

Case Study

Creating an enduring harmony between community and nature



The Valdivian Coastal Reserve in the Los Rios region, Chile.

BHP Billiton in alliance with Conservation International and The Nature Conservancy has announced an agreement to ensure the permanent conservation of 50,000 ha of the Valdivian Coastal Reserve in the Los Rios region, Chile.

Sustainability is one of the core values contained in the *BHP Billiton Charter*. As part of the Company's commitment to sustainable development in the regions where it operates it has committed to a conservation target. The conservation target will see BHP Billiton finance the conservation and ongoing management of areas of high biodiversity and ecosystem value that are of national or international conservation significance.

Complementing this is a requirement for all Businesses to develop dedicated management plans, including controls to prevent, minimise, rehabilitate and offset impacts to biodiversity and the related benefits derived from ecosystems. As a result, we will improve our environmental performance and contribute to lasting environmental benefits beyond what could be achieved by our operations alone.

The Valdivian Coastal Reserve Project is the second in BHP Billiton's alliance with Conservation International. The core objectives of the alliance are to secure both permanent conservation results and sustainable financing for these globally important protected areas. This project involves the ongoing protection of 50,000 hectares of temperate rainforest. It also supports the largest ever restoration of native forest in the country, through the removal of 3,500 hectares of non-native eucalypts and the planting of more than 2.5 million native trees.

A conservation easement will also be established, which is a legal mechanism that ensures future uses of the Reserve are focused on its conservation.

"BHP Billiton has set for itself the goal of helping to conserve

areas of high ecosystemic value and biodiversity that are of international importance," said Peter Beaven, President BHP Billiton Copper. "The Valdivian Coastal Reserve in Chile amply meets these criteria."

Unparalleled riches protected

The Reserve is one of the World Wildlife Fund's Global 200; 'a set of the Earth's terrestrial, freshwater and marine ecosystems that harbour exceptional biodiversity'. It is also a priority site for the Chilean government and one of 34 biodiversity hotspots identified by Conservation International.

The Reserve is home to outstanding examples of endemic species, including two of the world's longest living tree species, one of the world's largest living woodpeckers, a small arboreal marsupial (mountain monkey) which is considered a "living fossil", abundant populations of ground-dwelling birds and several highly endangered carnivores. The Reserve is also home to six species protected by Chilean Supreme Decrees, including the endangered Huillín and Chungungo otters and the Pudú (one of the world's smallest species of deer).

Sustainability and empowerment for local communities

As well as protecting native flora and fauna, ensuring the permanent conservation of the Reserve provides financial stability and opportunities for local communities who live and rely upon the region.

With the departure of timber companies, 4,400 hectares of forests are in need of restoration through the elimination of eucalypts and the planting of native trees. The first stage in the re-forestation plan will see The Nature Conservancy and its partners working alongside the newly created Chaihuín Farming and Forest Cooperative to collect wood in accordance with Forest Stewardship Council-certified forestry practices.

Case Study

Creating an enduring harmony between community and nature continued

In order to enhance productivity in previously overexploited fisheries, marine specialists will work with local communities to develop sustainable fishing practices and better management of marine resources.

Local communities will also benefit from development initiatives to promote entrepreneurship and empowerment. These will create incentives for sustainable and productive projects, including gastronomic tourism, eco-tourism, crafts, forest excursions and more.

Reaffirming a solid relationship

BHP Billiton's donation to the Valdivian Coastal Reserve Project is further evidence of its commitment to the protection of local biodiversity, with the aim of achieving sustainable benefits to the environment and local communities.

It also demonstrates the long-term commitment of BHP Billiton in Chile, generating sustainable value and initiatives for the country and its inhabitants.

Ultimately, as Peter Beaven points out: "It is a source of satisfaction and pride for our company to be able to engage in this cooperation in a country that has given us the privilege of being allowed to manage part of its mineral wealth for more than 20 years."