



# Community Our Requirements

## Why is this important?

We believe in developing strong, mutually beneficial relationships with communities, regions and countries where we do business and contributing to their economic and social development. We also understand and minimise adverse social and human rights impacts from our activities.

## Who does this apply to?

- All employees and contractors.

## Understanding our host communities

**Understanding the social and economic environment and identifying and analysing stakeholders, social impacts and business risks informs community engagement, community development and corporate alignment planning.**

### Every five years:

- Define the boundaries of host communities impacted by BHP Billiton's operations.
- Complete and update a social baseline study to assess the social, economic, political, security and environmental aspects of these communities. The study must include quality-of-life indicators that may be used to track progress over time.
- Complete and update a social impact and opportunity assessment following Appendix 1 to identify gaps and opportunities for community engagement, development and social investment.

### Every three years:

- Complete a community perception survey (including the questions in Appendix 1) to inform planning and help evaluate the effectiveness of stakeholder engagement and community development activities.

### On a yearly basis:

- Review and update stakeholder identification and analysis to identify and describe the interests and relationships of stakeholders and inform engagement planning.

## Engaging with communities

**To build strong mutually beneficial relationships we facilitate regular, open and honest dialogue to understand the expectations, concerns and interests of stakeholders.**

### When engaging with communities:

- Plan, implement, evaluate and document stakeholder engagement activities following Appendix 1 and update the plan annually. Make sure it is aligned with the Business Stakeholder Engagement Strategy.
- Implement a community complaints and grievances mechanism in line with Appendix 1 and communicate to stakeholders.
- Monitor trends in host community issues at a frequency that enables early warning of emerging issues and social licence risks, based on risk profile.

### When Indigenous groups are identified through stakeholder identification:

- Develop and deliver cultural awareness and competency training with input from appropriate Indigenous groups.
- Develop, implement and document processes and priority areas for engagement with Indigenous groups that have recognised legal rights or who are likely to be significantly impacted by our activities.

## Community development

**To enhance our reputation and social licence to operate and contribute to economic and social development and enhancement we work openly with the communities in which we operate and with governments.**

### When planning for community development:

- Identify major social issues and development priorities using data from the social baseline study, social impact and opportunity assessment and through consultation with key stakeholders.
- Develop and implement an Asset community development management plan in consultation with key stakeholders, aligned with the Business social investment plan and internally review annually. Include focus areas from the Social Investment Framework and quality-of-life indicators based on major social issues and development priorities.
- Set criteria and implement a process to select community development projects and donations that support the community development management plan and communicate these to stakeholders. Follow prohibitions and conditions in Appendix 1.

- Identify regional and local development programs and how the Asset community development management plan is aligned and may add value, complement or fill gaps in the region's development plans.
- Recognise and where appropriate support the role of government in community development.

**When doing business planning:**

- Include outcomes from stakeholder identification analysis, social impact and opportunity assessments and the community perception survey.

**When offering a community development project or donation or payment to a fund to benefit the community under a commitment relating to exploration, mineral or petroleum rights:**

- Complete community partner due diligence by following Appendix 1 before approving and committing to community development projects and donations.
- Get approval using the compliance approval workflow system before making an offer.
- Implement community development projects and project manage by following Appendix 1.
- Honour Company commitments to support community development projects, including when business development projects do not proceed.

**For each Asset and Marketing:**

- Appoint a Matched Giving Program Coordinator to support the implementation of the matched giving program (MGP).

**Every three years:**

- Evaluate the effectiveness of the community development management plan. Include an analysis of changes to quality-of-life indicators measured in the social baseline study, outcomes from host community projects and perceptions from the most recent community perception survey.

## Foundations and trusts

**Implementing good governance practices mitigates risks when community development projects and donations are delivered through foundations and trusts.****When establishing a new foundation or trust:**

- Prepare a business case following Appendix 1.

**When operating foundations and trusts:**

- Comply with controls that are consistent with the requirements of this document.

## Respecting human rights

**To respect human rights and meet our commitments we do human rights due diligence to identify, prevent and mitigate adverse human rights impacts.**

- Follow BHP Billiton's commitments to human rights set out in the [United Nations Universal Declaration of Human Rights](#), Principles 1 and 2 of the [Global Compact](#) and host country legislation.
- Identify human rights impacts by performing a human rights impact assessment by following Appendix 1 and verify with stakeholders every three years. Review if there are changes that may affect the impact profile.
  - If operating in a country where the [Maplecroft Human Rights Risk Index](#) is less than 5.0, validate the impact assessment every three years with a qualified human rights specialist.

**When a human rights-related material risk is identified in the human rights impact assessment:**

- Implement and annually review a human rights management plan and include training of employees and contractors.

**When planning operations or major capital projects:**

- Make sure you have and document broad-based community support before proceeding with development.

**For operations or projects on lands traditionally owned by or under the customary use of Indigenous peoples:**

- Complete an assessment on whether the operation or project will impact those peoples.
- Make sure our activities are consistent with BHP Billiton's commitments under the [ICMM Position Statement on Indigenous Peoples and Mining](#) (May 2013).

**When considering voluntary and involuntary community resettlements:**

- Get approval for and implement a resettlement program and follow the requirements of the [IFC Performance Standard 5: Land Acquisition and Involuntary Resettlement](#).

**Preserving cultural heritage**

- Implement a framework identifying, documenting and managing aspects of cultural significance, by following *Our Requirements for Environment* and legal and regulatory requirements.

## Appendix 1 Community management requirements

Requirement	Scope
<b>Social impact and opportunity assessment (SIOA)</b>	The purpose of an SIOA is to assess the social and economic impacts, and identify opportunities, generated by the Asset or operation. Having identified the likely impacts, community engagement and development activities to mitigate or offset potential negative impacts and maximise positive impacts can be designed and implemented. SIOAs benefit from having input from community members and other stakeholders, as potential impacts and opportunities may not be evident to the Company. Specific inclusion of the likely impacts of the project on women and vulnerable and/or marginalised groups is essential. It is important to identify the different gender barriers and constraints to participation in economic development.
<b>Community perception survey</b>	<p>Include indicators that reflect host community concerns and the mandatory community perception questions (below). Substitute the appropriate legal entity name (e.g. Minera Escondida Ltda for BHP Billiton).</p> <p><b>Mandatory questions for all surveys:</b></p> <ul style="list-style-type: none"> <li>• [BHP Billiton] has a positive relationship with the community.</li> <li>• I receive enough information about [BHP Billiton's] plans and activities.</li> <li>• I have the opportunity to provide input into or feedback about [BHP Billiton's] plans and activities.</li> <li>• [BHP Billiton's] communications with the community are open, factual and honest.</li> <li>• [BHP Billiton] creates long-term value for the community and region's economy.</li> <li>• [BHP Billiton's] community projects make a positive contribution to the livelihoods of people in the community.</li> </ul> <p><b>If relevant:</b></p> <ul style="list-style-type: none"> <li>• [BHP Billiton's] social and environmental performance is better than other mining/petroleum companies in the region.</li> <li>• [BHP Billiton's] makes a greater contribution to the community than other mining/petroleum companies in the region.</li> </ul> <p><b>Rate each statement using the following scale:</b></p> <ul style="list-style-type: none"> <li>• strongly agree; agree; neutral; disagree; strongly disagree; unsure.</li> </ul>
<b>Community stakeholder engagement activities</b>	<ul style="list-style-type: none"> <li>• Enable stakeholder expectations, concerns and interests to be understood and taken into account in Business planning.</li> <li>• Address gaps and opportunities identified in the social impacts and opportunities assessment.</li> <li>• Facilitate open and honest dialogue.</li> <li>• Consider specific needs of different stakeholders.</li> <li>• Involve disadvantaged and vulnerable groups where identified, including women and Indigenous peoples.</li> <li>• Use engagement methods appropriate for the culture and context.</li> </ul>
<b>Community complaints and grievance mechanism</b>	<p>The mechanism should: be scaled to the country context, risks and adverse impacts; use an understandable and transparent process; be culturally appropriate; be readily accessible to all segments of the affected host communities; be available without retribution; and must not impede access to judicial or administrative remedies. As part of the process:</p> <ul style="list-style-type: none"> <li>• acknowledge, investigate and document all complaints and grievances about the performance or behaviour of employees or contractors;</li> <li>• undertake appropriate remedial actions where a complaint is legitimate;</li> <li>• advise complainants of the remedial action promptly and document outcomes.</li> </ul>

Requirement	Scope
<b>Prohibitions and conditions for community development projects or donations</b>	<p><b>Prohibitions:</b></p> <ul style="list-style-type: none"> <li>• Do not offer, promise or participate in a community development project or donation to inappropriately influence anyone, including a government official who is in a position to influence or take official action;</li> <li>• Do not intentionally favour individuals from one political, religious or ethnic group, with the exception of positive discrimination activities (e.g. to assist historically disadvantaged groups in the community, particularly Indigenous groups);</li> <li>• Do not contribute to any religious organisation for religious purposes;</li> <li>• Do not provide a financial contribution to an individual/group of individuals, except for educational scholarship or bursary programs.</li> </ul> <p><b>Conditions:</b></p> <ul style="list-style-type: none"> <li>• Contributions to a fund intended to benefit the community required under a commitment relating to exploration, mineral or petroleum rights are acceptable, provided: <ul style="list-style-type: none"> <li>– the obligations are clear and distinguishable in the commitment;</li> <li>– appropriate governance arrangements and contractual protections are put in place;</li> <li>– the contributions do not benefit any government official or close relative of a government official;</li> <li>– the compliance approval workflow request is completed and approved.</li> </ul> </li> </ul>
<b>Community partner due diligence</b>	<p>Establish whether a community partner organisation is reputable, aligned with the <a href="#">Code of Business Conduct</a> and has the appropriate expertise and capacity by conducting due diligence appropriate to the scale and risk profile of the project. Areas to be considered include:</p> <ul style="list-style-type: none"> <li>• organisational details – mission, core expertise, history, organisational capacity, funding sources;</li> <li>• governance – registration, Board and Management structure and membership, revenue, percentage of budget allocated to administration and other costs;</li> <li>• track record – the organisation's programmatic and geographic focus, examples of similar scale projects and their outcomes, community participation, sustainability, risk management;</li> <li>• corporate partnership experience – approach to working with corporates; experience in corporate partnerships;</li> <li>• socially inclusive - openness to participation by, and benefit to, community members irrespective of their ethnicity, race, religion, sexual orientation, caste, descent, gender, age, disability, HIV status, migrant status or where they live.</li> </ul>
<b>Community development project management</b>	<p>Include the following:</p> <ul style="list-style-type: none"> <li>• objectives linked to the community development management plan;</li> <li>• project plan, timeline and milestones;</li> <li>• detailed budget;</li> <li>• accountabilities;</li> <li>• clear key performance indicators (KPIs);</li> <li>• schedule to monitor and track progress against KPIs;</li> <li>• evaluation of outputs, outcomes and lessons learned.</li> </ul>
<b>Foundations and trusts</b>	<p>Include the following in the business case for a foundation or trust:</p> <ul style="list-style-type: none"> <li>• rationale for operating an independent foundation or trust;</li> <li>• objectives of the foundation or trust and how these align with BHP Billiton's business objectives;</li> <li>• expected benefits;</li> <li>• potential risks and controls;</li> <li>• cost and resources required to operate the foundation compared to the Asset implementing the community development projects.</li> </ul>

Requirement	Scope
<b>Human rights impact assessment</b>	<p>Consider risk areas relevant to the extractives sector including but not limited to:</p> <ul style="list-style-type: none"><li>• community development;</li><li>• community engagement and consultation;</li><li>• community health, safety and wellbeing;</li><li>• cultural heritage;</li><li>• diversity and non-discrimination;</li><li>• forced and child labour;</li><li>• freedom of association and collective bargaining;</li><li>• gender impacts of mining;</li><li>• Indigenous relations;</li><li>• land access;</li><li>• security and law enforcement agencies;</li><li>• workplace health and safety.</li></ul>