

# BHP Billiton Iron Ore management approach

## 1.1 Environmental management overview

BHP Billiton has developed a *Company Charter and Sustainable Development Policy* for its operations. The *Company Charter and Sustainable Development Policy* (BHP Billiton Iron Ore, 2013a) are guiding resources for maintaining an emphasis on health, safety, environment and community and clarifying a broader commitment to aspects of sustainability including biodiversity, human rights, ethical business practices and economic contributions at all BHP Billiton sites. To interpret and support the Company Charter and BHP Billiton Iron Ore’s Sustainable Development Policy, BHP Billiton Iron Ore has developed an Environmental Governance Hierarchy, an Environmental Management System and is currently developing a series of Regional Management Strategies.

## 1.2 Environment Governance Hierarchy

BHP Billiton Iron Ore now operates under an Environmental Governance Hierarchy (Figure 1). The Environment Governance Hierarchy provides the processes and practices that enable BHP Billiton Iron Ore to achieve its environmental objectives, reduce its environmental impacts and increase its operating efficiency. It enables environmental legal compliance to be undertaken and audited and provides for continual improvement in environmental performance.

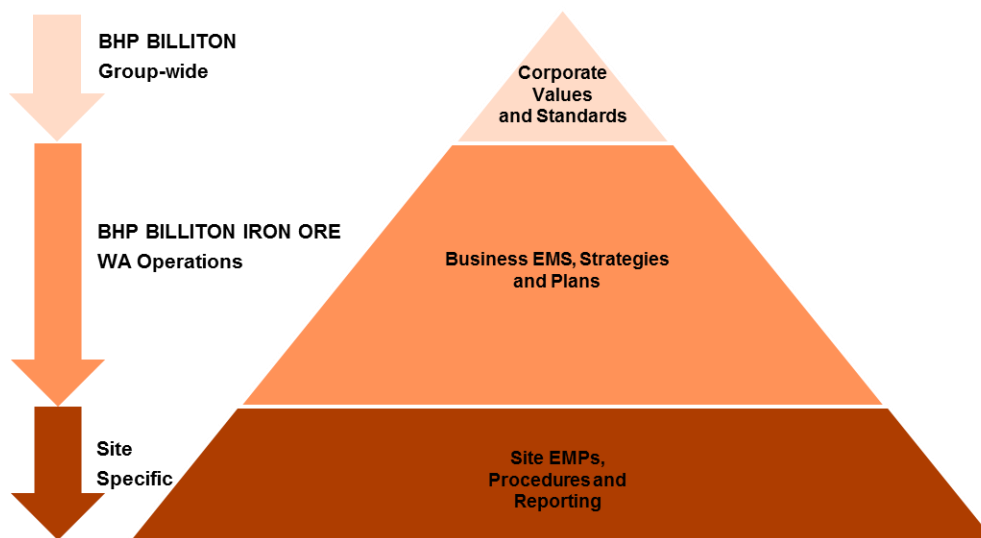


Figure 1: BHP Billiton Iron Ore Environmental Governance Hierarchy

As shown in Figure 1, BHP Billiton Iron Ore’s environment governance hierarchy is broadly comprised of three tiers, representative of BHP Billiton Iron Ore’s different levels of management – BHP Billiton (corporate level), BHP Billiton Iron Ore (Business Unit level) and site specific (operations level) – and reflective of BHP Billiton’s top-down approach to environmental management across the Group.

At the corporate, or Group level, the fundamental values that underpin all aspects of BHP Billiton’s activities are enshrined within BHP Billiton’s Corporate Charter – *Our BHP Billiton Charter* (BHP Billiton, 2013b) – which are translated into measureable minimum performance standards in BHP Billiton’s Group Level documents (GLDs). These standards are mandated across all BHP Billiton Business Units (including BHP Billiton Iron Ore) and form the foundation for developing and implementing environmental management systems at the Business Unit level. BHP Billiton’s GLD.009

(Environment) (BHP Billiton, 2014a) is the key reference for environmental management across the Group.

At the Business Unit level, BHP Billiton Iron Ore's environmental management system, environment strategy and regional plans collectively describe the environmental outcomes BHP Billiton Iron Ore is committed to for the Pilbara region and the mechanisms through which BHP Billiton Iron Ore will meet these outcomes consistent with the GLDs and other internal and external requirements. BHP Billiton Iron Ore's Business Level Documents (BLDs) and Sustainability Policy are critical environmental governance documents, which translate the general Group-wide GLD standards into overarching requirements that are relevant and specific to BHP Billiton Iron Ore's operations.

BHP Billiton Iron Ore's Annual Environmental Report (AER) is the Company's primary document for reporting its overall annual environmental compliance performance. In addition to compliance reporting, BHP Billiton reports its Group-wide sustainability performance in the BHP Billiton Annual Sustainability Report.

### **1.3 Environmental Management System**

The BHP Billiton Iron Ore Environmental Management Framework provides the processes and practices that enable the business to achieve its environmental objectives, reduce its environmental impacts and increase its operating efficiency. The Environmental Management Framework enables environment legal compliance to be easily undertaken and audited and provides for continual improvement in environmental performance.

A key component of the environmental management framework is the environmental management system, which is certified to Australian and New Zealand Standard AS/NZS ISO 14001 (Standards Australia, 2004) and is aligned with BHP Billiton's Corporate Charter.

### **1.4 Western Australia Iron Ore Environment Strategy and Regional Plans**

BHP Billiton Iron Ore has developed standard business approaches to manage key environmental aspects. These standard business approaches form elements of the Western Australian Iron Ore Environment Strategy, the elements are:

- Pilbara Water Resource Management Strategy;
- Land And Biodiversity Strategy;
- Air Quality Strategy; and
- Western Australian Iron Ore Closure and Rehabilitation Strategy.

These documents describe how BHP Billiton Iron Ore will manage the changes resulting from BHP Billiton Iron Ore mining in the Pilbara region on the key receiving receptors (environment, social and third-party operations). The documents that demonstrate these approaches will be included in the BHP Billiton Iron Ore Pilbara Expansion Public Environmental Review Strategic Proposal submission in 2015. These standard business approaches have guided the development of management measures associated with this Proposal.

#### **1.4.1 Regional Management Plans**

To detail and implement the standard business approaches described in the Western Australia Iron Ore Environment Strategy, BHP Billiton Iron Ore has drafted regional management plans to support these key areas. The management plans applicable to the implementation of the Proposal are:

- Draft BHP Billiton Iron Ore Regional Land and Biodiversity Management Plan – Flora and Vegetation; and

- Draft BHP Billiton Iron Ore Eastern Pilbara Water Resource Management Plan.

#### **1.4.2 Site Specific Environment Management Plans**

Site-specific management, monitoring and reporting is undertaken in a manner consistent with the above strategy, and in accordance with internal and external requirements, via a site-based Environmental Management Plan (EMP), procedures and registers.

#### **1.4.3 Project Environmental and Aboriginal Heritage Reviews**

To support these management documents BHP Billiton Iron Ore has an internal Project Environmental and Aboriginal Heritage Review (PEAHR) Procedure. The purpose of the procedure is to manage implementation of environmental, Aboriginal heritage, land tenure and legal commitments prior to and during land disturbance. All ground disturbance activities will meet the requirements of the PEAHR procedure, all relevant legislative and regulatory requirements, the BHP Billiton Iron Ore's Sustainable Development Policy, industry standards, and codes of practice.