.2	-	-	-	-	-	0.2	0.2	0.4
Closed Mines	(0.1)	-	-	(0.1)	-	-	0.6	0.2	-	0.7	0.1	0.8
Other	3.3	-	0.5	3.8	-	-	0.1	-	-	3.9	0.6	4.5
<b>Minerals Americas</b>	<b>451.8</b>	<b>(14.0)</b>	<b>10.0</b>	<b>447.9</b>	<b>-</b>	<b>-</b>	<b>24.3</b>	<b>6.4</b>	<b>-</b>	<b>478.5</b>	<b>12.6</b>	<b>491.1</b>
Escondida	307.9	(14.0)	-	293.9	-	-	10.7	-	-	304.6	3.2	307.9
Pampa Norte	32.5	-	-	32.5	-	-	2.2	-	-	34.7	1.1	35.8

New Mexico Coal	(3.8)	-	-	(3.8)	-	-	0.0	-	-	(3.8)	0.1	(3.7)
Potash	6.6	-	-	6.6	-	-	7.4	6.4	-	20.5	3.6	24.0
Exploration - Minerals Americas	4.2	-	-	4.2	-	-	3.9	-	-	8.1	0.1	8.2
Head Office - RAL Cayman Inc	17.5	-	-	17.5	-	-	-	-	-	17.5	-	17.5
Head Office - BHP Billiton Brasil Ltda	87.0	-	10.0	97.0	-	-	0.0	-	-	97.0	4.4	101.4
<b>Minerals Australia</b>	<b>795.2</b>	<b>38.7</b>	-	<b>833.8</b>	<b>1,799.9</b>	-	<b>24.1</b>	<b>3.3</b>	-	<b>2,661.1</b>	<b>129.3</b>	<b>2,790.4</b>
Western Australia Iron Ore	924.8	38.7	-	963.5	1,013.1	-	10.3	3.3	-	1,990.2	51.8	2,042.1
Olympic Dam	61.0	-	-	61.0	43.5	-	2.1	-	-	106.6	(3.0)	103.6
New South Wales Energy Coal	0.0	-	-	0.0	90.3	-	4.2	-	-	94.5	9.8	104.3
Exploration - Minerals Australia	2.1	-	-	2.1	-	-	-	-	-	2.1	-	2.1
IndoMet	-	-	-	-	0.4	-	-	-	-	0.4	1.7	2.1
Queensland Coal (3)	(186.7)	-	-	(186.7)	636.8	-	3.6	-	-	453.7	73.6	527.3
Nickel West	(9.9)	-	-	(9.9)	15.8	-	3.9	-	-	9.8	(6.7)	3.1
Head Office - BHP Billiton MetCoal Holdings Pty Ltd	3.8	-	-	3.8	-	-	0.0	-	-	3.8	2.0	5.8
<b>Group &amp; Unallocated</b>	<b>80.0</b>	-	<b>0.0</b>	<b>80.0</b>	-	-	<b>0.3</b>	-	-	<b>80.3</b>	<b>16.2</b>	<b>96.5</b>
Corporate	76.2	-	0.0	76.2	-	-	-	-	-	76.2	21.2	97.3
Marketing	3.9	-	-	3.9	-	-	0.3	-	-	4.1	(5.0)	(0.8)

Figures are rounded to the nearest decimal point.

(1) Production entitlements of 0.1 million boe paid in-kind.

(2) Production entitlements of 2.1 million boe paid in-kind.

(3) Royalties, fees and other payments made by BHP Billiton Mitsubishi Alliance Coal Operations Pty Ltd have been included in total payments to the extent of BHP's ownership of the operating entity, being 50 per cent.

## **Basis of report preparation**

We have prepared the Report in accordance with the UK Regulations.

Taxes, royalties and other payments to governments are presented in the Report on a cash paid and cash received basis for the year ended 30 June 2017.

The Report includes all such amounts paid and received by BHP in respect of each of our operations. For our controlled operations, amounts included in our total payments to governments are 100 per cent of the operations' payments to governments. For our non-operated and operated joint ventures, amounts included in our payments to governments are 100 per cent of the amounts paid by BHP and, in the case of BHP Billiton Mitsubishi Alliance (BMA), 50 per cent of payments made by the operating entity for BMA in which BHP has a 50 per cent ownership. For our investments in joint ventures and associates that are equity accounted by BHP, no amounts have been included in our total payments to governments as BHP is not the operator and does not make payments on behalf of the operation. For information purposes, 100 per cent of the payments made by our significant equity accounted investments have been shown on page 4 even though no amounts have been included in our total payments to governments.

Taxes, royalties and other payments, both cash and in-kind (non-cash), to governments, net of refunds, are collectively referred to in the Report as 'Total payments to governments' and include the following payment categories:

### **Corporate income taxes**

Payments to governments based on taxable profits under legislated income tax rules. This also includes payments made to revenue authorities in respect of disputed claims and withholding taxes on dividends and royalties.

### **Royalty-related income taxes**

Payments to governments in relation to profits from the extraction of natural resources, including Petroleum Resource Rent Tax (PRRT) in Australia and Specific Tax on Mining Activities (STMA) in Chile. Royalty-related income taxes are presented as income tax in section 5.1.1 Consolidated Income Statement in the Annual Report 2017.

### **Taxes levied on production**

Payments to governments in relation to crude excise, carbon tax and severance tax on the extraction of natural resources. Taxes levied on production are presented as expenses, not income tax, in section 5.1.1 Consolidated Income Statement in the Annual Report 2017.

### **Royalties**

Payments to governments in relation to revenue or production generated under licence agreements. This also includes payments to revenue authorities in respect of disputed claims. Royalties are presented as expenses, not income tax, in section 5.1.1 Consolidated Income Statement in the Annual Report 2017. Royalty-related income taxes are excluded from Royalties.

### **Production entitlements**

Payments to governments entitled to a share of production under production sharing agreements. Production entitlements are most often paid in-kind. In-kind payments are measured based on the market value of the commodity on the date of delivery to the government.



## **Fees**

Payments to governments in the form of fees typically levied on the initial or ongoing right to use a geographical area for exploration, development and/or production. Includes licence fees, rental fees, entry fees and other payments for licences and/or concessions.

## **Payments for infrastructure improvements**

Payments to governments for the construction of public infrastructure such as roads, bridges and port facilities.

## **Dividend payments**

Payments to governments with ownership interests in specific assets; not payments to governments as holders of ordinary shares in BHP. There were no dividend payments to governments for the year ended 30 June 2017.

## **Signature, discovery or production bonuses**

Payments to governments upon signing an oil and gas lease, when discovering natural resources, and/or when production has commenced.

## **Other payments**

Payments to governments under other legislated tax rules such as payroll tax, fringe benefits tax, customs and excise duties, property tax, land tax, stamp duties, and black lung tax. These payments are not specifically required to be disclosed by the UK Regulations.

## **Excluded amounts**

The following are not included in total payments to governments:

### **Taxes collected**

Tax payments made to governments on behalf of our employees.

### **Indirect taxes**

Tax payments made to, or received from, governments in the nature of Sales Tax, Value Added Tax and Goods and Services Tax.

### **Penalties and interest**

Payments to governments resulting from the imposition of penalties, fees or interest.

### **Other**

Certain payments, whether made as a single payment or as a series of related payments below US\$100,000 (being a lower amount than the £86,000 threshold set out in the UK Regulations).

### **Projects**

Payments made on a project-by-project basis ('Payments made on a project-by-project basis' section of the Report) present payments by entity when not specifically attributable to a project.

Payments in relation to Corporate Head Office and Marketing Offices have been included in the total payments to governments as defined by the UK Regulations. The payments are not attributable to specific projects. Corporate Head Office and Marketing Offices comprise functional support for the Group that in FY2017 consists entirely of projects that undertake relevant activities as defined by the UK Regulations.

The 'Payments made on a project-by-project basis' section presents corporate income tax amounts for each project/entity taking into account the effects of tax consolidation in Australia. These include the following:

- Losses from one entity can be offset against taxable income of another entity within the same tax consolidated group.
- Only the head entity of a tax consolidated group is liable to make corporate income tax payments to the Australian Tax Office (ATO).
- Typically, corporate tax groups allocate the aggregate corporate income tax payments made by the head entity to the ATO amongst entities within the Australian tax consolidated group.

### **Reporting Currency**

All payments to governments in the 'Our payments to governments' section have been reported in US dollars. Payments denominated in currencies other than US dollars are translated for the Report at the exchange rate at the date of the payment.

### **Glossary**

#### **Australian adjusted effective tax and royalty rate**

Total Australian taxation expense excluding exceptional items and exchange movements included in taxation expense plus royalty expense divided by Profit before taxation, royalties and exceptional items.

#### **Australian adjusted effective tax rate**

Total Australian taxation expense excluding exceptional items and exchange movements included in taxation expense divided by Profit before taxation and exceptional items.

#### **BHP or the Group**

BHP Billiton Limited and BHP Billiton Plc and their respective subsidiaries.

#### **Current tax expense**

The amount of corporate income tax and royalty-related income tax and production entitlements currently payable and attributable to the year, measured at rates enacted or substantively enacted at year-end, together with any adjustment to those taxes payable in respect of previous years.

#### **Deferred tax expense**

The amount of corporate income tax and royalty-related income tax and production entitlements attributable to the current year but payable in future years provided using the balance sheet liability method.

#### **Global adjusted effective tax and royalty rate**

Total taxation expense excluding exceptional items and exchange movements included in taxation expense plus royalty expense divided by Profit before taxation, royalties and exceptional items.

#### **Global adjusted effective tax rate**

Total taxation expense excluding exceptional items and exchange rate movements included in taxation expense divided by Profit before taxation and exceptional items.

## **Government**

Any national, regional or local authority of a country (includes a department, agency or undertaking that is a subsidiary undertaking where the authority is the parent undertaking).

## **Income tax expense**

The total of current tax expense and deferred tax expense.

## **Low-tax jurisdictions**

In classifying which countries are 'low-tax jurisdictions', we have applied the list of so-called 'tax haven' countries released by the European Commissioner on 17 June 2015. This list comprises those so-called 'tax haven' countries that were included on the list of at least 10 individual countries of the European Union. The countries included on this list originally were: Andorra, Anguilla, Antigua and Barbuda, Bahamas, Barbados, Belize, Bermuda, British Virgin Islands, Brunei, Cayman Islands, Cook Islands, Grenada, Guernsey, Hong Kong, Liberia, Liechtenstein, Maldives, Marshall Islands, Mauritius, Monaco, Montserrat, Nauru, Nieu, Panama, Seychelles, St Kitts and Nevis, St Vincent and the Grenadines, Turks and Caicos, US Virgin Islands and Vanuatu. This list does not include Singapore. We will continue to monitor international developments in this area, particularly the EU process to identify and address third country jurisdictions that fail to comply with tax good governance standards. The agreed list is due to be released in late CY2017.

## **Project**

Consistent with the UK Regulations, a project is defined as the operational activities that are governed by a single contract, licence, lease, concession or similar legal agreements and form the basis for payment liabilities with a government. If multiple such agreements are 'substantially interconnected' they may be considered a project. For these purposes 'substantially interconnected' means forming a set of operationally and geographically integrated contracts, licences, leases or concessions or related agreements with substantially similar terms that are signed with a government, giving rise to payment liabilities.

## **Report**

The Report has been prepared for BHP's financial year from 1 July 2016 to 30 June 2017.

## **UK Regulations**

The Reports to Payments to Governments Regulations 2014, as amended by the Reports on Payments to Governments (Amendment) Regulations 2015. The UK Regulations implement the EU Accounting Directive (Chapter 10, Directive 2013/34/EU, extended by Directive 2013/50/EU) in the United Kingdom.

**BHP Billiton Plc Registration number 3196209**

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**A member of the BHP Group which is headquartered in Australia**