Sustainability Briefing

Tuesday 4 December 2007

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Company Overview and HSEC Performance Summary

Ian Wood Vice President Community Relations

Important notices

Reliance on third party information

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No offer of securities

Nothing in this release should be construed as either an offer to sell or a solicitation of an offer to buy or sell BHP Billiton securities in any jurisdiction.

Structure driven by customer needs

Petroleum

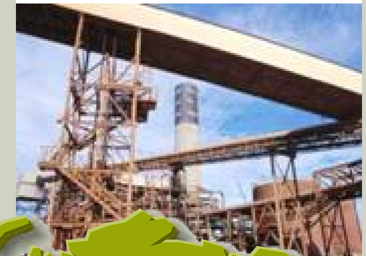
Energy Coal

Metallurgical Coal

Manganese

Iron Ore

Aluminium

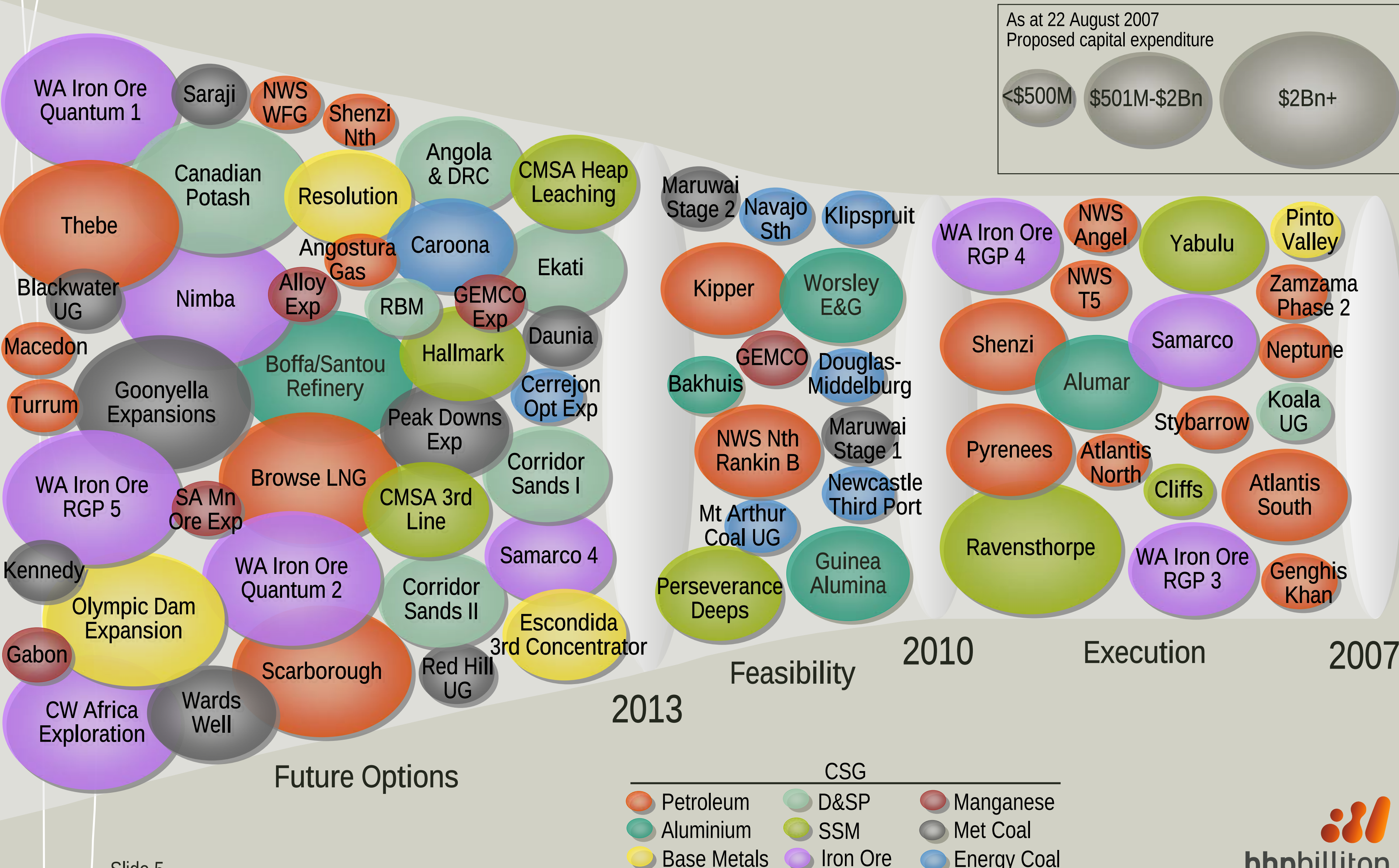


Base Metals

Diamonds & Spec Prod

Stainless Steel Materials

Deep inventory of projects and options



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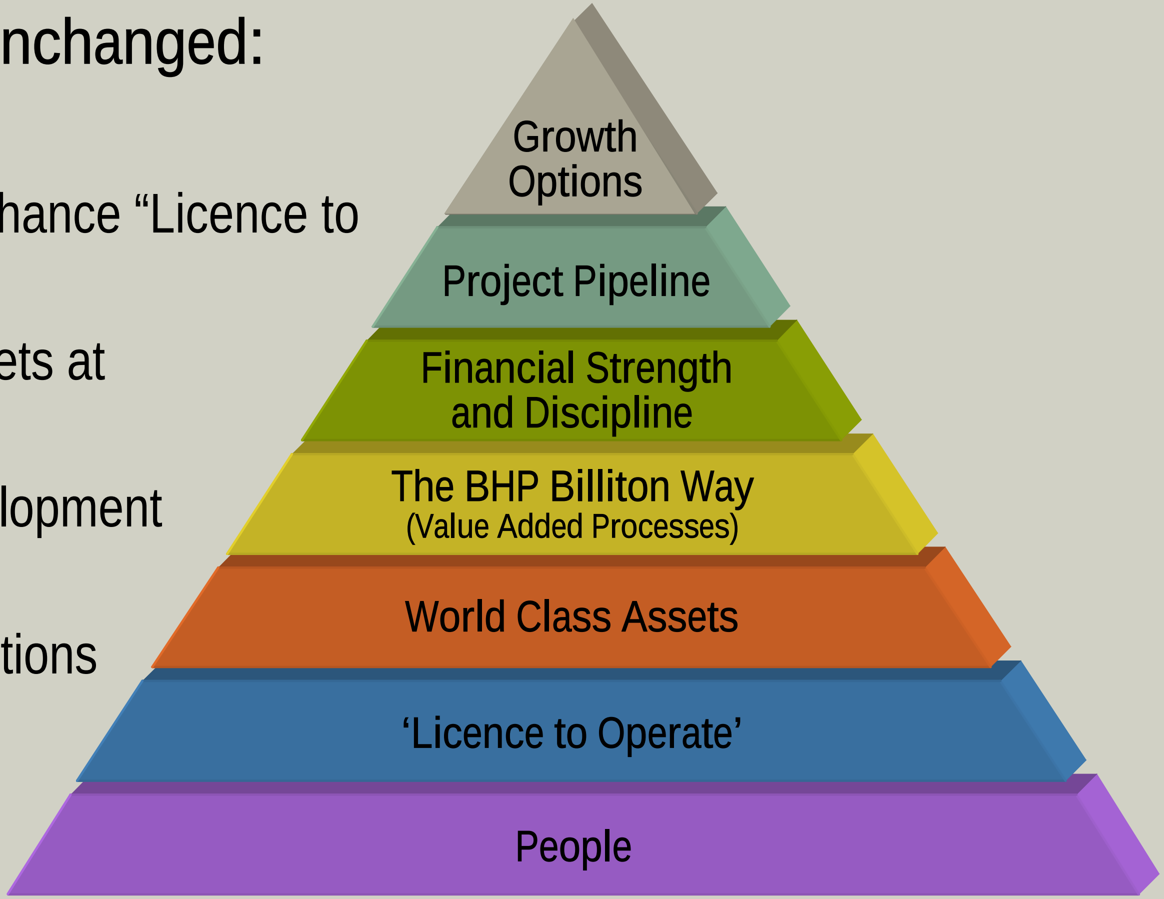
Future focus

Core strategy is unchanged:

- People
- Maintain and enhance “Licence to Operate”
- Run current assets at full potential
- Accelerate development projects
- Create future options



Focus on value creation

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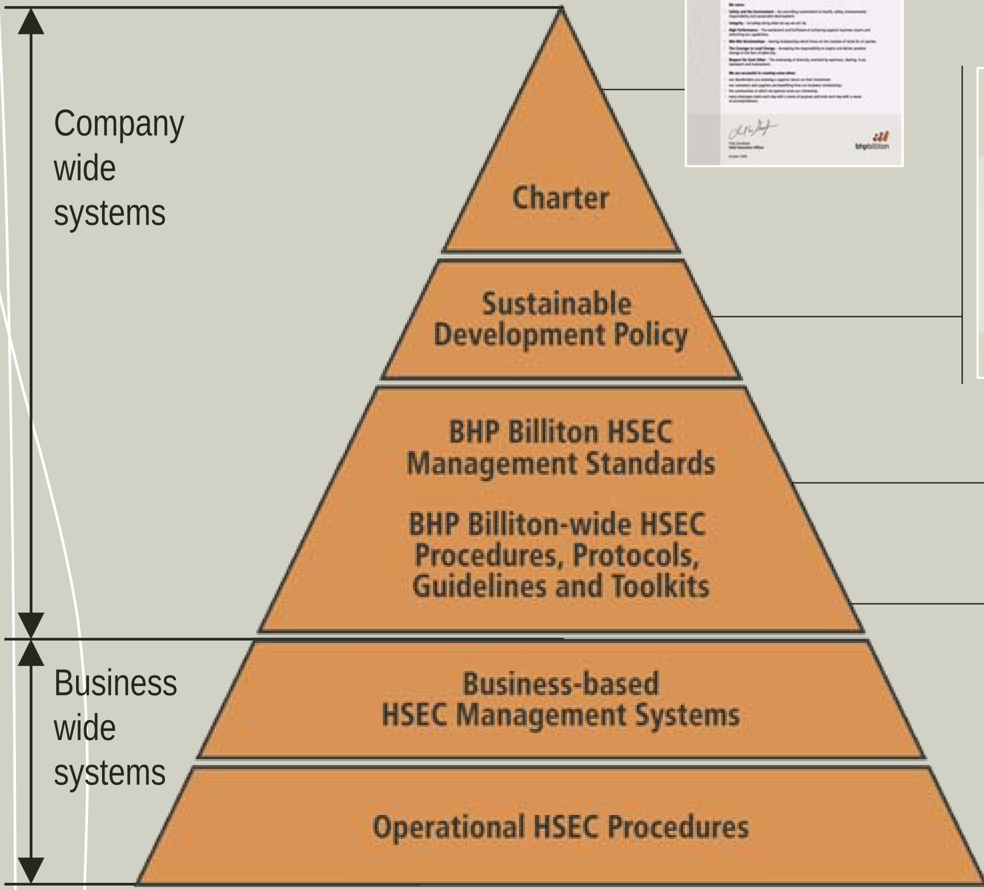
Creating value at a local level – our communities

- Sustainable development at every level is fundamental to our success – our licence to operate depends on the responsible operation of all aspects of our business:
  - A strong track record of being valued by our communities will contribute to us being considered a ‘company of choice’ by governments, business partners and communities
  - We are in a better position to attract and retain a skilled and motivated workforce
  - Our reputation as an ethical, responsible business will assist in our ability to attract capital to continue to grow our business

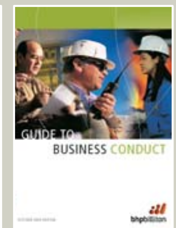
We aim to be a business that creates a positive legacy

HSEC Governance - our HSEC systems and documents

Our HSEC management system is hierarchical



Documents and systems each must meet and support requirements of those of higher levels



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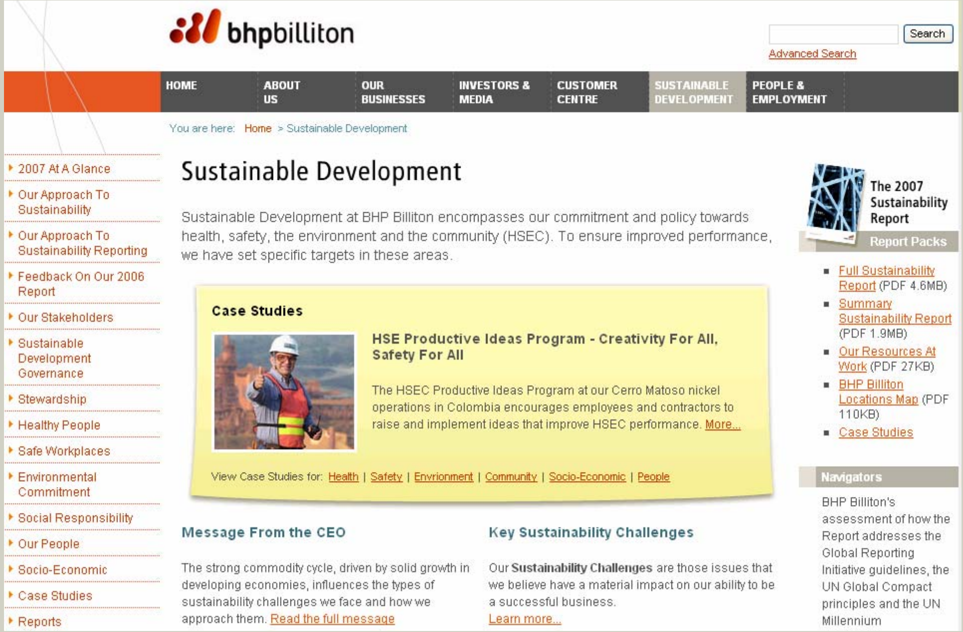
Sustainability Report structure

Full Report

http://www.bhpbilliton.com/bb/sustainableDevelopment.jsp



GRI REPORT
GRI CHECKED
A+

FTSE4Good Index Series

BEST IN CLASS
environmental and social performance
STOREBRAND SRI

Summary Report

24 page printed Report

Dow Jones Sustainability Indexes
Member 2007/08

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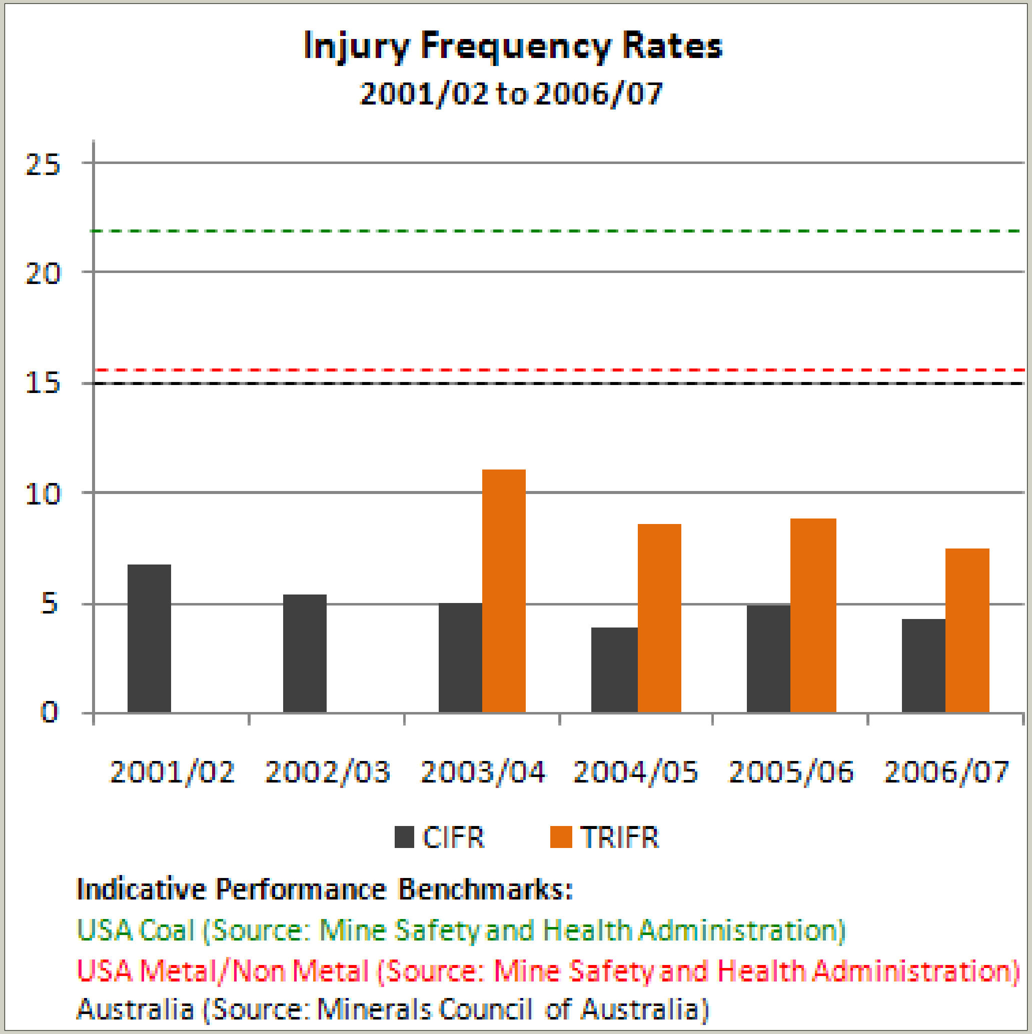
Performance overview – Health and Safety

- Sadly failed to meet our target of zero harm and in particular zero fatalities with eight of our fellow employees or contractors losing their lives during the year
- Strong progress has, however, been made in our TRIFR
- Implementation of our Fatal Risk Control Protocols has also progressed. While there is much more to do, we know this initiative has saved lives
- Health – Baseline surveys advanced, allowing for more effective measurement of performance going forward



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Performance overview - Community

- All reports and community relations plans in place
- Community programs expenditure totalled US$103.4 million, equivalent to 1.1% of pre-tax profit
- New community investment guidelines
- Continued focus on Human Rights

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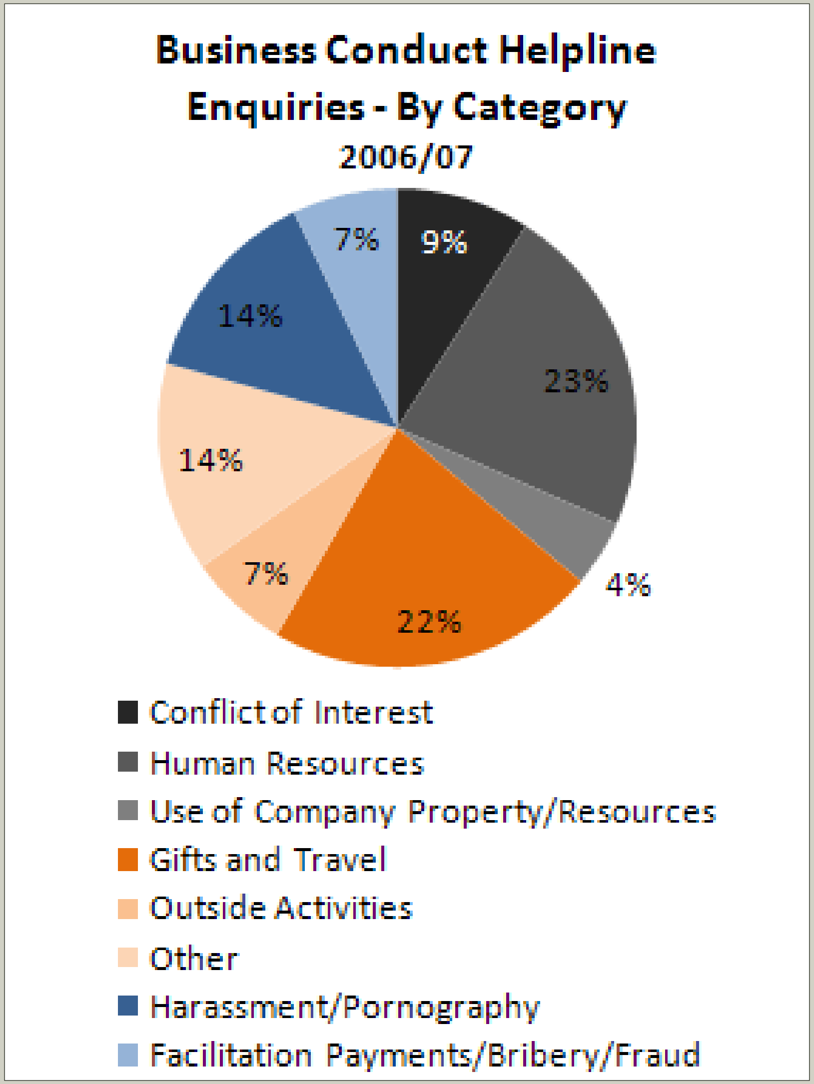
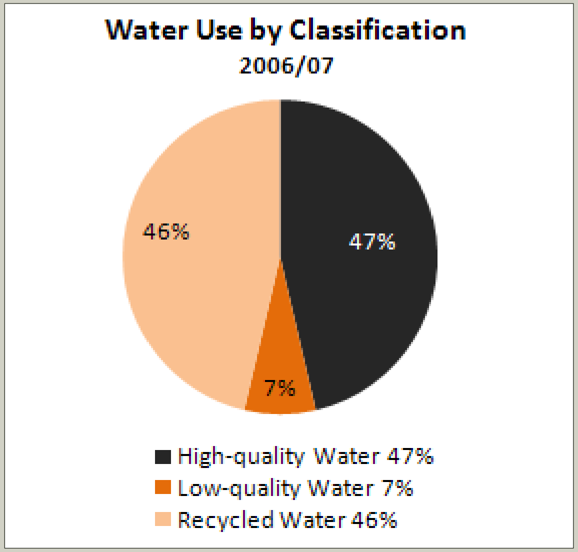
Performance overview – Business Conduct

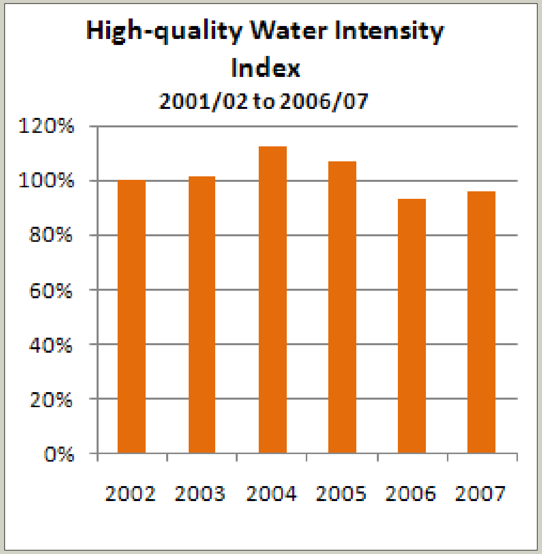
- 90 business conduct enquiries
- Data suggests utilisation of helplines could be improved
- Project developed to revise Guide to Business Conduct and further promote awareness and utilisation of helplines



Performance overview - Environment

- Water management plans now in place at all sites with significant water use





- General waste impacted by construction activity, however, strong progress made in hazardous waste – 50% reduction from base year
- New Biodiversity Standard developed for implementation in FY08

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BHP Billiton's Approach to Climate Change

Addressing Risks and Seeking Opportunities

Ed Mongan

Global Practice Leader, Climate Change and Energy

Climate Change is a priority issue for BHP Billiton

- Energy and greenhouse gas intensive operations
  - 52 million tonnes CO2 equivalent emissions globally in 2007
- Greenhouse gas intensive products
  - Energy coal
  - Metallurgical coal
- Substantial growth expected across most customer sector groups
  - Driven by rapid growth in developing economies (China, India)
- Some of our products contribute to the solution
  - Uranium, aluminium, LNG
- We recognise there are physical risks, financial risks and reputational risks associated with climate change

BHP Billiton actions and targets met - 1995 to 2007

- All sites with emissions greater than 100,000 tonnes per year of carbon dioxide equivalent are required to have and maintain greenhouse gas management and energy conservation programs

- Aggregate Group targets:
  - 10% reduction in greenhouse gas emissions per unit of production between 1995 and 2000
  - 5% reduction in greenhouse gas emissions per unit of production between 2002 and 2007

New Climate Change Policy – June 2007

What we hope to achieve:

- Maintain licence to operate and grow the business
- Enhance reputation with government, communities and employees
- Demonstrate to investors that the issue is well managed

In this work we have aimed to position the company to both mitigate risk and create opportunity. Effective implementation will place us in the leadership group in the natural resources sector.

Preamble to policy

- BHP Billiton believes that the risks of climate change associated with increasing greenhouse gas concentrations in the atmosphere must be addressed through accelerated action to stabilise concentrations at acceptable levels

- To achieve this in a manner consistent with meeting natural resource and energy needs, behavioural change and technological progress are necessary

- We will take action and work with governments, industry and other stakeholders to address this global challenge and find lasting solutions consistent with our commitment to zero harm

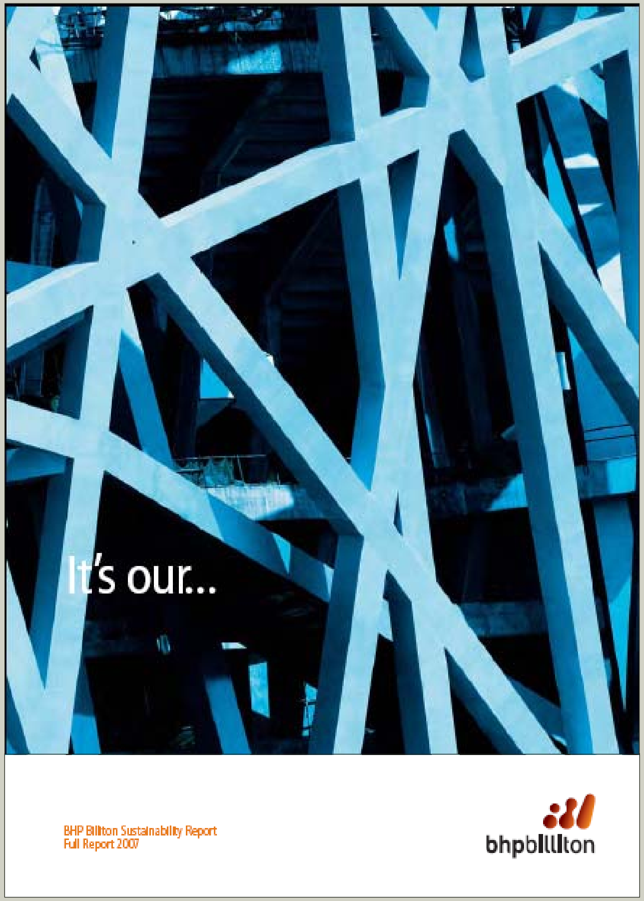
1. Improving our understanding of life-cycle emissions

Policy Element:

Improve our understanding of greenhouse emissions from our production and customers' consumption of our products

Key Actions:

- Apply benchmark standards to improve data quality – working with ICMM, WRI
- Determine the greenhouse impacts of the full life-cycle of our products
- Report publicly with external verification



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2. Collaboration to reduce emissions and influence policy

Policy Element:

Support research, development and demonstration of low emission technologies with relevance/interest to our businesses, customers and employees

Key Actions:

Commit to invest US$300 million over 5 years in

- reducing emissions from the use of our products
- energy excellence projects with a greenhouse gas emissions reduction element
- matching emissions reducing activities by our employees and local communities

3. Policy development / influence

Policy Element:

Work with governments and other stakeholders on the design of effective climate change policies consistent with stabilisation of greenhouse gas concentrations

Key Actions:

Actively engage with key governments to ensure our interests are effectively represented (recent example was BHP Billiton’s membership on the Australian Prime Minister’s Task Group on Emissions Trading)

Energy Excellence - business case

- BHP Billiton Energy Excellence has been established to:
  - Contribute to Zero Harm
    - In FY07 80% of BHP Billiton's greenhouse gas emissions were generated by energy consumption
  - Create and protect value
    - FY06 global annual energy costs US $2.3 billion or 24% of operating costs
  - Ensure legal compliance
    - Australia Energy Efficiency Opportunities (EEO), Greenhouse Challenge Plus Scheme
  - Maintain our licence to operate

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4. Managing our emissions from production

Policy Element:

Build on leading practice, improve energy and greenhouse gas management at our sites, build emissions abatement and energy saving considerations into our decision-making processes

Key Actions:

- Group energy and greenhouse emissions intensity reduction targets over the period 2006-2012:
  - 13% reduction in energy intensity (GJ per tonne product) driven by Energy Excellence
  - 6% improvement in greenhouse gas intensity (tonnes CO_2 per tonne product)

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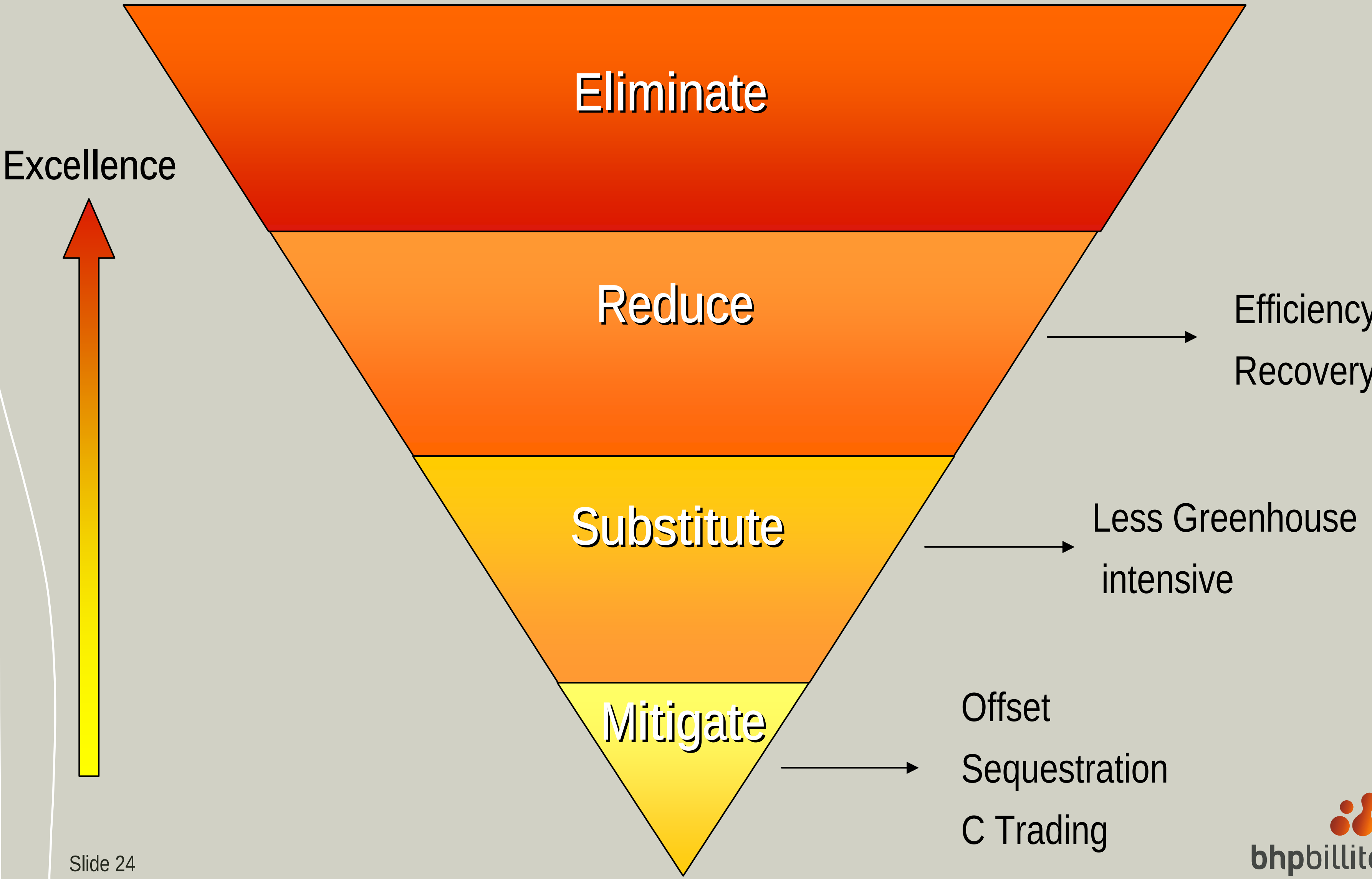
Energy Excellence Approach - Energy Excellence Hierarchy



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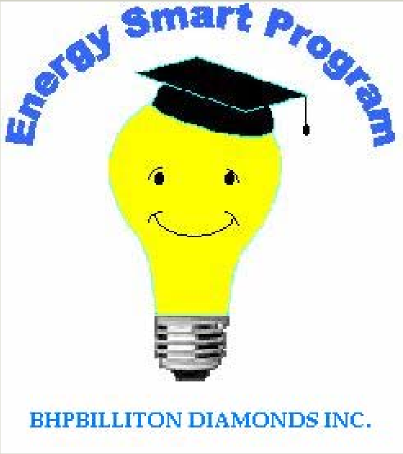
Examples of success

- EKATI Energy Smart Program
- West Vamp – Vocsidizer Technology
  - Consumes low concentration methane emissions from ventilated air in underground coal mines
  - Abates 220,000 tonnes of carbon dioxide equivalent annually
  - Produces 5 to 6 MW of electricity



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New developments

- Partnership with Pacific Power to develop 100 MW wind farm in Chile
  - supply Escondida mine with zero carbon electricity
- $20 million study of new aluminium smelter in DRC utilising 2000 MW of hydropower
- Evaluating potential for wind farm at Ekati diamond mine in northern Canada
  - Reduce dependency on diesel fuel and ice roads

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BHP Billiton - Emissions Trading Strategy

Source sufficient emissions credits to offset the forecasted shortage of Emissions Allowances of BHP Billiton assets – Liverpool Bay, UK

Develop new products and service offerings to transact with existing and new key customers and to cement strategic relationships

Continue to develop our knowledge and understanding of the emissions market in order to provide cutting edge analysis to our energy trading teams and corporate functions

Increase the level of awareness and knowledge of the greenhouse gas emissions market and emissions reduction projects at BHP Billiton's assets, to ensure that viable CDM/JI projects are implemented

To build BHP Billiton's reputation and brand, thereby enabling BHP Billiton to access and take part in the most valuable emissions transactions

Concluding Remarks

Conclusion

- Good progress against 2002-2007 targets
- However, challenges remain, particularly in safety
- New targets set to focus efforts on key risks and opportunities for improvement
- Key focus areas for FY08 include:
  - Implementation of Climate Change Policy
  - Increased efforts to ensure consistent implementation of fatality, injury and illness elimination programs
  - Implementation of new HSEC Audit Program with risk based emphasis
  - Implementation of new Biodiversity Standard

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