

Jane McAloon
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14 July 2014

Mr Carroll Muffett
President and CEO
Center for International Environmental Law

Ms Leanne Minshull
Acting Global Campaign Leader Climate & Energy
Greenpeace International
Ottho Heldringstraat 5
1066 AZ Amsterdam
Netherlands

Dear Mr Muffett and Ms Minshull,

Thank you for your letter dated 28 May 2014, which we received on 13 June, relating to greenhouse gas emissions and lobbying. You have asked several questions which we have addressed below.

About BHP Billiton

We are a leading global resources company and our purpose is to create long-term shareholder value through the responsible discovery, acquisition, development and marketing of natural resources. Across our global operations, we are committed to working in ways that are true to Our BHP Billiton Charter values of Sustainability, Integrity, Respect, Performance, Simplicity and Accountability.

Our corporate strategy is based on owning and operating natural resources assets diversified by commodity, geography and market. We are committed to the health and safety of our people, the environment and the communities in which we operate. Our ability to grow BHP Billiton safely and in an environmentally responsible way is essential.

This means that BHP Billiton's starting point in addressing environmental issues, including climate change, is the first of Our Charter Values – Sustainability. To us this is "Putting health and safety first, being environmentally responsible and supporting our communities." We consider each aspect of health, safety, the environment and the community in every decision we make. We understand that we are not successfully implementing our strategy unless our asset portfolio is sustainably developed to deliver superior long-term shareholder returns.

Our Governance Framework

At BHP Billiton, we have a governance framework that goes beyond an interest in governance or our need to fulfil regulatory requirements. Our approach is to adopt what we consider to be the highest of governance standards in Australia, the United Kingdom and United States. That is because we believe that high-quality governance supports long-term value creation. Simply put, we think good governance is good business.

Governance influences how the objectives of the company are set and achieved, how risk is monitored and assessed, and how performance is optimised. Therefore, our governance structure encourages the creation of value, while providing accountability and control systems commensurate with risks involved.

The Board of BHP Billiton is responsible for governing the organisation on behalf of shareholders, taking into account relevant stakeholders' interests and views. In assessing the company's strategic direction and decisions on its portfolio, the Board takes into account critical issues such as systemic environmental and financial risks, including climate change events. In doing this it is supported by the Board Sustainability Committee and the Risk and Audit Committee.

Forum on Corporate Responsibility

BHP Billiton has also established the Forum on Corporate Responsibility as an advisory body comprising nine highly respected civil society leaders who engage with our executive team on the Group's material sustainability issues. BHP Billiton representatives benefit from engaging directly with a group of civil society leaders who represent a wide range of perspectives on current and emerging sustainability issues. Sustainability topics discussed in the 2013 financial year included emerging global social and environmental trends; climate change scenarios and adaptation; issues facing indigenous peoples, including free, prior and informed consent; sustainability reporting; and transparency.

Climate Change

Climate change is a complex, global challenge and one that BHP Billiton takes very seriously. While we acknowledge that there are many views on what an appropriate response to climate change should include, BHP Billiton's position on climate science is clear and well-established. We recognised the mainstream science of climate change almost 20 years ago and developed our company's response and actions on that basis. We accept the Intergovernmental Panel on Climate Change's (IPCC) most recent assessment which has found that warming of the climate is unequivocal, the human influence is clear and physical impacts are unavoidable.

There is uncertainty around the precise nature and extent of the physical impacts of climate change and how the world will respond to these impacts. In light of this, our view is that investment decisions must be informed by a comprehensive understanding of a range of possible climate change outcomes and the associated risks and opportunities to delivering our corporate purpose.

We spend considerable time understanding and assessing the risks and opportunities for our business. As a result climate change related risks have been articulated in our Annual Report for many years (e.g. 2013 Annual Report, p17). BHP Billiton takes these risks seriously and we continue to manage our greenhouse gas footprint to ensure the value of our portfolio is robust under a range of climate scenarios.

Our views and actions are informed via strong engagement with internal and external stakeholders. In summary, we recognise our responsibility to take action by focusing on reducing our emissions, increasing our preparedness for physical climate impacts and working with others, including our industry and governments, to enhance the global response to climate change. Further details are set out on our website and in our annual independently assured Sustainability Report.

BHP Billiton's Perspective on Climate Change

We believe that:

- The world must pursue the twin objectives of:
 - Limiting climate change to the lower end of the IPCC emission scenarios in line with current international agreements; while
 - Providing access to the affordable energy required to continue the economic growth essential for maintaining living standards and alleviating poverty.
- Under all current plausible scenarios, fossil fuels will continue to be a significant part of the energy mix for decades.
- There needs to be an acceleration of effort to drive energy efficiency, develop and deploy low emissions technology and adapt to the impacts of climate change.
- There should be a price on carbon, implemented in a way that addresses competitiveness concerns and achieves lowest cost emissions reductions.

We will:

- Continue to take action to reduce our emissions.
- Build the resilience of our operations, investments, communities and ecosystems to the impacts of climate change.
- Recognising their role as policymakers, seek to enhance the global response by engaging with governments.
- Work in partnership with resource sector peers to improve sectoral performance and increase industry's influence in policy development to deliver effective long-term regulatory responses.
- Through material investments in low emissions technology, contribute to reducing emissions from the use of fossil fuels.

Further details are available at the following link:

<http://www.bhpbilliton.com/home/society/ourperspective/Pages/Climate-Change.aspx>

Industry associations

We actively contribute to industry associations who play an important role in contributing to public policy. It is often the case that the final position of all industry associations with whom we engage does not exactly mirror our own. Our view is that we can and should continue to engage constructively reflecting the respective contribution of those associations. Where issues are particularly relevant to and important for BHP Billiton we publicly release our own views through various government submissions and policy papers.

Our Code of Business Conduct

We have a Code of Business Conduct based on the values in Our Charter. The Code represents the commitment by BHP Billiton to uphold ethical business practices and meet or, where less stringent than our standards, exceed applicable legal and other requirements. The Code is applicable throughout BHP Billiton, regardless of location or role and is supported by detailed mandatory internal standards.

There are provisions in the Code that relate directly to the types of issues raised in your letter. For example:

- Employees and others who provide information to governments on behalf of BHP Billiton must ensure that all information is accurate and appropriate for the purpose.
- At all times we seek to engage openly and honestly with our stakeholders, and particularly with those people affected by our operations. We also work with those involved in the life cycle of our products and by-products to promote responsible use and management.

The Code is available at:

<http://www.bhpbilliton.com/home/aboutus/ourcompany/Pages/codeofbusconduct.aspx>

We set out mandatory standards for all employees in relation to a wide range of issues. Our mandatory standards for engagement with internal and external stakeholders include a requirement for accuracy in communications by all BHP Billiton representatives, including (but not limited to) members of our Government Relations, Media Relations and Investor Relations teams and any outside service providers they may engage to advocate on behalf of BHP Billiton.

Your questions

1(a): A clear and specific policy is in place, through Our Charter, the Code to Business Conduct and our mandatory standards as described above.

1(b): Not applicable, given that a clear and specific policy has been implemented.

2(a): Not applicable; no such lobbying activities are undertaken.

2(b): Not applicable. We have interpreted the reference to 'lobbying' as a reference to lobbying of the type outlined in Question 1.

2(c): Not applicable.

Please be assured that BHP Billiton will continue to maintain our commitment to operating all our operations in an environmentally responsible and sustainable manner, and to operating with integrity in all that we do.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Jane McAloon', with a horizontal line underneath.

Jane McAloon
President Governance

Enclosure

Our Charter

We are BHP Billiton, a leading global resources company.

Our purpose is to create long-term shareholder value through the discovery, acquisition, development and marketing of natural resources.

Our strategy is to own and operate large, long-life, low-cost, expandable, upstream assets diversified by commodity, geography and market.

Our Values

Sustainability

Putting health and safety first, being environmentally responsible and supporting our communities.

Integrity

Doing what is right and doing what we say we will do.

Respect

Embracing openness, trust, teamwork, diversity and relationships that are mutually beneficial.

Performance

Achieving superior business results by stretching our capabilities.

Simplicity

Focusing our efforts on the things that matter most.

Accountability

Defining and accepting responsibility and delivering on our commitments.

We are successful when:

Our people start each day with a sense of purpose and end the day with a sense of accomplishment.

Our communities, customers and suppliers value their relationships with us.

Our asset portfolio is world-class and sustainably developed.

Our operational discipline and financial strength enables our future growth.

Our shareholders receive a superior return on their investment.



Andrew Mackenzie
Chief Executive Officer