

Iron Ore Community Investment

COMMUNITY INVESTMENT GUIDELINES

October 2009



BACKGROUND

BHP Billiton Iron Ore is part of BHP Billiton. We are 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.

Every BHP Billiton business supports our local community in a variety of ways. One of these ways is via our Community Investment Program. We aim to assist to develop and support the communities in which we operate by providing financial assistance for activities that enhance our community and, achieve long term sustainability. We aim to help provide a better place to live and work for our employees and, to ensure that our communities of interest are sustainable well into the future.

Our communities of interest are:

- Newman Township
- Newman Indigenous Communities:
 - Jigalong Community
 - Punmu Community
 - Parnngurr Community (Cotton Creek)
 - Parnpajinya Community (outskirts of Newman)
 - Youngaleena Community (near Auski/Munjina Roadhouse)
 - Irrungadji Community (within Nullagine township)
- Port Hedland Township
- Port Hedland Indigenous Communities:
 - Yandeyarra Community
 - Strelley Community
 - Warralong Community
 - Woodstock Community (near Redmont)
 - Goodabinya Community (outskirts of Marble Bar)
- Other Indigenous Communities:
 - Jinparinya Community (30km East Hedland on Yarrie Rail line)
 - Punju Njamal Community (Neighbour to Jinparinya)
- Perth

PRIORITY FOCUS AREAS

Looking forward, we consider the following as priority areas for our support:

- **Indigenous Programs** – seeks to improve the wellbeing of the Pilbara's regional Indigenous communities by providing leadership for building capacity in the areas of employment, health and education. Programs supported will address issues such as improved life skills, reduction in substance abuse, high school retention and reduction in diabetes.
- **Township Amenity** – seeks to support capacity building initiatives and improvements to amenity - both infrastructure and social, by improving the livability of the communities in which we operate. This may include projects that improve the visual amenity of the town e.g. greening and townscape programs, as well as recreationally through participation in arts and culture.

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- **Quality Education** – seeks to improve academic attainment and retention rates in Hedland and Newman Senior High Schools, as well as providing improved employment and training opportunities for the local community. Also taking a lead in WA by investing in centres of excellence that will support future resource industry growth e.g. Curtin University Resources and Chemistry Precinct.
- **Health & Wellbeing** – seeks to encourage and promote healthy lifestyles in the region and develop partnerships that can foster the sustainable development of our Pilbara communities. Programs should address the provision of quality, accessible health services within the townships of Newman and Port Hedland.
- **Involved Communities** – seeks to build local capacity building and encourage a stronger sense of community through greater community involvement. Programs supported will be sustainable local projects that contribute to ongoing local capacity building.
- **Environment** - seeks to support programs/projects and establish partnerships that aim to maintain a net positive environmental legacy in the Pilbara over the long term. In particular supported programs will focus on environmental issues such as climate change, biodiversity and mitigation of the environmental impacts of the company's growth.

All requests to us should sit within one or more of these priority focus areas.

TYPES OF SUPPORT

We offer three different types of support:

Donation – this is a one off contribution or it may recur (typically annually). We make these contributions without any expectations of a direct benefit to us, other than to be seen as an active and responsible corporate citizen. Our contribution may be cash or in-kind and is typically of a small financial amount.

Sponsorship – this is an investment in a one off or recurring event / project where we expect some benefits to be returned to us. The impact of the sponsorship in the community must be measurable. The contribution is generally cash but may also involve some in-kind support.

Partnership – this is an arrangement whereby we join with one or more other stakeholders to undertake activities of benefit to the community as a whole, or to a significant section of the community. Investment usually takes the form of cash, however it may also be supplemented by the contribution of company equipment, material and / or expertise. Partnerships will generally be assessed in conjunction with community consultation and must aim to develop local community capacity and be sustainable into the future. Partners must have the capacity to successfully implement the project in the community and / or develop the skills within the community to enable this. Partnerships are usually longer term arrangements.

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SELECTION CRITERIA

All requests are assessed against the following criteria. Your request must meet these criteria, in order to be successful.

Donation requests:

- Demonstrate deliverable outcomes in the community, within the identified priority focus area
- Develops capacity within our communities of interest
- *Sponsorship and Partnership requests:*
- Address a community need that is not readily met by existing government programs / bodies
- Demonstrate deliverable outcomes in the community, within our identified priority focus areas
- Contribute measurable, long term solutions to relevant community issues
- Encourage further state or local government support, shared responsibility and integration into long term community development strategies
- Develops capacity within our communities of interest
- Demonstrates appropriate governance and capacity to manage the project
- Be sustainable beyond the life of our support

WHO IS ELIGIBLE TO APPLY?

We accept requests from:

- Incorporated, not for profit organisations / institutions that are based in and /or deliver services in our communities of interest
- Not for profit educational institutions (e.g. universities, schools, TAFE colleges)
- Local government bodies

You should have a proven track record of managing community projects or, be able to demonstrate that you will be able to manage the project for which support is being sought.

Not for profit bodies that are not incorporated can apply under the banner of an incorporated organisation that agrees to administer the funds on their behalf (auspicing body).

THINGS WE SUPPORT

We support projects initiated by the community that aim to develop our communities of interest and provide long term results. We provide financial support for discrete, one off projects that have measurable community benefits within our areas of focus such as, indigenous capacity building programs, education pipeline programs, health services and projects aimed at encouraging greater community involvement.

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THINGS WE CAN NOT SUPPORT

As we have only a limited amount of funds each year, there are some things that we can not support. These include:

- Requests from individuals- including those seeking support for:
 - Sporting pursuits;
 - Raising funds on behalf of charitable or other organisations;
- Requests from political or sectarian organisations or campaigns;
- Requests from religious organisations for religious purposes;
- Requests from conference organisers or potential attendees at conferences or symposia;
- Commercial or advertising requests
- Individual or BHP Billiton Iron Ore branded teams
- Activities that are hazardous or dangerous
- Activities that conflict with our corporate values (see attached charter for details)
- Requests for recurrent funding
- Travel requests are generally not supported, however they may be considered where there is a demonstrated need.

We value health and safety and as such, expect all successful applicants to comply with Occupational Health and Safety standards, legislative requirements and our Guide to Business Conduct for all projects supported by us. For assistance with these requirements, please contact our Community Relations Advisors. Visit our website for more information on the Guide to Business Conduct.

HOW MUCH CAN YOU ASK FOR?

We do not have any set limits on how much you can ask for. All requests will be judged on their merit.

Your Project Budget

For sponsorship and partnership requests, we require you to submit a detailed project budget as part of your application. Please use the format as supplied in the application form.

GST

If your organisation is registered for the Australian Goods and Services Tax (GST), the amount you seek from us should be *exclusive* of GST. We will pay the relevant GST on top of the amount you request. For example, if you require \$2000 for your project, please request \$2000 (ex GST) and we will pay you \$2000 plus \$200 GST. Before we pay you any monies, we will request a tax invoice from you.

If you are not registered for GST, then we will pay you only the amount you request.

HOW TO MAKE A REQUEST

Your request must be submitted to us on the relevant application form **before 5pm on the closing dates** as detailed below:

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- 1st Feb
- 1st May
- 1st Aug
- 1st Nov

Note: where the closing date falls on a weekend, you should submit your request by 5pm on the *next business day*.

Your application must be signed by your CEO or Chairperson. If your application is being auspiced by another organisation, their CEO / Chairperson must also sign your application.

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SUBMITTING YOUR REQUEST

Support Materials

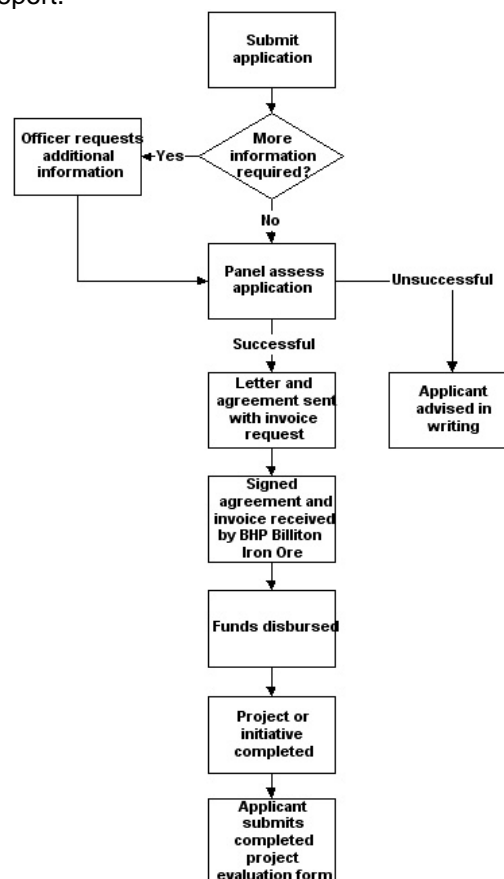
You may wish to send materials (e.g., photographs, annual reports) in support of your request however, we regret that neither your application or support materials can be returned to you. If you wish to send support materials, please supply copies and not the originals.

Please refer to the application form for details regarding document formatting guidelines, what to send with your application and where to send it.

What Happens Now?

Once received, your request will be checked by our Community Relations Advisors who may seek additional information from you. It will then be forwarded for assessment by our assessment committees who will recommend which applications are to be supported. We offer no assurances that your request will be supported.

You will receive notification of the outcome of your request within approximately two months of applying. If you are successful, we will ask you to sign an agreement detailing the terms and conditions of our support. At the end of the project, you will be required to submit an evaluation report.



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CONTACT

If you require any assistance with your request, we encourage you to contact us prior to submission:

Perth:

Principal Sustainability and Community Investment

Ph: 08 6224 4616

perthcommunity@bhpbilliton.com

Newman:

Senior Community Relations Advisor

Ph: 08 9175 3670

newmancommunity@bhpbilliton.com

Port Hedland:

Senior Community Relations Advisor

Ph: 08 9173 6231

porthedlandcommunity@bhpbilliton.com

Please also visit our website for further information:

<http://www.bhpbilliton.com/bb/ourBusinesses/ironOre/community/communityInvestment.jsp>

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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** — Including doing what we say we will do.
- **High Performance** — The excitement and fulfillment 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.

Marius Kloppers
Chief Executive Officer
October 2007

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BHP Billiton's Sustainable Development Policy

We aspire to Zero Harm to people, our host communities and the environment and strive to achieve leading industry practice. Sound principles to govern safety, business conduct, social, environmental and economic activities are integral to the way we do business.

Wherever we operate we will develop, implement and maintain management systems for sustainable development that drive continual improvement and ensure we:

- do not compromise our safety values, and seek ways to promote and improve the health of our workforce and the community
 - identify, assess and manage risks to employees, contractors, the environment and our host communities
 - uphold ethical business practices and meet or, where less stringent than our standards, exceed applicable legal and other requirements
 - understand, promote and uphold fundamental human rights within our sphere of influence, respecting the traditional rights of Indigenous peoples and valuing cultural heritage
 - encourage a diverse workforce and provide a work environment in which everyone is treated fairly, with respect and can realise their full potential
 - set and achieve targets that promote efficient use of resources and include reducing and preventing pollution
 - enhance biodiversity protection by assessing and considering ecological values and land-use aspects in investment, operational and closure activities
 - engage regularly, openly and honestly with people affected by our operations, and take their views and concerns into account in our decision-making
 - develop partnerships that foster the sustainable development of our host communities, enhance economic benefits from our operations and contribute to poverty alleviation
 - work with those involved through the lifecycles of our products and by-products to promote their responsible use and management
 - regularly review our performance and publicly report our progress.

In implementing this Policy, we will engage with and support our employees, contractors, suppliers, customers, business partners and host communities in sharing responsibility for meeting our requirements.

We will be successful when we achieve our targets towards Zero Harm, are valued by our host communities, and provide lasting social, environmental and economic benefits to society.