

PART OF THE GLOBAL COMMUNITY continued

Building global links *continued*

UN Global Compact

The UN Global Compact (see www.unglobalcompact.org/Portal/Default.asp) was introduced on 31 January 1999, when UN Secretary General Kofi Annan challenged business leaders to join an international initiative that would bring companies together with UN agencies, labour and civil society to support nine principles in the areas of human rights, labour and the environment. A tenth principle, anti-corruption, was added when the Global Compact's operational phase was launched on 24 June 2004. Through the power of collective action, the Global Compact seeks to advance responsible corporate citizenship so that business can be part of the solution to the challenges of globalisation. In this way, the private sector can help realise the Secretary General's vision for a more sustainable and inclusive global economy.

With regard to the Global Compact's core values in the area of labour standards, while we fully recognise the right of our employees to freely associate and join trade unions, at a number of locations we have a mix of collective and individual arrangements. Prospective employees are made aware of employment arrangements prior to joining the Company. At all times, our businesses comply with local employment law requirements and treat employees in accordance with the values expressed in our Charter. Refer to our section on [Freedom of association](#) for further details in this regard.

To see how we are progressing against the principles outlined in the Global Compact, refer to our [Global Compact progress assessment](#).

A copy of our [letter to the United Nations](#) is available on our website (see www.bhpbilliton.com/bb/sustainableDevelopment/policiesAndKeyDocuments.jsp).

Global Compact progress assessment

This progress assessment represents our judgement of how the principles of the Global Compact have been progressed through our policy and actions during the year. Refer to the items highlighted below for the particular document or a more detailed description of our performance in relation to the related Global Compact principle. Please contact the Company if you would like further information in relation to this assessment.

Global Compact Principle	BHP Billiton Policies, Systems and Commitments	BHP Billiton progress outlined in HSEC Report (2003/04)
<p>1. Businesses should support and respect the protection of internationally proclaimed human rights</p>	<p>HSEC Policy Guide to Business Conduct HSEC Management Standards HSEC Management Standard 8 United Nations Universal Declaration of Human Rights US-UK Voluntary Principles on Security and Human Rights World Bank Operational Directive on Involuntary Resettlement</p>	<p>HSEC targets scorecard 'No transgressions (encompasses transgressions of employee rights) within the Group's activities of the principles embodied within the United Nations Universal Declaration of Human Rights.' None identified.</p> <p>Management systems performance summary – HSEC Management protocols and guidelines We made further progress preparing and revising our detailed protocols and guidelines.</p> <p>Management systems performance summary – Audit and self-assessment A total of 24 HSEC audits were conducted during the reporting period.</p> <p>Community performance summary – Human rights A Human Rights Self-Assessment Toolkit was developed and distributed to all Company sites. Since its implementation, 44 per cent of sites have completed the self-assessment.</p> <p>Socio-economic performance summary – Business conduct There were 80 substantive enquiries to the business conduct helpline and fraud hotline systems.</p> <ul style="list-style-type: none"> • Case study 25 – Dialogue Table meetings provide a forum for resolving community issues at Tintaya • Case study 28 – Process of resolving Tabaco land acquisition issues continues • Socio-economic case studies 30–38

PART OF THE GLOBAL COMMUNITY continued

Building global links *continued*

Global Compact progress assessment continued

Global Compact Principle	BHP Billiton Policies, Systems and Commitments	BHP Billiton progress outlined in HSEC Report (2003/04)
<p>2. Businesses should make sure their own corporations are not complicit in human rights abuses</p>	<p>HSEC Policy Guide to Business Conduct HSEC Management Standards HSEC Management Standard 8 Human Rights Self Assessment Toolkit United Nations Universal Declaration of Human Rights US-UK Voluntary Principles on Security and Human Rights World Bank Operational Directive on Involuntary Resettlement</p>	<p>HSEC targets scorecard 'No transgressions (encompasses transgressions of employee rights) within the Group's activities of the principles embodied within the United Nations Universal Declaration of Human Rights.' None identified.</p> <p>Management systems performance summary – Audit and self-assessment A total of 24 HSEC audits were conducted during the reporting period.</p> <p>Community performances summary– Human rights A Human Rights Self-Assessment Toolkit was developed and distributed to all Company sites. Since its implementation, 44 per cent of sites have completed the self-assessment.</p> <p>Socio-economic performance summary – Business conduct There were 80 substantive enquiries to the business conduct helpline and fraud hotline systems.</p> <ul style="list-style-type: none"> • Case study 25 – Dialogue Table meetings provide a forum for resolving community issues at Tintaya • Case study 28 – Process of resolving Tabaco land acquisition issues continues
<p>3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining</p>	<p>Employment Principles Guide to Business Conduct Letter to UN Secretary General from Chip Goodyear (June 2003)</p>	<p>Socio-economic performance summary – Employee relations Employee relations arrangements at individual workplaces are required to respect local legislative requirements and other local standards and circumstances.</p> <p>Socio-economic performance summary – Freedom of association Over 60 per cent of the workforce was covered by collective bargaining agreements at operated sites and offices.</p> <p>Socio-economic performance summary – Remuneration All Company employees earned greater than the stipulated minimum wage in the countries in which they worked.</p>
<p>4. Businesses should uphold the elimination of all forms of forced and compulsory labour</p>	<p>HSEC Policy Guide to Business Conduct United Nations Universal Declaration of Human Rights</p>	<p>Socio-economic performance summary – Child and forced labour We exclude the use of child labour and prohibit forced labour at our operations.</p> <p>Socio-economic performance summary – Work/life balance Several options are available to assist employees in balancing the competing demands of their work and personal lives.</p> <p>Socio-economic performance summary – Remuneration All Company employees earned greater than the stipulated minimum wage in the countries in which they worked.</p>
<p>5. Businesses should uphold the effective abolition of child labour</p>	<p>HSEC Policy Guide to Business Conduct United Nations Universal Declaration of Human Rights</p>	<p>Socio-economic performance summary – Child and forced labour The youngest employees were 16 years of age, working as apprentices/administrative trainees in our Australian operations.</p>

PART OF THE GLOBAL COMMUNITY continued

Building global links *continued*

Global Compact progress assessment continued

Global Compact Principle	BHP Billiton Policies, Systems and Commitments	BHP Billiton progress outlined in HSEC Report (2003/04)
<p>6. Businesses should uphold the elimination of discrimination in respect of employment and occupation</p>	<p>Employment Principles Guide to Business Conduct United Nations Universal Declaration of Human Rights</p>	<p>Socio-economic performance summary – Employee profile A breakdown of employee numbers by region is presented in the chart.</p> <p>Socio-economic performance summary – Diversity Approximately 9 per cent of full-time employees at operated sites and offices were women.</p> <p>Socio-economic performance summary – Employment equity in South Africa To address historical issues of South Africa, which resulted in the majority of South Africans being excluded from participating in the mainstream economy, BHP Billiton South Africa adopted an empowerment strategy of change.</p> <p>Socio-economic performance summary – Indigenous employment and training Various initiatives have been introduced and reported in previous years, which have been supplemented at some operations by new programs aimed to further consolidate and increase indigenous employment levels.</p> <ul style="list-style-type: none"> • Case study 30 – EKATI agreements aim to provide sustainable employment, training and business opportunities for indigenous communities • Case study 31 – Black Economic Empowerment Supply Unit established to promote BEE supply initiatives in the southern African region • Case study 33 – BHP Billiton Iron Ore initiatives provide educational and employment opportunities for our indigenous stakeholders in the Pilbara
<p>7. Businesses should support a precautionary approach to environmental challenges</p>	<p>HSEC Policy HSEC Management Standards HSEC Management Standard 3 Enterprise-Wide Risk Management Policy</p>	<p>HSEC targets scorecard 'Risk registers in place at all sites and within BHP Billiton businesses and Corporate.'</p> <p>Risk registers in place at all required sites, Customer Sector Groups and Corporate levels.</p> <p>Management systems performance summary – Risk management Work was undertaken during the year to better align HSEC risk assessment processes with our Enterprise-Wide Risk Management processes.</p> <ul style="list-style-type: none"> • Case study 13 – Coal bed methane offers a fuel source with the potential to deliver zero greenhouse gas emission power • Case study 16 – Conserving biodiversity at the Ravensthorpe Nickel Project • Case study 17 – Engineering a sustainable future at Yabulu Refinery

PART OF THE GLOBAL COMMUNITY continued

Building global links *continued*

Global Compact progress assessment continued

Global Compact Principle	BHP Billiton Policies, Systems and Commitments	BHP Billiton progress outlined in HSEC Report (2003/04)
<p>8. Businesses should undertake initiatives to promote greater environmental responsibility</p>	<p>HSEC Policy HSEC Management Standards HSEC Management Standard 5 HSEC Management Standard 12</p>	<p>HSEC targets scorecard</p> <ul style="list-style-type: none"> • Two Level 3 environmental incidents. • Systems in place and audits or self-assessments completed at 100 per cent of operating sites. • All sites requiring ISO 14001 are certified or have been recommended for certification by their ISO auditor. • Energy conservation plans in place at all required sites and at 11 sites that were below the emissions threshold. • Greenhouse gas management programs in place at all required sites and at 11 sites that were below the emissions threshold. • Water management plans in place at 98 per cent of required sites and at 23 sites that were below the usage threshold. • Waste minimisation programs in place at 97 per cent of required sites and at 10 sites that were not required to meet this target. • Land management plans in place at 98 per cent of required sites and at 19 sites that were not required to meet this target. • Life cycle assessments completed for all major minerals products. <p>Environmental performance summary – Closure planning We developed a Company-wide Closure Standard.</p> <p>Environmental performance summary – Climate change We are working on activities related to climate change risks and opportunities in a number of ways.</p> <p>Environmental performance summary – Biodiversity We researched relevant biodiversity metrics that can be used to monitor and measure the success of our land management and rehabilitation strategies.</p> <ul style="list-style-type: none"> • Case study 13 – Coal bed methane offers a fuel source with the potential to deliver zero greenhouse gas emission power • Case study 16 – Conserving biodiversity at the Ravensthorpe Nickel Project • Case study 17 – Engineering a sustainable future at Yabulu Refinery • Case study 19 – Innovative approach to reclamation at La Plata Mine is producing positive results • Case study 20 – Mt Arthur Coal trucks and excavators designed to meet stringent noise limits



PART OF THE GLOBAL COMMUNITY continued

Building global links *continued*

Global Compact progress assessment continued

Global Compact Principle	BHP Billiton Policies, Systems and Commitments	BHP Billiton progress outlined in HSEC Report (2003/04)
<p>9. Businesses should encourage the development and diffusion of environmentally friendly technologies</p>	<p>HSEC Policy HSEC Management Standards HSEC Management Standard 9 HSEC Management Standard 12</p>	<p>HSEC targets scorecard</p> <ul style="list-style-type: none"> • Energy conservation plans in place at all required sites and at 11 sites that were below the emissions threshold. • Greenhouse gas management programs in place at all required sites and at 11 sites that were below the emissions threshold. • Water management plans in place at 98 per cent of required sites and at 23 sites that were below the usage threshold. • Waste minimisation programs in place at 97 per cent of required sites and at 10 sites that were not required to meet this target. • Land management plans in place at 98 per cent of required sites and at 19 sites that were not required to meet this target. • Life cycle assessments completed for all major minerals products. • Case study 13 – Coal bed methane offers a fuel source with the potential to deliver zero greenhouse gas emission power • Case study 16 – Conserving biodiversity at the Ravensthorpe Nickel Project • Case study 17 – Engineering a sustainable future at Yabulu Refinery • Case study 18 – Waste management practices at Cannington are delivering benefits for the operation and other stakeholders • Case study 38 – We support establishment of first Centre for Sustainability in Mining and Industry in Africa
<p>10. Businesses should work against all forms of corruption, including extortion and bribery</p>	<p>Guide to Business Conduct Extractive Industries Transparency Initiative</p>	<p>Socio-economic performance summary – Business conduct There were 80 substantive enquiries to the business conduct helpline and fraud hotline systems. The Guide to Business Conduct was updated to enhance guidance on specific issues.</p> <p>Socio-economic performance summary – Our economic footprint Our economic contribution to society includes the value that flows from the broader contributions of our operations, such as payments to our employees and suppliers and disbursements to governments, including taxes and royalties. Refer to our table on Expenditure by region for disclosure of regional tax payments.</p> <ul style="list-style-type: none"> • Case study 35 – Implementing the Guide to Business Conduct at Worsley and Hillside