Working for a Sustainable Future

Health, Safety, Environment and Community Performance 2003/04

October 2004: London

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Policy + Action →Sustainability

- **Introduction** — Mike Salamon
  - Creating value across all our business facets
- **HSEC Performance Highlights 2003/04** — Ian Wood
- **Towards Zero Harm** — Barry Formosa
  - Focus on Safety Management
- **Questions and Answers** — All

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A global footprint

Petroleum

Aluminium

Base Metals

Carbon Steel Materials

Diamonds & Spec Prod

Energy Coal

Stainless Steel Materials

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Financial Highlights – year ended 30 June 2004

- **Record EBITDA,** up 40% to $US7.5 billion and **record EBIT,** up 58% to US$5.5 billion.
- EBIT up across **all CSGs.**
- **Record attributable profit** of US$3.5 billion and earnings per share of 56.4 US cents.
- Including other efficiency gains, the total merger benefits and **cost savings** target of US$770 million exceeded, 12 months ahead of schedule.
- Available **cashflow increased** by 46% to US$5.2 billion.
- **7 projects** commissioned during the year. 14 major projects in development.
- **Final dividend** declared of 9.5 US cents; full year dividends of 26.0 US cents.
- Board approved plan to pursue a **capital management programme** of up to US$2 billion.

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Our Purpose is to create long-term value

BHP BILLITON CHARTER

WE ARE BHP BILLITON, A LEADING GLOBAL RESOURCES COMPANY.

Our purpose is to create long-term value through the discovery, development and conversion of natural resources, and the provision of innovative customer and market-focused solutions.

To prosper and achieve real growth, we must:

- actively manage and build our portfolio of high-quality assets and services;
- continue the drive towards a high-performance organisation in which every individual accepts responsibility and is rewarded for results;
- earn the trust of employees, customers, suppliers, communities and shareholders by being forthright in our communications and consistently delivering on commitments.

We value:

- **Safety and the Environment** – An overriding commitment to health, safety, environmental responsibility and sustainable development.
- **Integrity** – Doing what we say we will do.
- **High Performance** – The excitement and fulfilment of achieving superior business results and stretching our capabilities.
- **Win-Win Relationships** – Having relationships which focus on the creation of value for all parties.
- **The Courage to Lead Change** – Accepting the responsibility to inspire and deliver positive change in the face of adversity.
- **Respect for Each Other** – The embracing of diversity, enriched by openness, sharing, trust, teamwork and involvement.

We are successful in creating value when:

- our shareholders are realising a superior return on their investment
- our customers and suppliers are benefiting from our business relationships
- the communities in which we operate value our citizenship
- every employee starts each day with a sense of purpose and ends each day with a sense of accomplishment.

Chip Goodyear
Chief Executive Officer
August 2004

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When we demonstrate the creation of value across all facets of our business and confidently provide a workplace that delivers Zero Harm, we will be truly successful.

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Corporate governance

GROUP BOARDS

BOARD COMMITTEES

- Risk Management & Audit Committee
  - Global Ethics Panel
- Health, Safety & Environment Committee
- Remuneration Committee
- Nomination Committee

OFFICE OF THE CHIEF EXECUTIVE

- Financial Risk Management Committee
- Investment Risk Committee
- Other Levels of Management
- Forum on Corporate Responsibility
- Disclosure Committee

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Value drivers – what distinguishes us from the rest

I. Stability From Outstanding Assets

II. Stability From The Portfolio Effect

III. Stability & Growth From Customer-Centric Marketing

IV. Growth From Deep Inventory of Projects

V. Growth From Petroleum

VI. Growth Through Innovation

VII. Realising the Full Potential of our People

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Our Strategic Imperatives

Value Driver	Strategic imperatives
I. Outstanding assets	Zero harm to people and the environment Operating excellence
II. Growth from a deep inventory of growth projects	Investment judgement Project management skills
III. Customer centric marketing	Serving customers best
IV. The portfolio effect	Portfolio management Funding and capital management
V. The Petroleum CSG	Value adding growth
VI. Innovation	Creative thinking Commercial judgement Transaction execution
VII. Employees	Organisation effectiveness Resourcing Succession planning & development Performance management

Ensuring Accountability

- Our strategic imperatives form the basis of the measures for our Company scorecard which determines when we are successful.

- Senior management are held accountable through the incorporation of the Company scorecard into their personal performance scorecard, directly linked to remuneration.

- Our HSEC Management Standards, applicable to all our businesses, require that:

  ‘Specific and measurable HSEC activities are included in performance plans and appraisal systems for all employees.’

and

  ‘Systems are in place to ensure the HSEC performance of suppliers, contractors and partners, and their compliance with HSEC obligations are specified in their contracts, are monitored and reported.’

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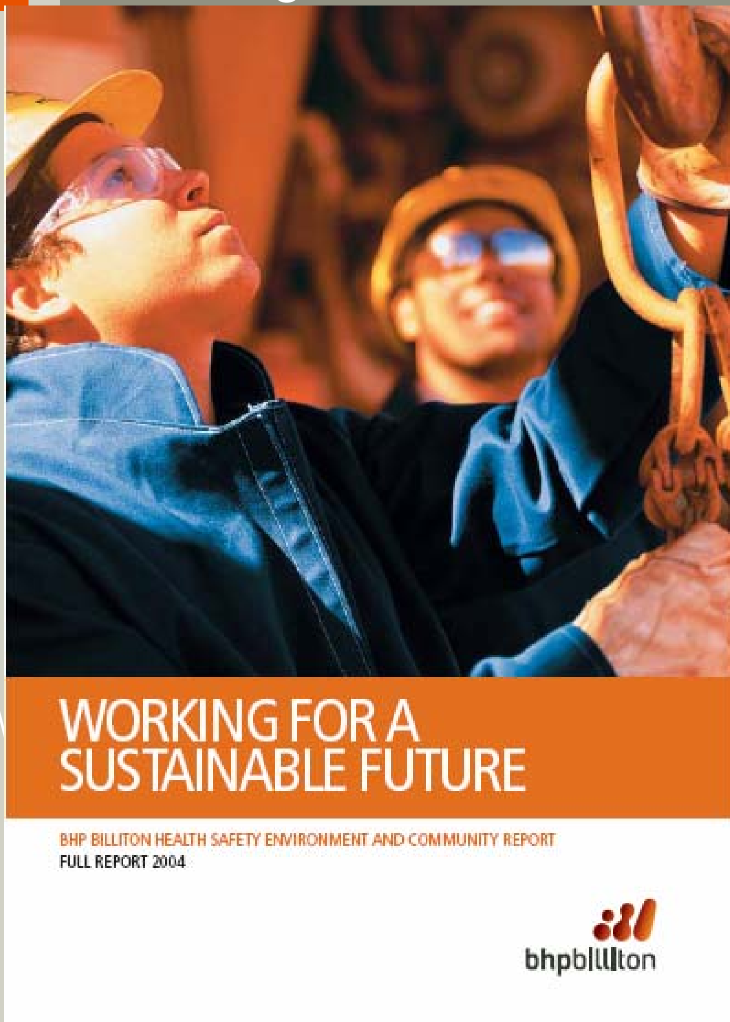
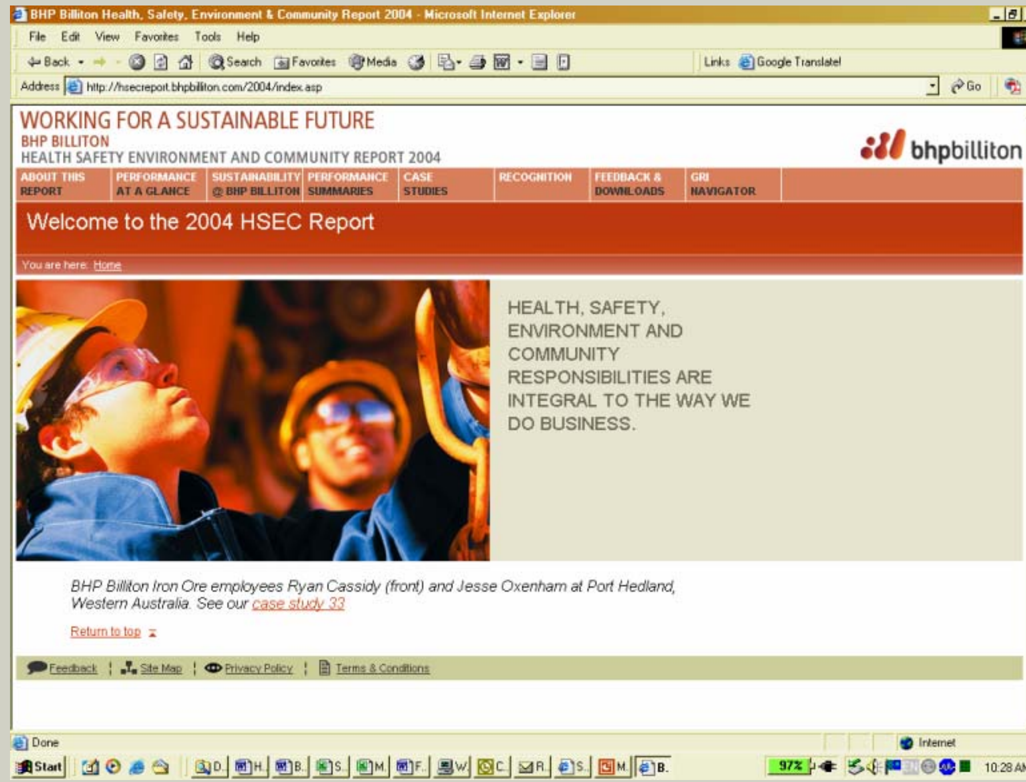
Performance Highlights 2004

Ian Wood

Vice President Sustainable Development and Community Relations

Working for a Sustainable Future





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Our Sustainability Challenges

- Our sustainability challenges are those issues that have the potential to have a significant impact on our business.
  - Fatal risks
  - Occupational and Community Health
  - Greenhouse gas emissions
  - Access to resources
    (including biodiversity and human rights)
  - Sustainable community development and closure

HSEC Governance – managing our challenges

BHP BILLITON CHARTER

WE ARE BHP BILLITON, A LEADING GLOBAL RESOURCES COMPANY.

WORKING RESPONSIBLY AT BHP BILLITON: OUR HEALTH, SAFETY, ENVIRONMENT AND COMMUNITY POLICY

At BHP Billiton, we are committed to sustainable development. Health, safety, environment and community responsibilities are integral to the way we do business.

We commit to continual improvement in our performance, efficient use of natural resources and aspire to Zero Harm to people and the environment.

Wherever we operate we will:

Develop, implement and maintain management systems for health, safety, environment and the community that are consistent with internationally recognised standards and enable us to:

- identify, assess and manage risks to employees, contractors, the environment and communities
- strive to achieve leading industry practice
- meet and, where appropriate, exceed applicable legal and other requirements
- set and achieve targets that include reducing and preventing pollution
- develop our people and provide resources to meet our targets
- support the fundamental human rights of employees, contractors and the communities in which we operate
- respect the traditional rights of indigenous peoples
- care for the environment and value cultural heritage
- advise on the responsible use of our products.

Seek opportunities to share our success by:

- working with communities to contribute to social infrastructure needs through the development and use of appropriate skills and technologies
- developing partnerships that focus on creating sustainable value for everyone.

Communicate with, and engage, employees, contractors, business partners, suppliers, customers, visitors and communities to:

- build relationships based on honesty, openness, mutual trust and involvement
- share responsibility for meeting the requirements of this Policy.

We will review regularly and report publicly our progress and ensure this Policy remains relevant to the needs of our stakeholders. We will be successful when we achieve our targets towards our goal of Zero Harm and we are valued by the communities in which we work.

Chip Goodyear
Chief Executive Officer

January 2003

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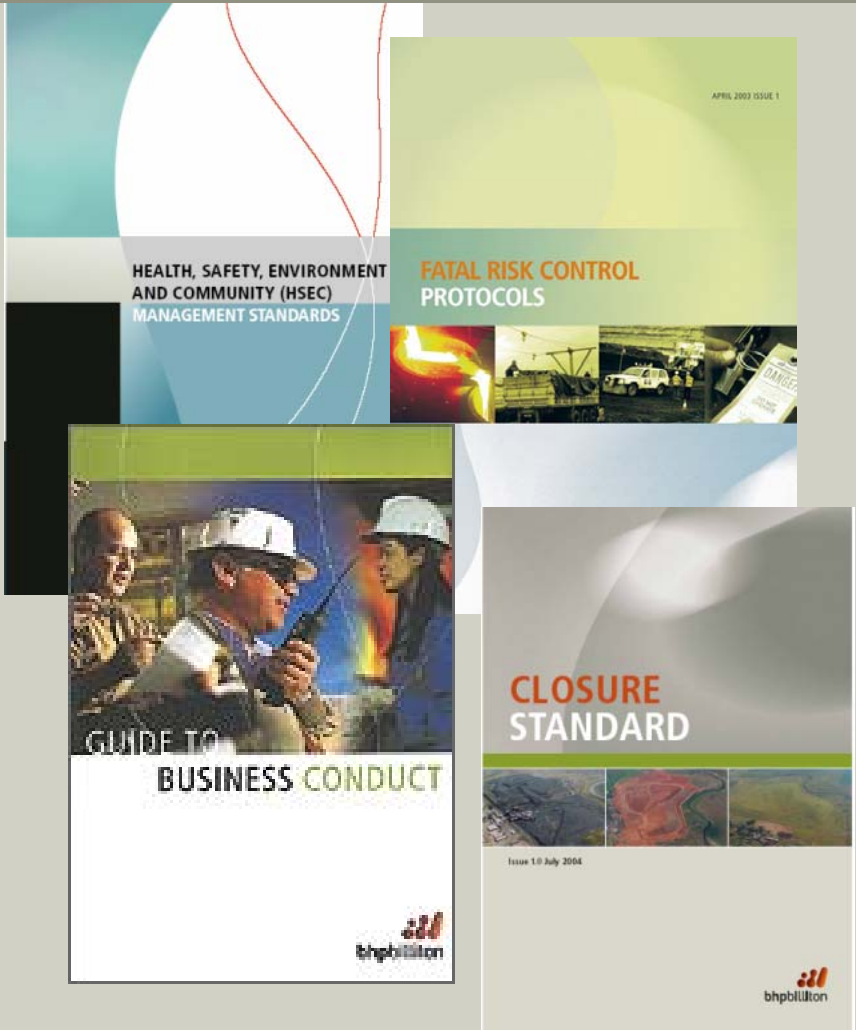

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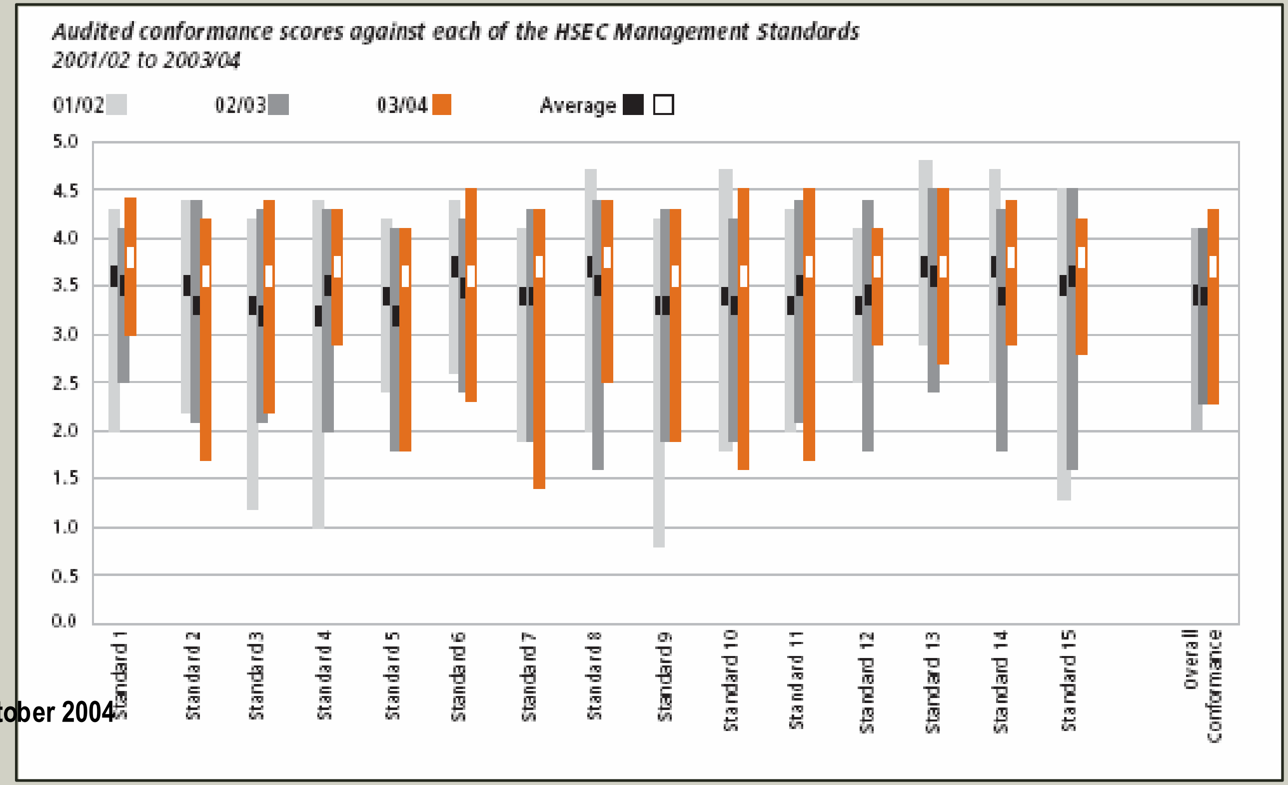
Performance - Management Systems

Audits completed at 100 per cent of operating sites.
Overall conformance of 3.7 our of 5. (2003: 3.4)

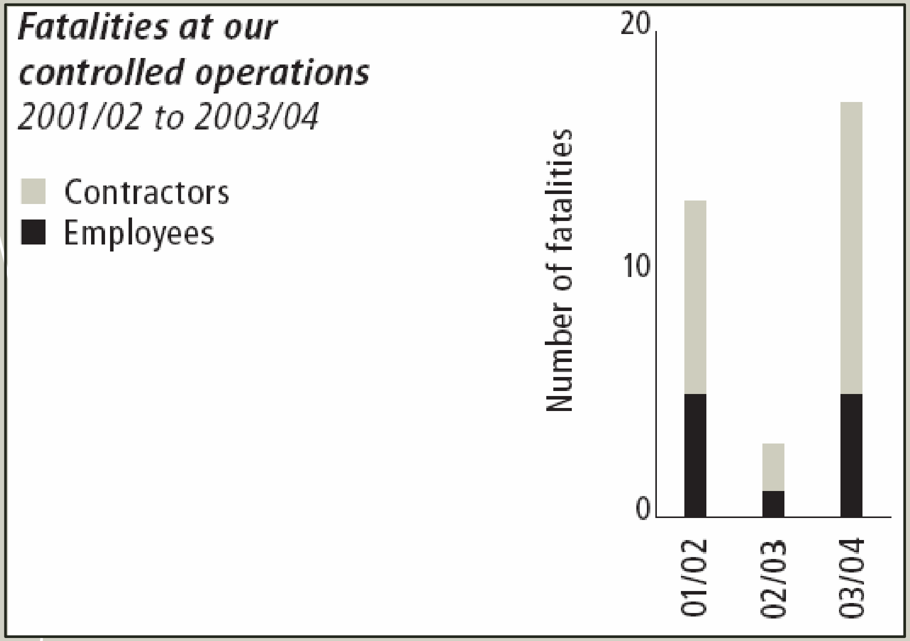
Eleven fines totalling US$209 420. (2003: 9/US$166 944)

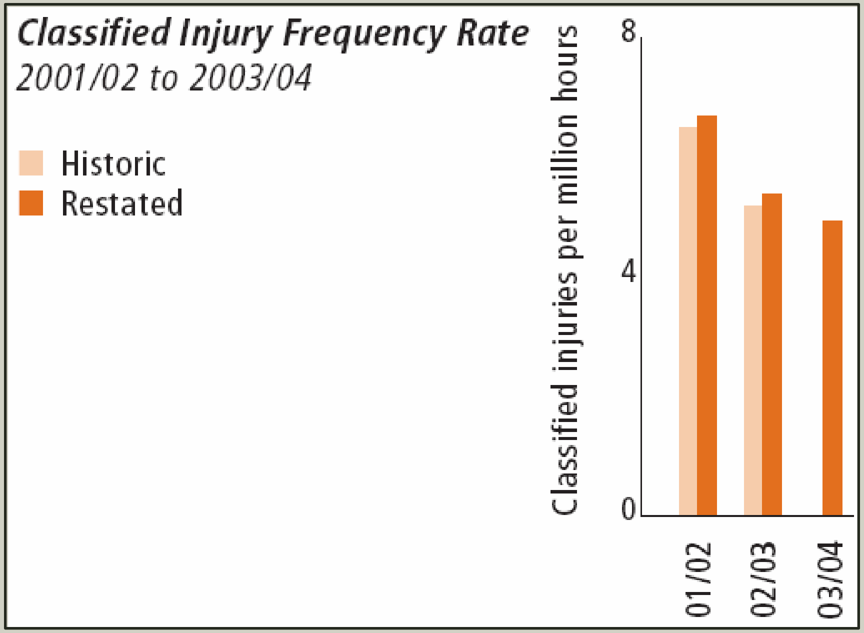


Performance - Safety – an unacceptable result

Seventeen fatalities in controlled activities.(2003:3)

Classified injury frequency rate reduced (4.95 vs. 5.38, 2003)– overall reduction of 26 per cent against baseline.





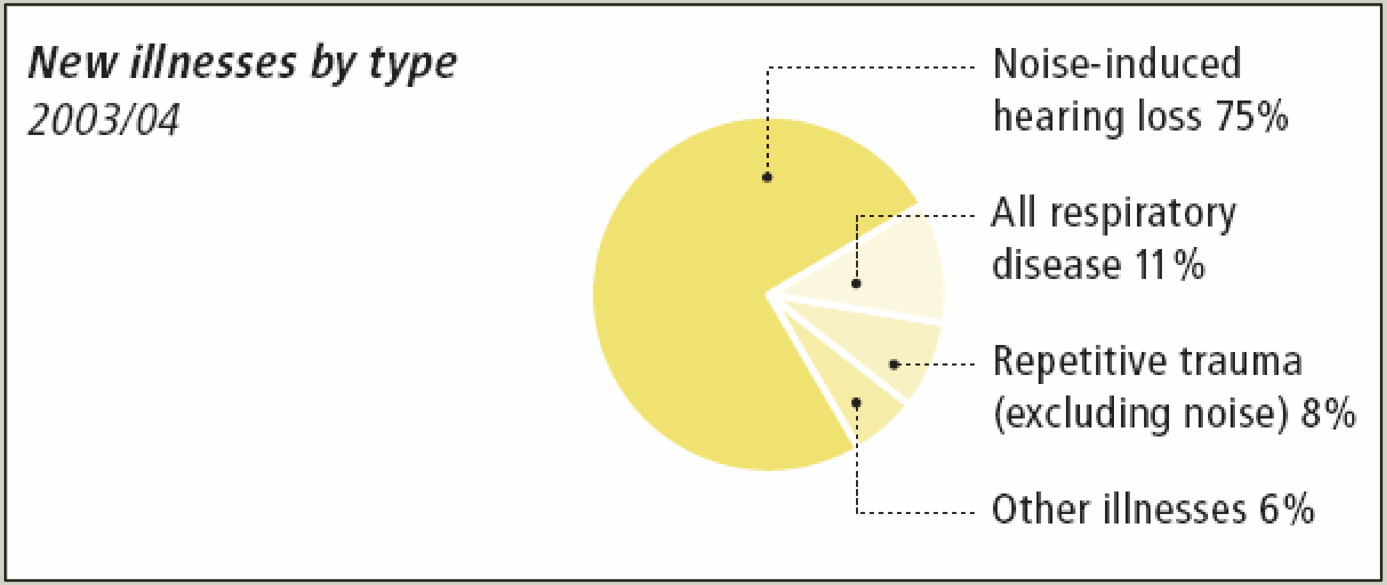
Occupational and Community Health

- Our challenge is to provide and promote an environment that contributes to our employees being fit for work and fit for life.
- This extends to our responsibility to work with the communities in which we operate – setting up programs focused on significant community health issues that may also impact our workforce and their dependents.

Performance – Health – Prevention not just cure

↓ Occupational exposure to noise, if not for the use of PPE increased 4 per cent. (2003 baseline)

↑ Incidence of occupational illness reduced (197 vs. 226, 2003), overall 15 per cent reduction against baseline.



Policy in Action – Occupational and Community Health

- Diesel particulate initiative – based on extensive research, developed diesel particulate management strategy – will be taken company wide

- Medicines for Malaria Venture – in partnership with WHO – aims to develop affordable anti-malarial drugs for people in disease endemic countries

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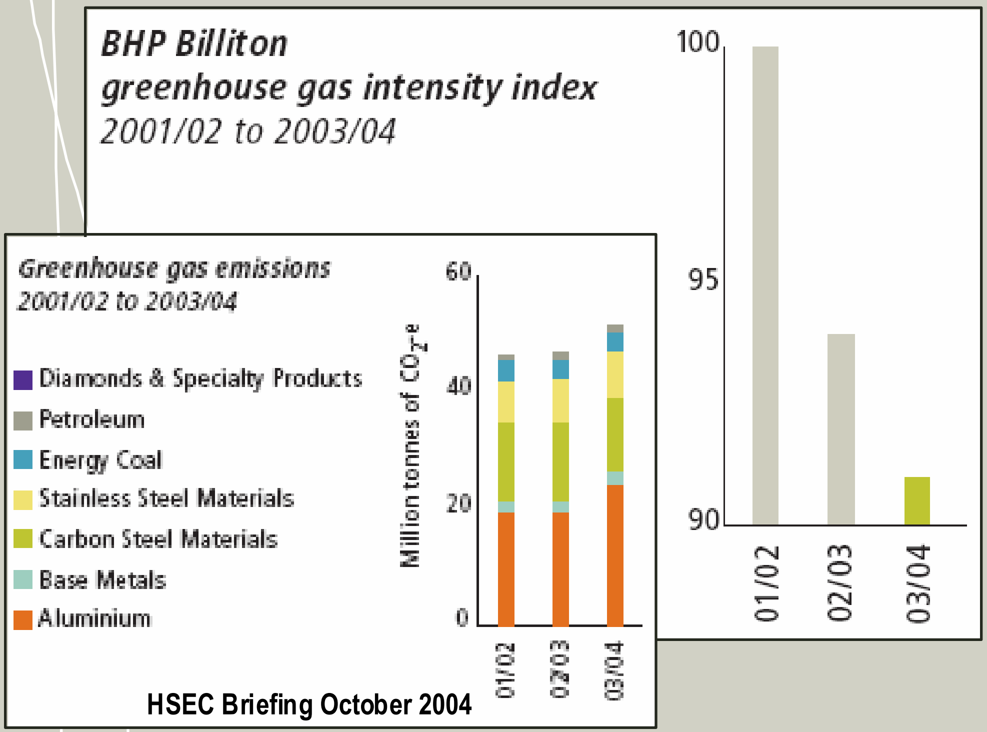
Greenhouse gas emissions

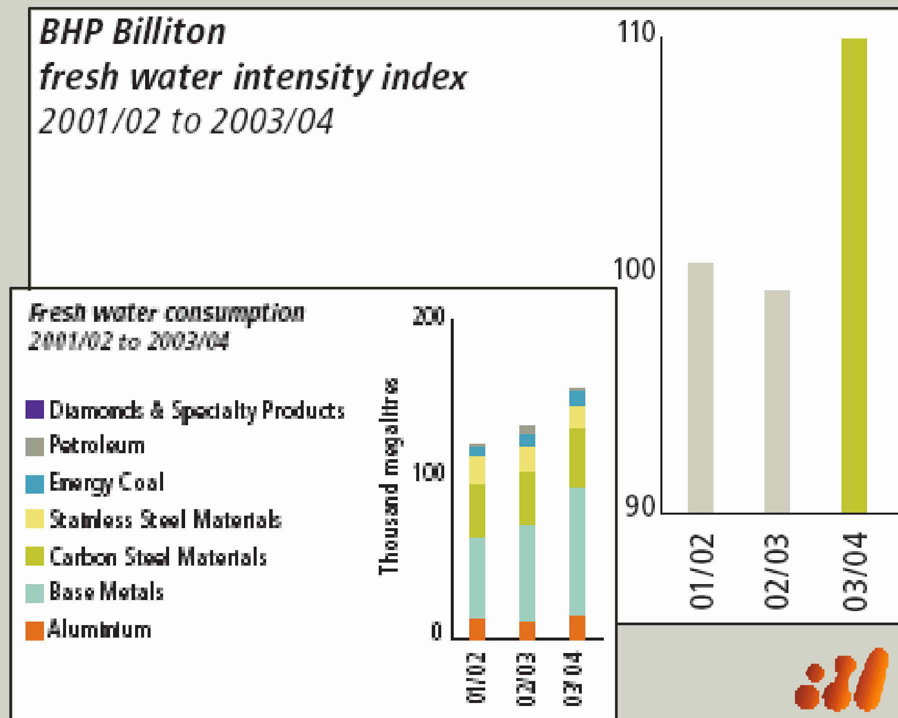
- Our challenge as a member of global society is to help meet the world's energy needs while mitigating the potential impact of greenhouse gas emissions on the climate.

Performance - Environment

Greenhouse gas intensity reduced - 9 per cent reduction to date against baseline.

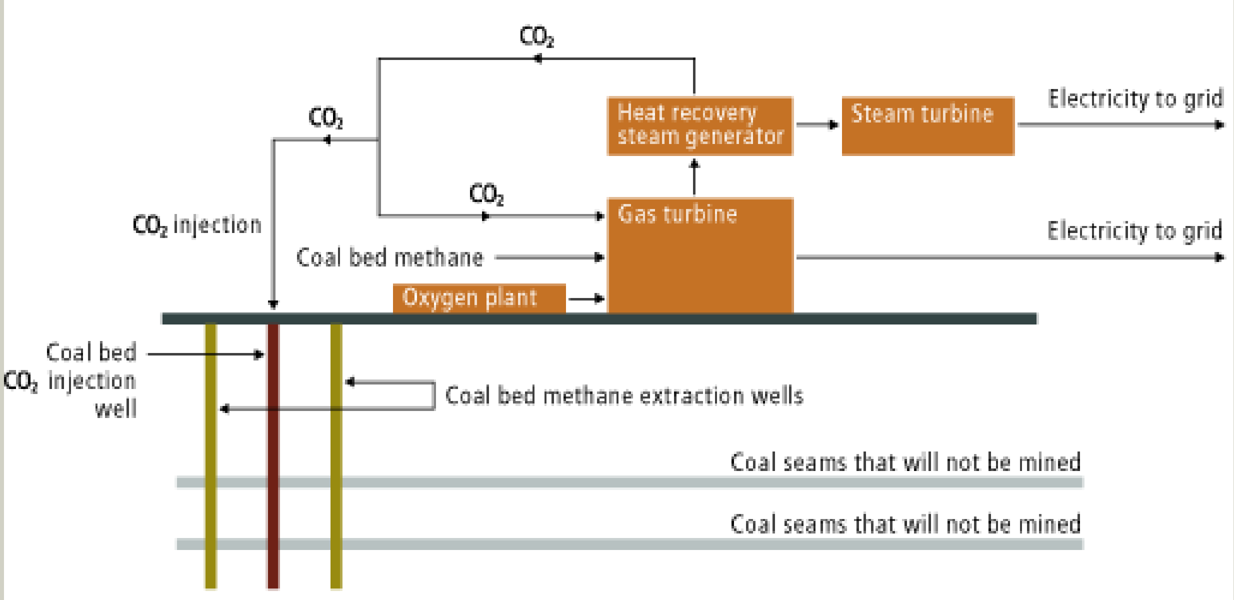
Water intensity increased – 10 per cent increase to date against baseline.





Policy in Action – Coal Bed Methane – a win-win outcome

- Coal bed methane is natural gas extracted from coal seams –due to innovative technologies, it is now a proven and reliable source of competitively priced natural gas for power generation.
- We are investigating coal bed methane power generation prospects in Australia, US, Europe and China



With coal bed methane mixed with oxygen as fuel for the gas turbine, the flue gas becomes pure carbon dioxide (plus water and NO_x)

Access to Resources – Partner of choice

- Our challenge is to achieve access to the resources relevant to the scope of our operations while addressing heightened political and societal expectations related to obtaining and maintaining a 'licence to operate'.

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Performance - Environment

- ↓ Two Level 3 environmental incidents. (2003: 0)
- ↑ Life cycle assessments completed for all major mineral products.
- → Land, water and energy management plans and waste minimisation programs in place.

Policy in Action – Biodiversity integral to environmental management

- Environmental impact assessments – incorporating baseline biodiversity studies, are required as part of the investment approval process for all major projects
- 39 sites have biodiversity conservation programs
- Biodiversity position paper currently in development
- Ravensthorpe Nickel Project, approved in March 2004, is situated in an environmentally sensitive region in Western Australia
  - Detailed environmental planning and research as part of mine planning and design has resulted in a number of programs being implemented to conserve biodiversity.
  - Land acquisition for biodiversity offsets

Policy in Action – No to Deep Sea Tailings Placement

- BHP Billiton has decided not to pursue Deep Sea Tailing Placement (DSTP) as a potential tailing disposal option for any of its current prospects. The Company also believes that given the very specific circumstances where DSTP could be considered appropriate, it is unlikely that the technology will be pursued in any of our future developments.

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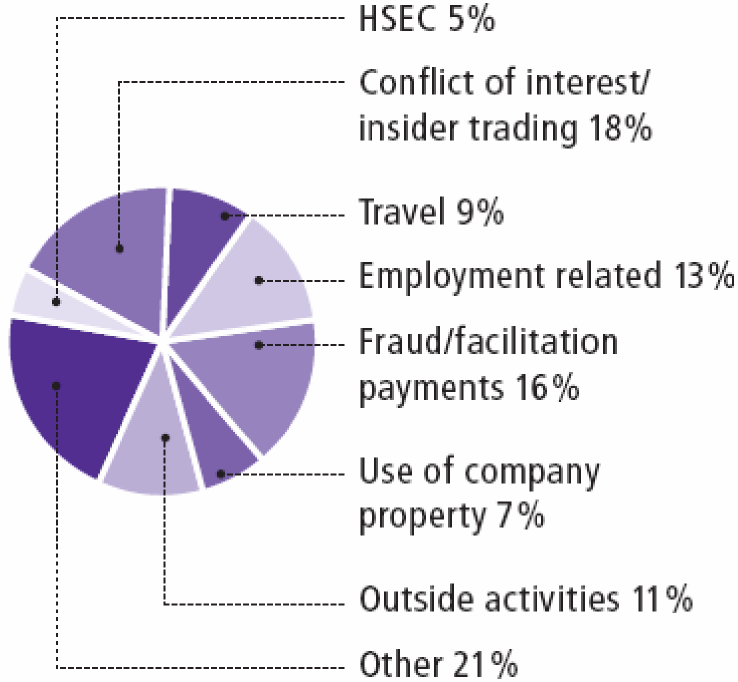
Performance - Community

→ No identified human rights transgressions.

→ Community relations plans in place at 98 per cent of required sites and at 24 sites not required to meet this target.

Performance - Socio-economic

Business conduct and fraud hotline categories of calls
2003/04



Policy in Action – Making progress on Human Rights

- 44 per cent of sites have completed the Human Rights Self Assessment Toolkit
- 18 sites undertook human rights training
- In February 2002, as the result of a meeting facilitated by the Oxfam CAA Mining Ombudsman, a Dialogue Table was formed to for reviewing and resolving social and environmental issues associated with our Tintaya copper mine in Peru.
  - Subsequently a Framework Agreement was developed, outlining the Company's environmental and social commitments in the region.

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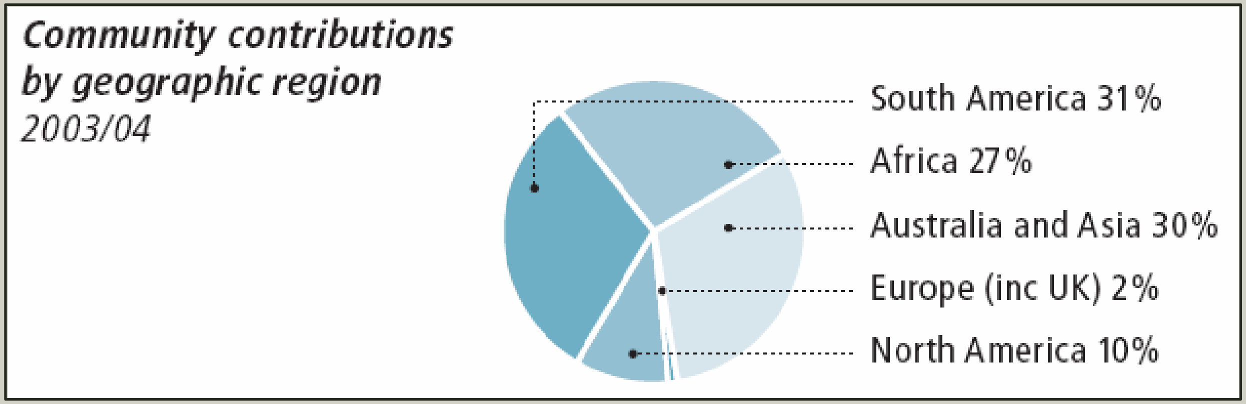
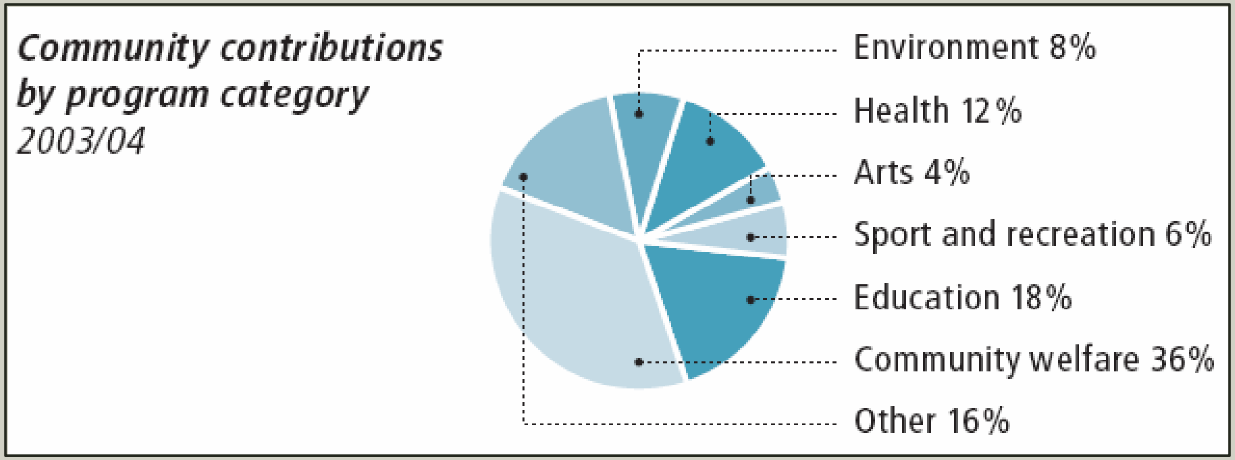
Performance - Community

Contributions to community programs totalled US$46.5 million, or 1.3 per cent of pre-tax profits on a 3 year rolling average.





Performance - Socio-economic – Sharing our Success

Expenditure by region (US$ million)[1] 2003/04

	Income Tax Resource Rent Tax and Royalties	Employee Payments, Goods and Services[2]	Community Contributions[3]	Shareholder Dividends[4]	Regional Totals
Africa	59	2 129	12	178	**2 378**
Australia and Asia	1 354	5 529	15	964	**7 861**
Europe	167	627	1	473	**1 268**
North America	199	1 134	5	2	**1 339**
South America	381	843	14	<1	**1 238**
Total	**2 160**	**10 261**	**47**	**1 617**	**14 085**

Distribution of supply spend
2003/04

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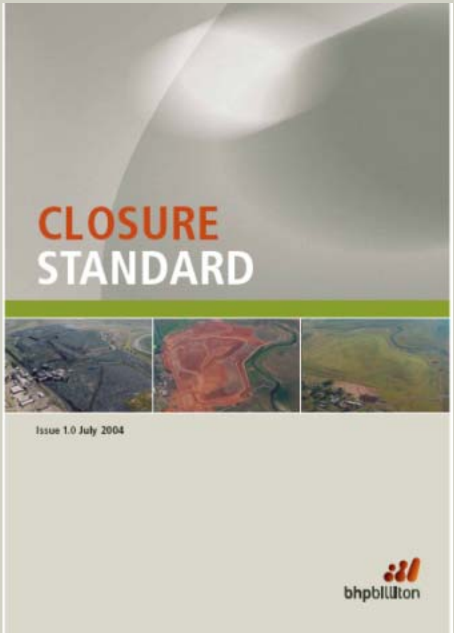
Sustainable Community Development and Closure

- Our challenge is to maximise the benefits to communities so that we leave a lasting positive legacy.
- Company-wide Closure Standard presents consistent principles and procedures closure.
- Requirements ensure closure plans meet Company standards, risks effectively managed and costs estimates are accurate.



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Towards Zero Harm

Barry Formosa

Vice President Safety

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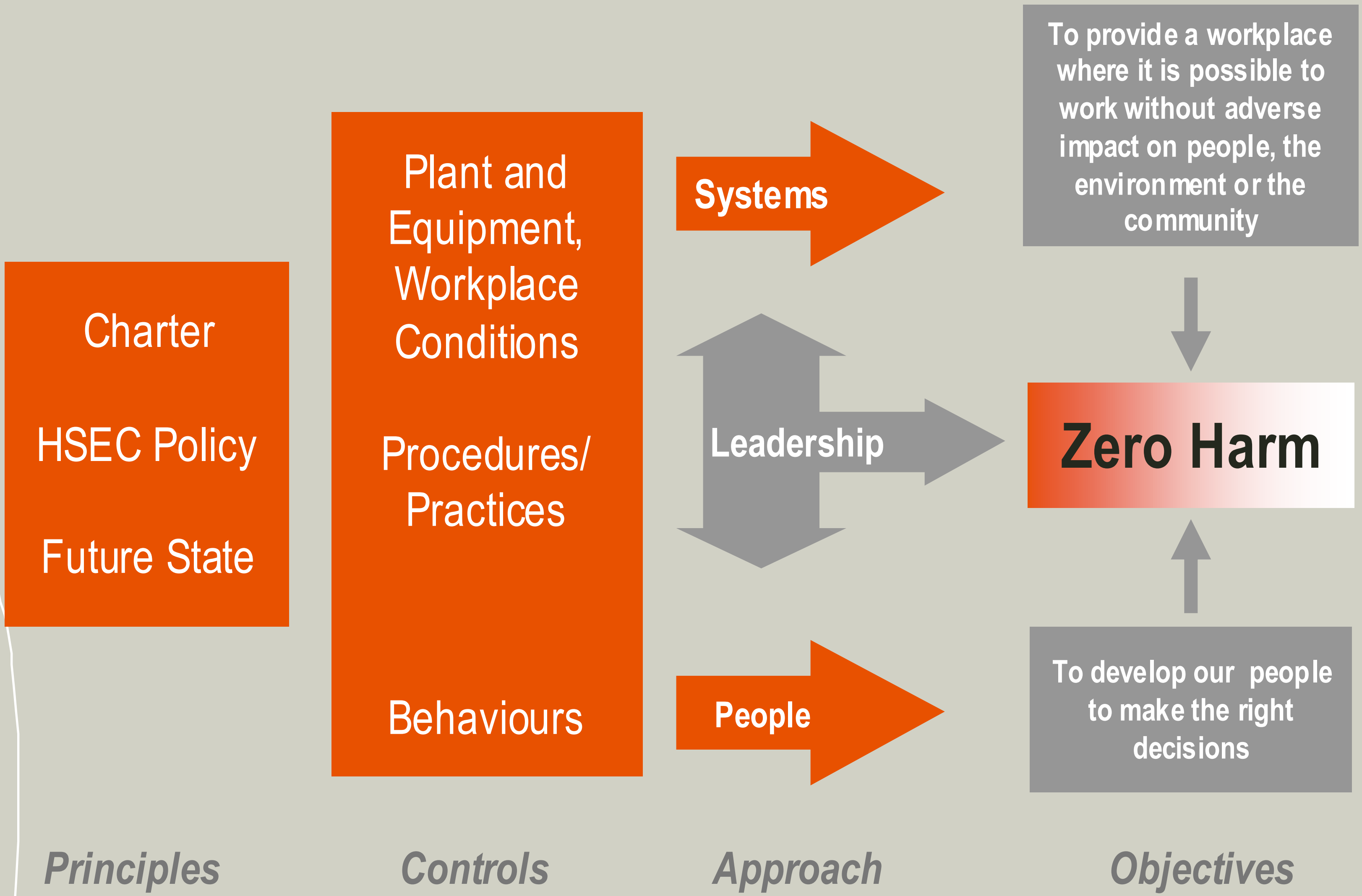
Road to Zero Harm



Key Lessons Learned from Fatality Investigations

- Safe working systems and procedures in place are sound
- Consistent and rigorous application of standards is essential
- Low injury frequency rates do not mean low fatality rates
- Injury reduction programs alone will not prevent fatalities – a complimentary focused effort is required on fatal risk.
- Our fatalities often have similar underlying causes.
- High near miss reporting often correlates with declining injuries or fatalities
- Leadership visibility in the field is crucial
- Effective contractor management is essential
- Hazard identification and risk awareness are fundamental for success

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Leadership from the Top

- Office of the Chief Executive (OCE) Mandated Program
  - Zero Harm before production and profit

- Operating Committee (Opco) Driven Program
  - Operating Discipline

Zero Harm before Production & Profit – Safe Production

- A recommitment to ZERO HARM:
  - No amount of money is worth a life
  - Think and plan before you and your team act
  - Every person has the right to STOP work if they believe, in good faith, the job is unsafe
  - We are committed to ZERO HARM and will shut down operations until they are made safe
  - Any manager, supervisor or contractor who puts profit or production before people is not aligned with the leadership of BHP Billiton

Operating Discipline Program

- Asset Safety Leadership Review
- Additional resources to support implementation of Fatal Risk Control Protocols and training
- Weekly safety reviews at all sites
- Accountability and disciplinary overlay with incident investigation findings

BHP Billiton Fatal Risk Control Protocols

• Protocol 1	Light Vehicles
• Protocol 2	Surface Mobile Equipment
• Protocol 3	Underground Mobile Equipment
• Protocol 4	Underground Ground Control
• Protocol 5	Hazardous Materials Management
• Protocol 6	Molten Materials Management
• Protocol 7	Equipment Safeguarding
• Protocol 8	Isolation
• Protocol 9	Working at Heights
• Protocol 10	Lifting (being finalised)

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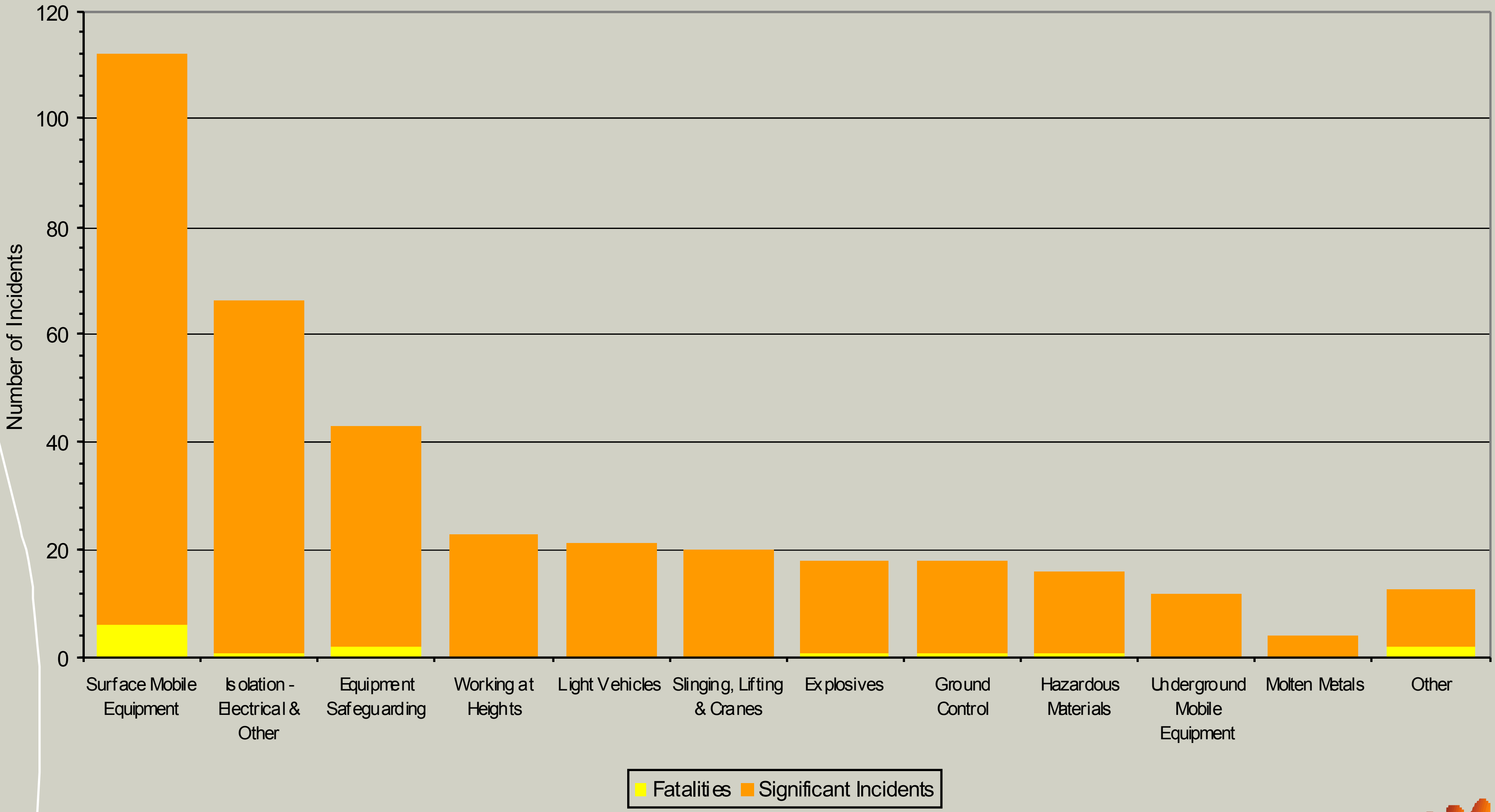
Significant Incidents by Fatal Risk Control Protocol & Major Incident Type – FY04



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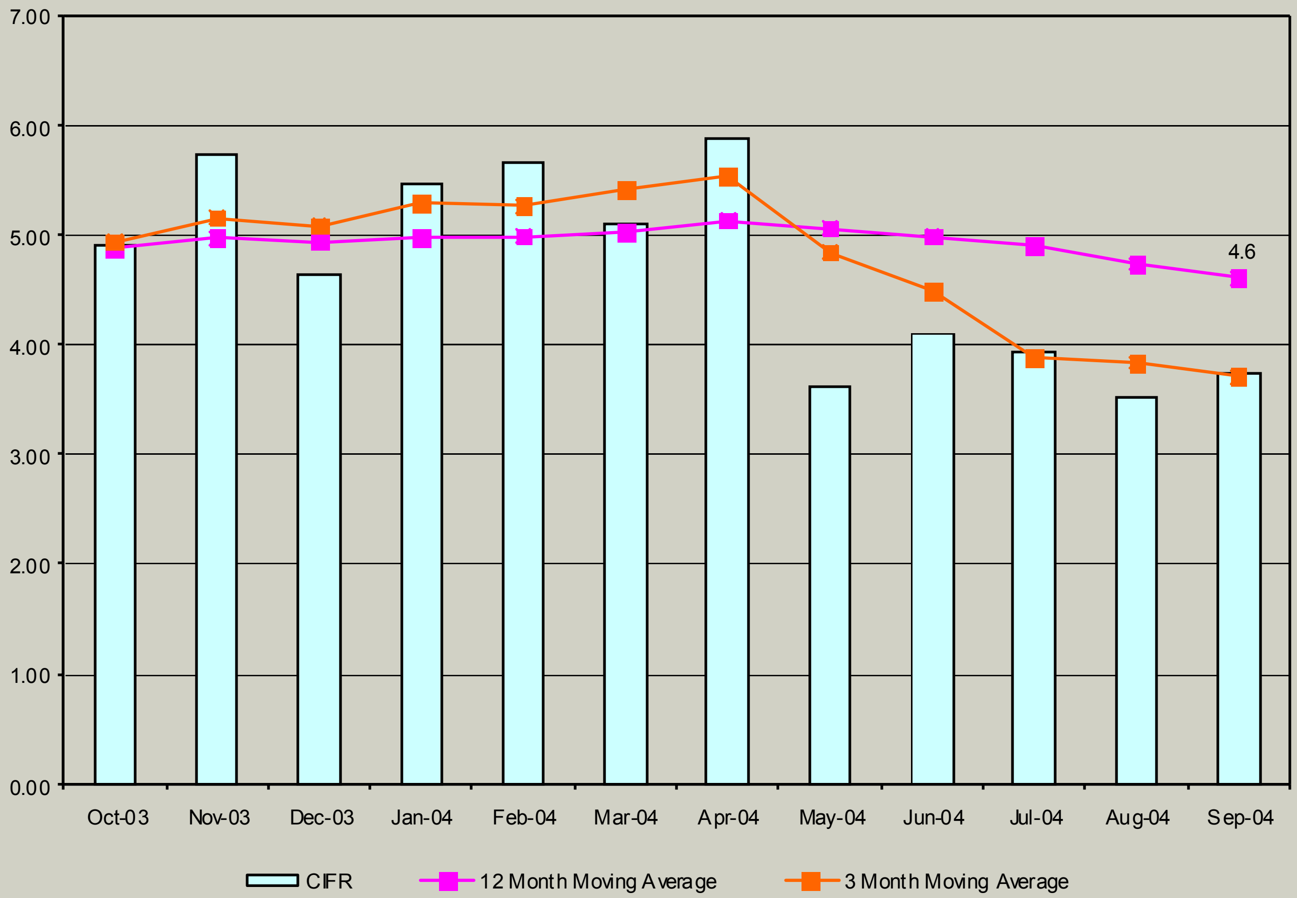
Classified Injury Frequency Rate (CIFR) Performance



Encouraging start to FY05

Improved Injury Rates, Increased Near Miss Reporting, Zero Fatalities.

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Conclusion and Q&A

Mike Salamon

Executive Director

Conclusion

- Safety focus – led from the top, leadership accountability
- Sound governance structures and systems, need to focus on rigorous implementation
- Growth prospects require heightened awareness of needs when operating in sensitive countries – social and environmental implications
- Continue our commitment to transparency through reporting