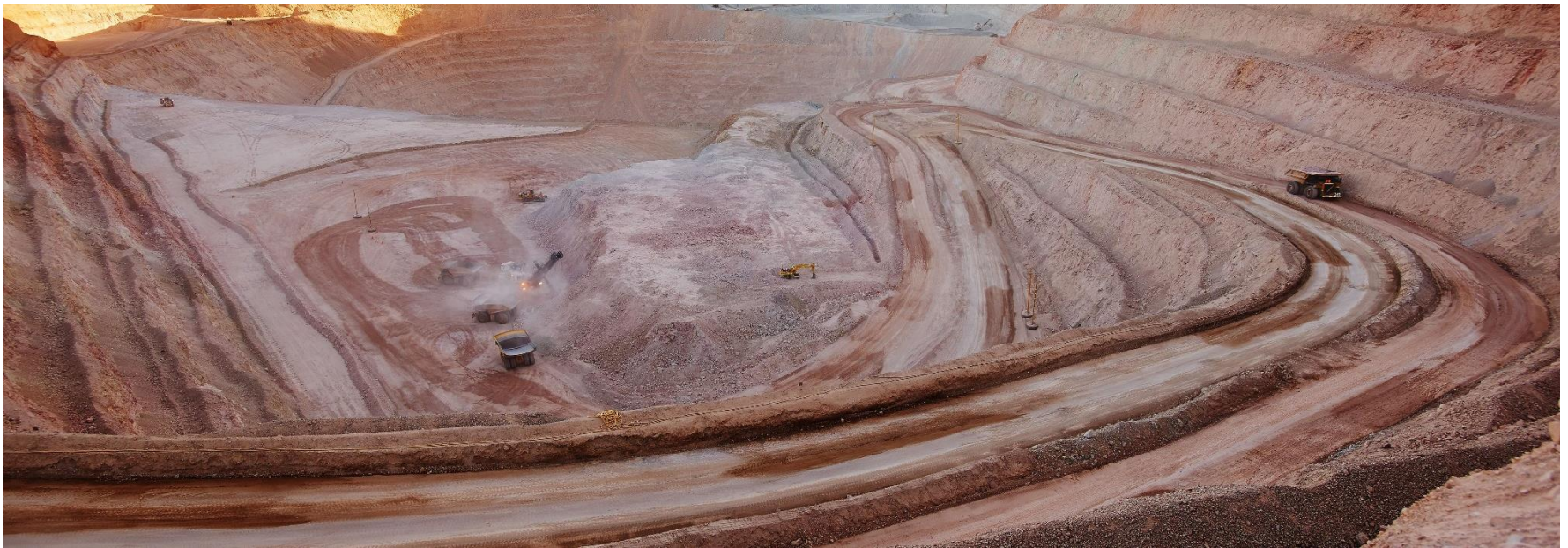


# BHP

## Copper to the World

Susan Lasecki –Supply Innovation  
Minerals Americas

June 2017



# Cluster Program

## Cluster Program success to date...

- Incubated in 2008 in BHP Billiton in Chile.
- Designed to develop World Class Suppliers, by solving operational issues (Shared Value\*).
- Delivers value to the mines and the country.
- Cluster Projects, have delivered US\$ 6,7 M app per year (+ US\$ 3M due to safety mitigation concept and US\$ 2,3M One Off).
- Piloted, tested and proven methodology.
- Internal and external recognition (IDB, OECD, Business in the Community, Chilean Public Policy, HSEC Awards, etc.)

**Now is the time to build on the Cluster Program's success to scale up and amplify delivery**



(\*) Porter and Kramer. "Creating Shared Value." Harvard Business Review 89, nos. 1-2 (January–February 2011).

# Taking Cluster to the Next Level – Supply Innovation

We use our business challenges to **spark innovation** and create shared value for **BHP**, our communities and the countries where we operate.

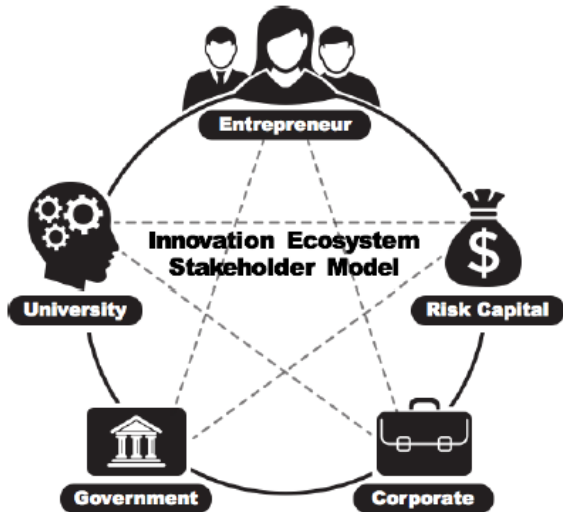
Through **collaboration** and **trust in action**, we empower an ecosystem of innovation delivering **value for all**.

# Supply Innovation

Leveraging Supply Innovation to create shared value for BHP Billiton, our communities and the countries where we operate

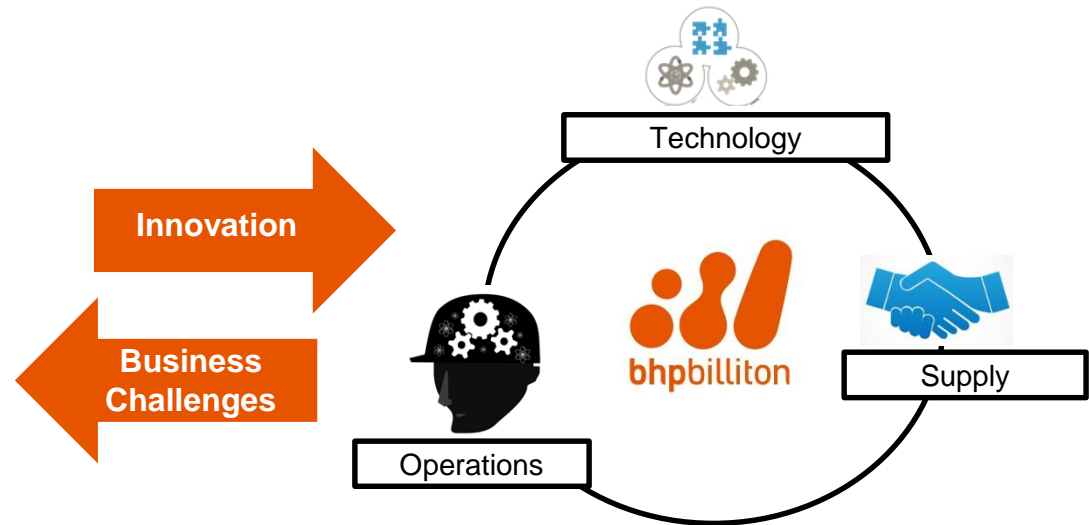
## External Innovation Ecosystem

Enables regional stakeholders to accelerate economic growth and job creation



## Internal Innovation Ecosystem

People/Culture - Processes - Technology



BHP Billiton's business challenges become the catalyst for developing an ecosystem of innovation

# Supply creates shared value at three levels

## Supplier Relationship Management / SRM

Collaborating with strategic suppliers to amplify our reach:

- Local Hiring
- Buying locally
- Developing local entrepreneurship
- Creating innovative solutions

**Next level of value creation for BHP Supply**

## Cluster / Supply Innovation

- Foster an ecosystem of entrepreneurial innovation
- Leveraging supplier innovation by taking a business challenge to the market, both strategic and operational
- Targeted interventions supporting suppliers scale up

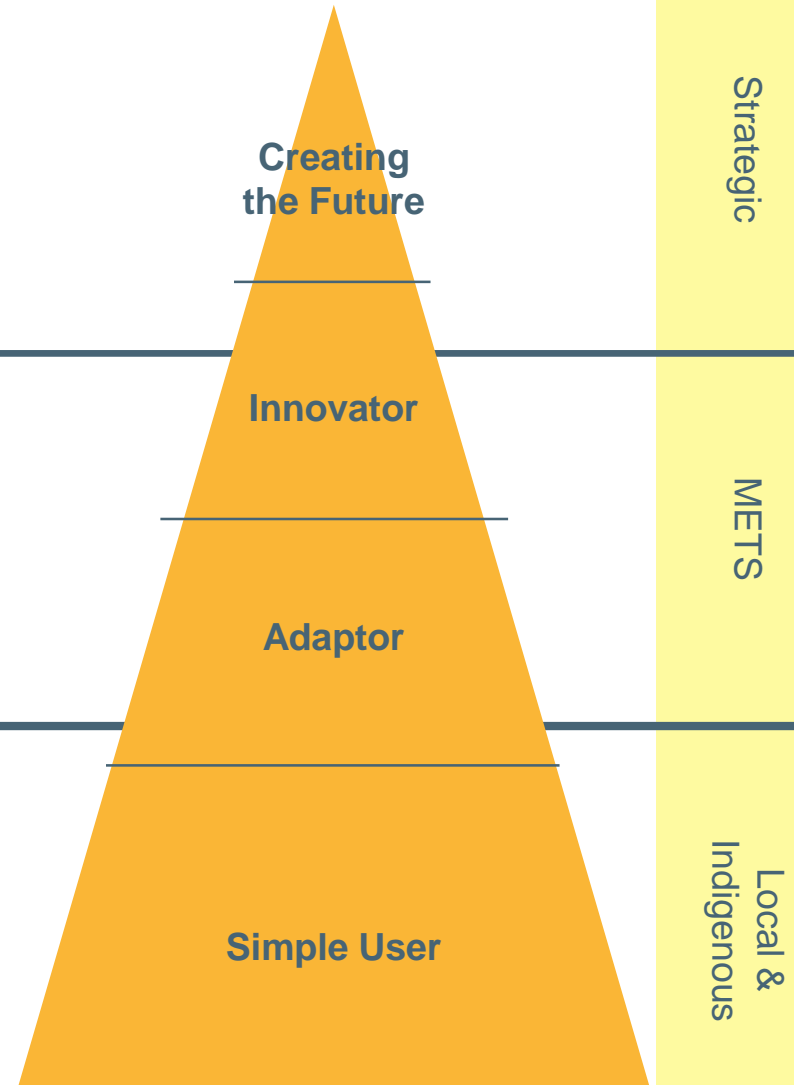
**Example: Cluster Program in Minerals Americas**

## Local Suppliers & Indigenous Communities

Support form small local suppliers (direct and indirect):

- Access to BHP (Outsource)
- Business basics assistance
- Supporting local entrepreneurs

**Example: BMA Local Buying Program in Minerals Australia**



# Empowering the Innovation Ecosystem



**BHP**