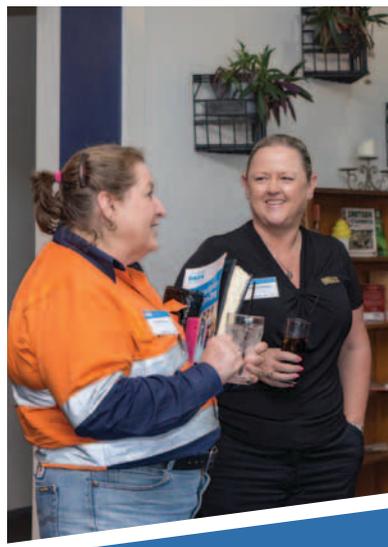


LOCAL BUYING PROGRAM

BUILDING OUR FUTURE TOGETHER

2016-2017 Annual Summary



PROUDLY DELIVERING THE LOCAL BUYING PROGRAM IN PARTNERSHIP

About the Local Buying Program

The **Local Buying Program (LBP)** is a targeted program providing opportunities for small businesses, with less than 25 full-time employees, to competitively supply goods and services to **BHP Mt Arthur Coal** in New South Wales or **BMA** (BHP Billiton Mitsubishi Alliance) and **BMC** (BHP Billiton Mitsui Coal) operations in Queensland. The Program targets businesses registered or operating with a primary place of business in the local government areas surrounding these operations along the east coast of Australia.

In Queensland, the local government areas are **Central Highlands, Isaac and Mackay regions**, and in New South Wales the local government areas are **Muswellbrook, Singleton and Upper Hunter shires**.

The LBP is delivered in partnership between BHP and C-Res. C-Res is a cost neutral entity and was established to deliver the original BMA Local Buying Program and now proudly delivers the LBP for all BHP Australian Coal assets.

The progress of the LBP can be measured by the number of businesses registering to participate, the number of work opportunities made available to businesses, and the amount of approved spend going back into BHP, BMA and BMC's host regions or shires.

LBP Expansions Since 2012

June 2012



LBP opens for BMA operations in the Bowen Basin, QLD

May 2013

Program expands to include BMC operations, QLD

November 2014

Program extends to QLD Hay Point Coal Terminal and Mackay region

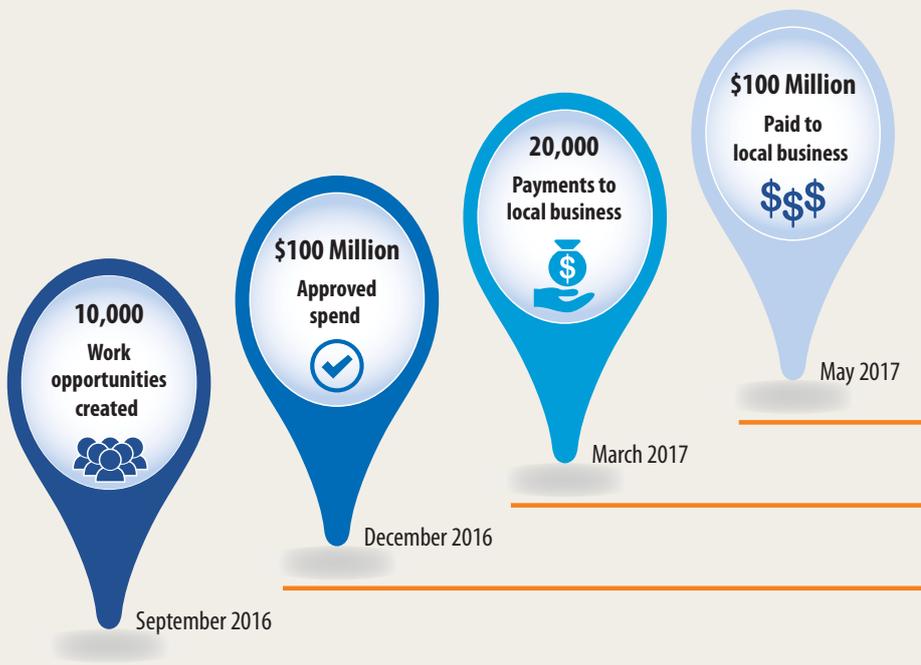


March 2016

NSW LBP opens for BHP, Mt Arthur Coal and Muswellbrook, Singleton and Upper Hunter shires



LBP Progress Milestones Reached in 2016-2017



Local Business Participation Highlights



Approved suppliers across QLD & NSW
Total = 883



Registered BHP/BMA/BMC users
Total = 1,282



Work Opportunities (Work Instructions - WIs) Highlights



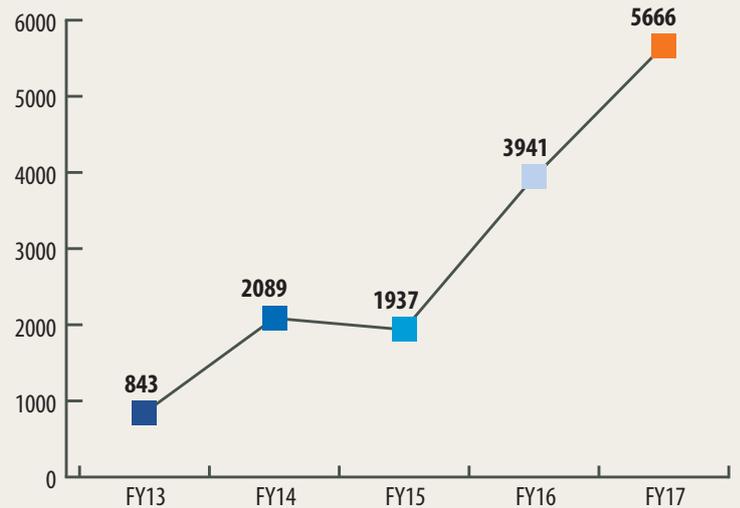
WIs created in 2016-2017
Total = 5,666



Percentage of WIs Approved 2016-2017
Total = 86%



WIs Created
 Per Year FY13 to FY17



Approved spend (Work Instructions with Purchase Orders) Highlights



Approved spend 2016-2017
Total = \$58,677,942



Payments to local businesses 2016-2017
Total = 9,725



Average payment days 2016-2017
12.6 days



Approved spend since 2012
Total = \$136,163,356

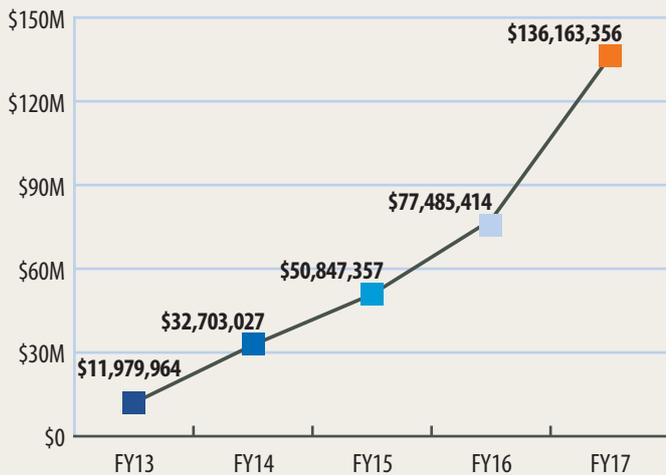


Payments to local businesses since 2012
Total = 23,214



Average payment days since 2012
12.2 days

LBP Cumulative Approved Spend 2012-2017



"From registration to quoting and claiming, the whole process [of the LBP] is structured in a way to maximise efficiency while being easy to use."

Local Business Owner

"The Local Buying Program is a fantastic example of industry supporting small business in regional communities that they operate in. The Program promotes the sustainability not just of small businesses in the regions but of the overall community."

Local Business Owner

"Using the Local Buying Program has been a fantastic way of giving back to the local community and it gives us a wider variety of vendors to choose from."

BHP/BMA/BMC Employee

LOCALBUYING FOUNDATION

AN INITIATIVE OF THE LOCAL BUYING PROGRAM

Local Buying Foundations (QLD & NSW)

A **Local Buying Foundation (LBF)** operates in both Queensland and New South Wales. The Foundations are a critical element of the **Local Buying Program (LBP)** in each state. The Foundations aim to enhance the economic sustainability of regions within the operational footprint of BMA and BMC operations in Queensland and of BHP Mt Arthur Coal in New South Wales. By supporting programs and initiatives that target local business training and development needs, the LBF aims to build and develop local capacity and capability.

For all approved transactions processed through the LBP in Queensland and New South Wales, BHP, or BMA / BMC make a financial contribution to the Queensland or New South Wales LBF.

The priority areas for both Foundations include:

- 1. Building Sustainable Business Futures** – targeting the development of the broader business community's capacity and capability. Focal areas include but are not limited to: workforce development projects; economic development projects; and regional promotion and awareness.
- 2. Building Sustainable Business Communities** – targeting the development of individual businesses capacity and capability.

Governance over each LBF and decisions on funding grants is provided by an **Advisory Committee**, which is a collaborative stakeholder committee consisting of representatives that have diverse skills, and business and economic development expertise. Membership of the committee includes local, regional and industry stakeholder representation in Queensland from across Central Highlands, Isaac and Mackay regions and in New South Wales from the Muswellbrook, Singleton and Upper Hunter shires. The Foundations are administered by C-Res.

For more information on the Local Buying Foundation, visit www.localbuyingfoundation.com.au.



LOCAL BUYING PROGRAM
BUILDING OUR FUTURE TOGETHER

For more information:

Visit our website www.localbuying.com.au

Phone 1800 536 663

Email info@localbuying.com.au