



ESG Roundtable Speech

21 September 2021



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This presentation contains forward-looking statements, including statements regarding: trends in commodity prices and currency exchange rates; demand for commodities; production forecasts; plans, strategies and objectives of management; assumed long-term scenarios; potential global responses to climate change; the potential effect of possible future events on the value of the BHP portfolio; closure or divestment of certain assets, operations or facilities (including associated costs); anticipated production or construction commencement dates; capital costs and scheduling; operating costs and shortages of materials and skilled employees; anticipated productive lives of projects, mines and facilities; provisions and contingent liabilities; and tax and regulatory developments.

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BHP Climate Transition Action Plan 2021 and BHP Climate Change Report 2020

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Numbers presented may not add up precisely to the totals provided due to rounding. Refer to slide 24 for the footnotes referenced in this presentation.

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Speaker Notes (excluding introductory comments and remarks linking one section and the next)

Geof Stapledon, Group ESG Officer

At BHP, we believe that the world is going to need increasing supply of the essential commodities our Company produces in order to sustain global economic growth and in order to decarbonise the global economy.

It is important for the world that this growing demand is met sustainably, and BHP is ideally positioned to do so given our portfolio of existing assets, our strong track record on sustainability and social value creation, our operating and financial discipline, and most importantly our people.

At our financial results presentation last month, we announced a number of strategic steps, as we continue to grow our portfolio in future facing commodities. Two in particular: First, a US\$5.7 billion investment in Jansen Stage 1, a top tier potash asset in Canada. Second, our intention to merge our Petroleum assets with Woodside. The resulting global top 10 independent oil and gas company is expected to have the resilience and optionality to succeed in the energy transition.

These decisions and intended steps are anticipated to result in around half of BHP's revenues being derived from the future facing commodities of copper, potash and nickel by the end of this decade. We also expect the other half, comprising iron ore and higher quality coking coal, to see upside as the world decarbonises.

There are four key topics in today's roundtable:

- Climate change
- Biodiversity
- Indigenous cultural heritage
- Safety

While these four topics have been prioritised for discussion today, we also acknowledge there are many other matters of significance – on which we remain acutely focused – such as human rights, inclusion and diversity, ethics and business conduct, transparency around taxes, royalties and other payments to governments, water stewardship, the composition of the Board of Directors, executive pay, and the list goes on! Should you require further information on these, or other matters, please let us know directly.

Agenda

Introduction	Geof Stapledon
Climate change	Fiona Wild, Graham Winkelman, Ben Ellis, Anna Wiley, Lee Levkowitz, Tony Cudmore
Biodiversity	Tim Cooper, Anne Dekker
Cultural heritage	Libby Ferrari, Colin Johnston
Safety update	Rob Telford, Michael Donoghue
Q&A	Geof Stapledon
Climate change (repeat)	Fiona Wild, Graham Winkelman, Ben Ellis, Anna Wiley, Lee Levkowitz, Tony Cudmore

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Climate Transition Action Plan

Builds on the BHP Climate Change Report 2020	
Updates on BHP's climate performance	
Aligned to the CA100+ Net Zero Company Benchmark	
More detail on key indicators	
Basis of 'Say on Climate' advisory vote	

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Fiona Wild, Sustainability & Climate Change

BHP's [Climate Transition Action Plan](#) (CTAP) builds on the Climate Change Report we released in September last year. It has been designed specifically to align with the structure of the Climate Action 100+ Net Zero Company Benchmark, which was established in late 2020.

It provides an update on BHP's performance in a format that reflects evolving investor assessment and disclosure frameworks, as well as more detail on our approach to the key indicators of the CA100+ Benchmark, including Scope 3, capital alignment and the just transition.

This year at its AGMs, BHP will put forward an advisory vote, or Say on Climate, to shareholders.

This advisory vote is intended to provide a forum for shareholders to discuss and provide feedback on the Climate Transition Action Plan. As exemplified by our discussion today, we believe it is important for all shareholders to have an opportunity to engage with us on our climate strategy and actions.

The advisory vote is not binding but the Board will take the outcome of the vote and discussion at the AGMs into account as BHP seeks to execute against the Climate Transition Action Plan.

It is proposed that we would hold an advisory vote in relation to BHP's Climate Transition Action Plan every three years.

Operational greenhouse gas (GHG) emissions¹



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I'll start with our position and performance on Scope 1 and 2, or operational emissions.

For our operational GHG emissions, we have two targets and a long-term goal in place:

- A short-term target to maintain operational emissions at or below FY2017 levels by FY2022, while we continue to grow our business
- A medium-term target to reduce operational emissions by at least 30 per cent from FY2020 levels by FY2030
- A long-term goal to achieve net zero operational emissions by 2050

For our two targets, the reference baselines will be adjusted for any material acquisitions and divestments and carbon offsets will be used as required.

In FY2021, our operational emissions were 16.2 million tonnes carbon dioxide equivalent, about 2% higher than FY2020.

This increase was largely due to increased production which resulted in increased electricity use and diesel consumption.

However, as a result of actions taken in FY2020 and FY2021, particularly securing the supply of renewable energy for some of our operated assets, our forecast operational emissions are currently tracking in line with our short and medium term targets.

In FY2021, each of our operated assets developed decarbonisation plans out to FY2030, containing a pipeline of emissions reduction projects and initiatives that collectively support our medium-term target and long-term goal for operational emissions.

Examples of these projects include:

- Signing renewable power purchasing agreements to supply up to 50 per cent of our electricity needs at the Nickel West Kwinana Refinery and our Queensland Coal mines
- Working with TransAlta on plans to build two solar farms and a battery storage system to help power the Mt Keith and Leinster operations at Nickel West

- Partnering with Rio Tinto and Vale to launch the 'Charge on Innovation Challenge', an initiative to develop charging infrastructure in parallel with the development of battery-electric trucks
- Becoming a founding member of Komatsu's GHG Alliance, which aims to develop commercially viable zero-greenhouse gas emissions haul trucks

In FY2021, we also retired 300,000 verified carbon offsets equivalent to the net increase in our FY2021 operational emissions from FY2020 of 0.3Mt CO₂-e.

The offsets were sourced from high quality projects such as the Cordillera Azul National Park REDD+ Project and the Kasigau Corridor REDD Project, and represent additional, permanent and otherwise unclaimed emission reductions from activities designed to avoid contributing to social or environmental harms.

More detail on how we are implementing operational decarbonisation can be found in the CTAP.

Now to value chain, or Scope 3, emissions.

Addressing Scope 3 emissions

Supporting emissions reductions in our value chains through partnership

	FY2021 actions	2030 goals
Processing and use of sold products	• Three partnerships with customers in the steelmaking sector • Additional CCUS and Direct Air Capture (DAC) investments and contributions	• Support industry to develop technologies and pathways capable of 30% emissions intensity reduction in integrated steelmaking, with widespread adoption expected post-2030
Transportation of sold products	• Deliver initiatives on GHG emissions reductions (e.g. vessel selection, LNG-fuelled bulk carrier tender and study into biofuel bunkering)	• Support 40% emissions intensity reduction of BHP-chartered shipping of our products



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We recognise the importance of supporting efforts to reduce emissions in our value chain as a critical element in the pursuit of global net zero across the economy.

By definition, value chain, or Scope 3, emissions occur outside of our operated assets and we have no direct control over their production. We must therefore seek opportunities to partner with others in our value chain to support reductions.

Our approach is to focus on where we can help make the biggest difference – through both scale and influence.

In 2020, we set Scope 3 emissions goals for 2030 for processing of our steelmaking products and maritime transportation of our products, supported by an action plan and aligned to a long-term vision to support the economy-wide transition necessary to meet the Paris Agreement goals.

So let's take a look at progress against these commitments in FY2021.

Value chain GHG emissions

Total reported Scope 3 emissions inventory for FY2021 of 402.5 Mt CO₂-e



BHP's total reported Scope 3 emissions inventory in FY2021 is estimated at 402.5 million tonnes carbon dioxide equivalent. The most significant contributions to Scope 3 emissions come from the downstream processing of our products, in particular from the processing of iron ore and metallurgical coal in steelmaking.

In FY2021, we have addressed some of the key limitations associated with estimating Scope 3 emissions in our reported inventory, working to eliminate 'double counting' of emissions from our customers' processing of iron ore and metallurgical coal in steelmaking. We also improved the accuracy of the emission factor used to estimate Scope 3 emissions by reflecting the blast furnace integrated steelmaking route into which the majority of our steelmaking raw materials portfolio is sold.

In FY2021, our action to address steelmaking emissions included:

- Announcing memoranda of understanding for partnerships with China Baowu, JFE and HBIS to invest up to US\$65 million in research and development of steel decarbonisation pathways
- Establishing a research program with University of Newcastle in Australia to study raw material properties in low carbon iron and steel making
- Strategically investing, through our internal venture capital unit, BHP Ventures, in a range of emerging companies, including some focused on low- or no-carbon steelmaking
- Assessing the opportunity to implement beneficiation at our Jimblebar operation, to improve product quality and support emissions reduction in the short- to medium-term within the integrated blast furnace-basic oxygen furnace steelmaking process.

And in Maritime;

- We awarded a world-first tender for lower-emissions LNG-fuelled bulk carrier vessels for iron ore transportation
- We signed a Memorandum of Cooperation to become one of the founding members of the Global Centre for Maritime Decarbonisation, pledging 10 million Singapore dollars to support its establishment and fund research and development projects

- We participated in the first marine biofuel trial involving an ocean-going vessel bunkering in Singapore, in collaboration with Oldendorff and GoodFuels, and supported by the Maritime and Port Authority of Singapore
- We recommitted to the greenhouse gas rating vetting criteria of RightShip, choosing only to allow vessels into our supply chain that have a better relative design efficiency compared to peer vessels [RightShip is a leading maritime risk management and environmental assessment organisation owned by BHP, Rio Tinto and Cargill.]

As part of the CTAP, we announced an enhanced Scope 3 position which builds on our existing goals.

This position reflects the challenges and opportunities in line with our strategy for increasing long-term portfolio exposure towards future-facing commodities.

It is expressed using terms defined in the CTAP Glossary (and in the footnotes to these slides), including 'net zero', 'target' and 'goal'.

Our enhanced Scope 3 position¹

While we cannot ensure the outcome alone, for our reshaped portfolio,³ we are pursuing the long-term goal of net zero Scope 3 GHG emissions by 2050 to support the transition that the world must make. Our reshaped portfolio will be focused on copper, nickel, potash, iron ore and higher-quality coking coal. To progress towards this goal:

Control



We will target net zero by 2050 for the operational GHG emissions of our direct suppliers,⁴ subject to the widespread availability of carbon neutral goods and services to meet our requirements.



We will target net zero by 2050 for GHG emissions from all shipping⁵ of our products,⁶ subject to the widespread availability of carbon neutral solutions including low/zero-emission technology on board suitable ships and low/zero-emission marine fuels.



We will support the value-chain by pursuing carbon neutral production of our future-facing commodities, such as copper, nickel, and potash, to provide the essential building blocks of a net zero transition.

Partner



Recognising the particular challenge of a net zero pathway for customers' processing of our products,⁷ which is dependent on the development and downstream deployment of solutions and supportive policy, we cannot set a target, but will continue to partner with customers and others to accelerate the transition to carbon neutral steelmaking and other downstream processes.

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While we cannot ensure the outcome alone, for our reshaped portfolio, we are pursuing the long-term goal of net zero Scope 3 GHG emissions by 2050 to support the transition that the world must make.

Our 'reshaped portfolio' would reflect completion of the proposed divestment of our oil and gas business and the sale of our interest in Cerrejón.

To progress towards this goal:

- We are targeting net zero for the operational emissions of our direct suppliers and the emissions from maritime transport of our products.
 - The operational emissions of our direct suppliers means their Scope 1 and Scope 2 emissions included in BHP's relevant Scope 3 reporting categories
 - For maritime, 'shipping' means BHP-chartered and third party-chartered shipping - the target excludes maritime transportation of products purchased by BHP.

- Recognising the particular challenge of a net zero pathway for customers' processing of our products, which is dependent on the development and downstream deployment of solutions and supportive policy, we cannot set a target, but will continue to partner with customers and others to accelerate the transition to carbon neutral steelmaking and other downstream processes.
- We will also support the value-chain by pursuing carbon neutral production of our future facing commodities, such as copper, nickel, and potash, to provide the essential building blocks of a net zero transition.

Details of our plans to support the new goal and targets and their essential context, definitions, assumptions and drivers are included in the CTAP,

Capital allocation



We recognise the importance of demonstrating how our capital allocation aligns with our strategy and action on climate change.

Stakeholders have communicated that they want to be able to assess whether we are allocating sufficient capital to meet our targets to reduce operational emissions. The Basis of Preparation of BHP's FY2021 financial statements describes how operational emissions reduction projects are considered in our key accounting judgements and estimates.

It also describes the two scenarios currently being used as inputs to our operational planning cases (Central Energy View and Lower Carbon View), based on our current estimates of the most likely range of futures for the global economy and associated sub-systems.

These operational planning ranges are periodically reviewed to reflect new information. They impact certain of the significant judgements and key estimates that Management is required to make in the preparation of BHP's Financial Statements, including the determination of the valuation of assets and potential impairment charges, the estimation of the remaining useful economic life of assets for depreciation purposes, the timing of closure and rehabilitation activities, and the recoverability of certain deferred tax assets.

Our stakeholders also want to understand the potential impacts on our business if the world takes the actions necessary to limit the global temperature increase to 1.5°C, and how we consider these potential impacts in our strategic decision making and allocation of growth capital.

We consider a range of different global, sectoral and regional scenarios in forming our strategy and in operational and commercial decision making.

Our decisions on portfolio composition and capital allocation are based on assessment of plausible future pathways and then tested against a range of scenarios. For example, in 2020 we updated our portfolio analysis to include our 1.5°C scenario to better identify signposts for climate-related risks and opportunities, and understand how our scenario's trajectory towards a 1.5°C world might impact our strategy and portfolio resilience.

To enhance our current approach, we intend to systematically integrate one or more Paris-aligned scenarios (including 1.5°C scenarios) into our strategy and capital prioritisation processes beginning in FY2022.

In response to increased investor interest, in FY2021 we also reviewed potential approaches to classification and measurement in the resources sector of green revenue, a measure of the extent to which products and services contribute to the transition to a green economy.

While there is no settled methodology, we have applied an approach based on end use, using nickel and uranium by way of illustration. Battery manufacture contributes to climate change mitigation and Australian uranium is sold for nuclear power generation only, a low emissions source of electricity.

For FY2021, our revenue from battery-suitable nickel metal sold to battery material suppliers amounted to US\$760 million; and our revenue from uranium amounted to US\$249 million.

In FY2022, we intend to continue to consult with investors, industry and standard setters to explore ways of establishing clear methodologies for classification and measurement of green revenue, and work with our customers, suppliers and others in our value chain to improve the traceability of our products and the emissions produced by their use.

Climate policy



- Climate change is a global challenge, and international collaboration is required to maximise emissions reductions and minimise impacts to competitiveness.
- National governments should set long-term climate change targets consistent with the Paris Agreement and intermediate targets aligned with this goal. Such certainty is essential to support business decision making.
- Policymaking should accommodate changes in scientific understanding over time, take into account full life-cycle impacts and promote the most efficient system-wide decarbonisation outcomes.
- Least-cost abatement should be the primary focus of climate mitigation policies. This is most likely to be realised through market mechanisms (including carbon pricing) and outcomes-based regulatory approaches.
- Governments should play an active role in supporting the development and deployment of low emissions technologies.
- Governments should undertake regular adaptation planning and introduce policies to strengthen the adaptive capacity of businesses and communities.

Achieving the Paris Agreement goals will require supportive policy across jurisdictions globally. The policy-making process is complex and change is unlikely to be smooth or linear.

We believe we can best support policy development by ensuring we meet our own climate commitments, continuing to make the case for the economic opportunities arising from the energy transition, and focusing on those policy areas where we are likely to have the greatest ability to influence change.

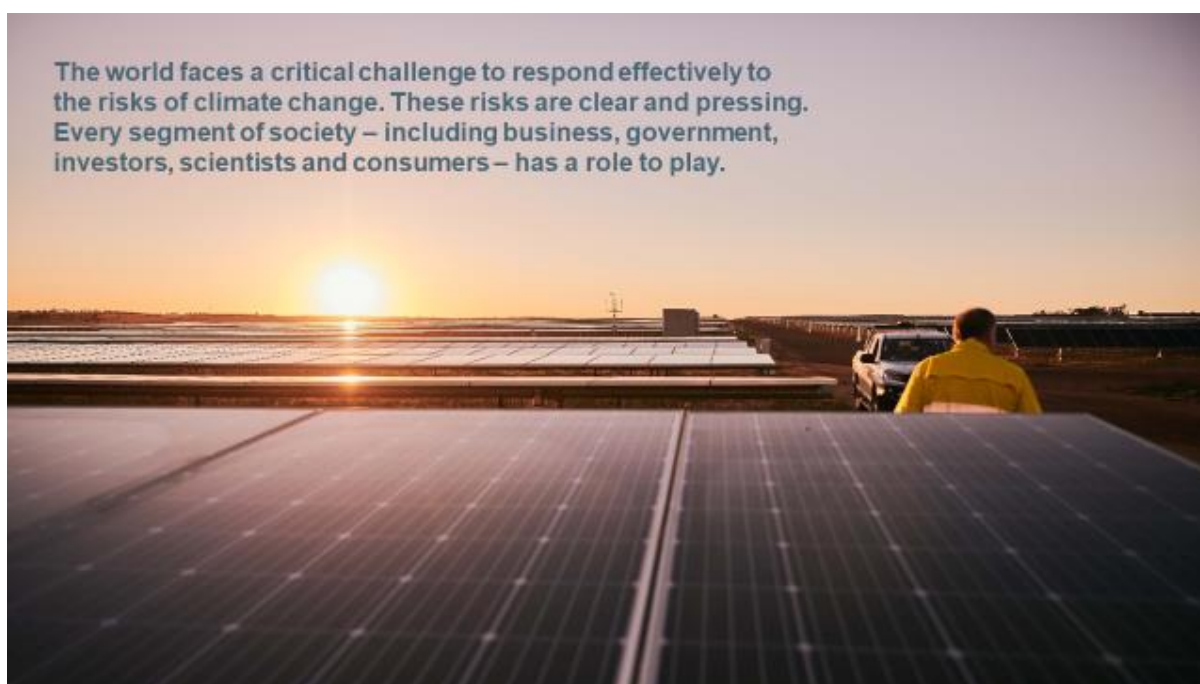
We engage on policy matters directly with government and through our membership of industry associations and issue-specific coalitions and initiatives.

We recognise there is considerable stakeholder interest in the role played by industry associations in public policy debates, particularly in the context of climate change policy.

Over the past five years, we have introduced a range of measures to strengthen governance of our member associations and their climate change advocacy. These have included:

- Establishing a transparent process to review the alignment between BHP's climate policy positions and those held by our member associations, and to act where 'material differences' have been identified
- Publishing our Global Climate Policy Standards, which set our expectations for how member associations should advocate on climate policy
- Committing to disclose in 'real time' if we determine that one of our member associations has substantially departed from our Global Climate Policy Standards
- Working with key member associations in Australia to clarify advocacy roles and responsibilities and improve the transparency of their advocacy activities
- Disclosing key information about BHP's material member associations, including membership fees and our rationale for membership.

We are also strengthening our approach by subjecting our material member associations to a formal industry association review, as we announced in 2020. The next update to this review will be published in 2022.



The world faces a critical challenge to respond effectively to the risks of climate change. These risks are clear and pressing. Every segment of society – including business, government, investors, scientists and consumers – has a role to play.

The world faces a critical challenge to respond effectively to the risks of climate change. These risks are clear and pressing. Every segment of society – including business, government, investors, scientists and consumers – has a role to play. The world must prioritise action by focusing on sustained emissions reductions to enable the world to achieve net zero emissions.

The process of structural adjustment as economies and consumer priorities evolve is not new. However the energy transition implies an adjustment process on a global scale that will likely extend for decades as the world pursues decarbonisation of power generation and industrial processes.

As a global leader in the development of natural resources, we have an opportunity to demonstrate a planned and purposeful approach to closure and rehabilitation through the life cycle of our operated assets.

Our closure and rehabilitation processes consider risks and opportunities, for the communities and environment in which we operate, as well as shareholder value.

The Climate Action 100+ Net Zero Company Benchmark, in its Disclosure Indicator 9, requests that a company considers the impacts from transitioning to a lower-carbon business model on its workers and communities.

CA100+ has not yet fully developed this indicator. In FY2022, we intend to contribute to its development work by providing insights from our sector.

BHP recognises the role we must play in helping the world achieve its decarbonisation ambitions.

We continue to make significant progress and we recognise there is more to do.

Our CTAP aims to show how we have evolved and adapted our approach, and our determination to contribute our part to global decarbonisation in line with our purpose.



Geof Stapledon, Group ESG Officer

Biodiversity has long been an area of focus for BHP. However, the COVID-19 pandemic has amplified the broader focus on the importance of biodiversity and the risks associated with biodiversity loss and natural ecosystem destruction on the health of people and economies. The 2021 WHO COVID-19 report shows a clear link between biodiversity loss and disease, and the Dasgupta Review highlights the need for economic reform to rebalance our demand on nature with its capacity to support us in the longer term.

Anne Dekker, VP Environment

We're delighted to have this opportunity to present today on our current approach and future directions for biodiversity management at BHP, a topic that we know is starting to receive an increasing focus in the ESG investor community.

Biodiversity is a term to describe the variety of life on earth. It's essential to maintaining the 'ecosystem services' we depend on for clean air, water and the food we need to survive.

Ecosystem services also include less visible services such as climate regulation and coastal protection; as well as being central to culture and wellbeing through interactions with the natural world.

Biodiversity loss has accelerated rapidly over the last 50+ years across all regions of the globe, with recent reports estimating that around one million species are currently threatened with extinction. This same time period corresponds to a doubling of atmospheric carbon dioxide concentrations as well as a doubling of the global population.

This biodiversity loss and pressures on our natural systems in turn pose significant risks for corporates as well as society at large.

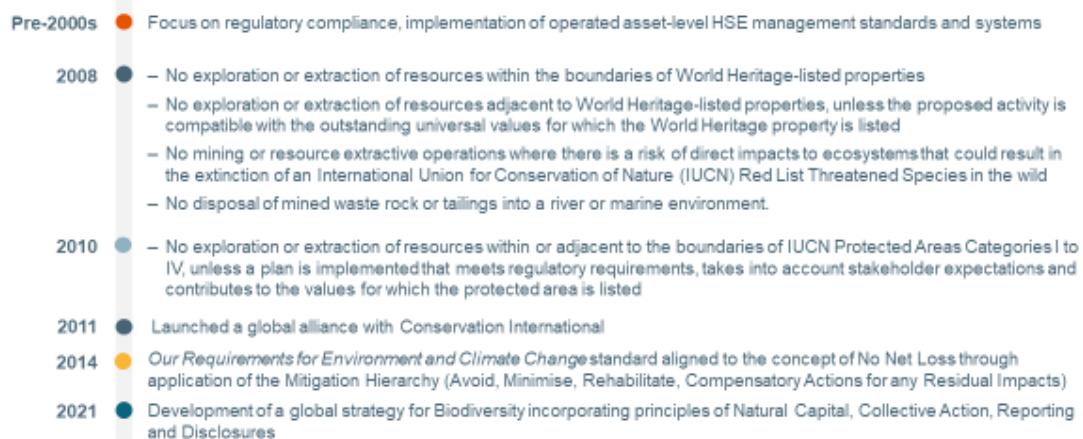
These warnings are made clear in a growing body of literature – most notably in the United Nations report from the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), published in 2019, and this year with the release of the Economics of Biodiversity Report – known as the Dasgupta Review, which makes the point that our current demands on natural capital exceed nature’s ability to supply them on a sustainable basis.

We have recently seen a stronger focus on biodiversity and land management in a number of sectors and companies – and at BHP, it is an area we have had a focus on for many years.

Our approach has evolved over the past few decades from activities that focused primarily on regulatory compliance and implementation of health, safety and environment management systems at our operated assets, to our global corporate standard, known as the *Our Requirements for Environment and Climate Change* standard, that outlines our commitments to avoid, minimise and mitigate adverse environmental impacts at every stage in the lifecycle of our operational activities in line with our risk appetite.

Our journey of contributing to a resilient environment

As a company, we have been specifically addressing biodiversity and land management for many years



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Since 2008, our commitments have included:

- No exploration or extraction of resources within the boundaries of World Heritage-listed properties
- No exploration or extraction of resources adjacent to World Heritage-listed properties unless the proposed activity is compatible with the values for which the World Heritage property is listed
- Not operating where there is a risk of direct impacts to ecosystems that could result in the extinction of an IUCN Red List Threatened Species
- No disposal of mined waste rock or tailings into a river or marine environment; and
- No exploration or extraction of resources within or adjacent to the boundaries of the IUCN Protected Areas Categories I to IV, unless a plan is implemented that meets regulatory requirements, takes into account stakeholder expectations and contributes to the values for which the protected area is listed

In 2011 we entered into an alliance with Conservation International, to inform BHP's corporate approach to biodiversity management and to implement projects to preserve land of high conservation value in key regions where BHP operates, commencing with the Valdivian Coastal reserve in Chile in 2013 and subsequently investments in Australia, Peru and Kenya.

In 2014, we wired the principle of No Net Loss into our approach to biodiversity management, through the requirement to apply the Mitigation Hierarchy at our operated assets. This means we plan our operational activities to Avoid and Minimise impacts, and Rehabilitate disturbed areas, before we apply Compensatory Actions to offset any residual impacts.

Our commitments seek to avoid and mitigate our impacts on biodiversity, are supported across BHP including the renewed focus on the development of a global strategy for biodiversity that will mainstream the principles of Natural Capital, Collective Action and transparent Reporting and Disclosure into the way we do business.

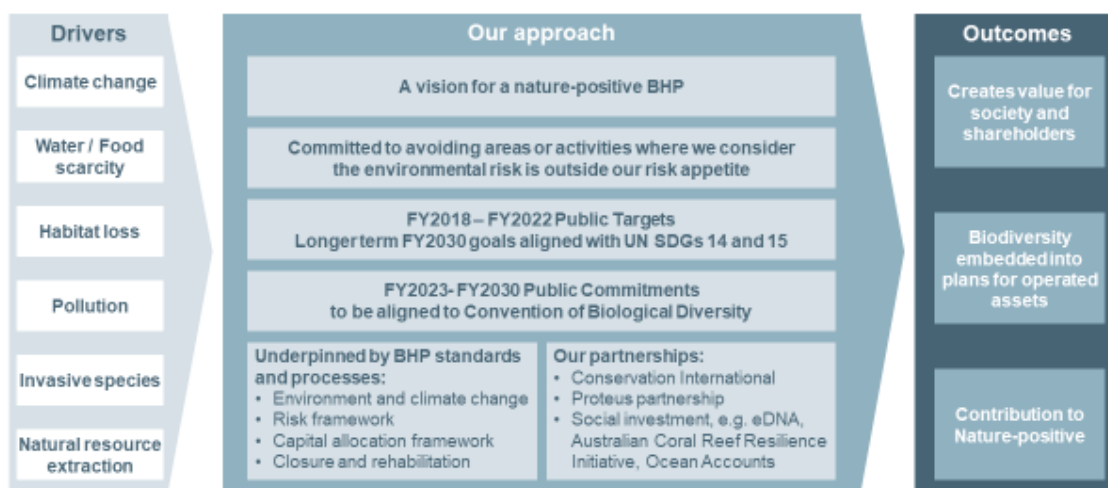
Over the past two years, we have been strengthening our biodiversity disclosures on our website in line with the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) standards. We submitted an expression of interest to the *Taskforce for Nature-related Financial Disclosure* (TNFD) and have been invited to join the TNFD Forum.

We continue to focus on the external trends in biodiversity loss, providing updates on concepts such as the double materiality of nature-related impacts and dependencies across our portfolio, and raising internal awareness on seminal reports such as Dasgupta.

And that is why we are providing an update on our global approach to biodiversity in 2021.

A global approach to biodiversity and land management

Supporting our biodiversity vision for a nature-positive company



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Tim Cooper, Principal Biodiversity & Land Management

Biodiversity is an important element within BHP's social value priorities, and we recognise that, with our significant land and sea footprints, BHP has an opportunity to help steward a nature-positive approach to the management, conservation and restoration of land, water and biodiversity.

We recognise that this decade is a fundamental fork in the road for humanity (and BHP), and one in which we must make an active and thoughtful choice about biodiversity

We know that there are different pressures and drivers of biodiversity loss - and that they're interconnected with each other - they range from a changing climate, threats to water security, habitat loss and pollution, and our own connection through extraction of natural resources.

For example, as the world clears land to make space for a growing population, and increased agriculture and mining activities, it impacts not only natural biodiversity values and risks the loss of species, but also reduces carbon sinks, which leads to increases in carbon dioxide concentrations in the atmosphere - so there are self-perpetuating cycles or feedback loops - and because of this, BHP recognises that, as a company, we can't solve for biodiversity without considering the inter-dependencies among other drivers such as climate change and water.

Our vision is for a nature-positive BHP. We have been exploring this idea and what it would mean for BHP with our Forum on Corporate Responsibility.

Supporting this vision is our commitment to avoid areas or activities where we consider the environmental risk is outside our risk appetite. As mentioned by Anne, this includes the principle of No Net Loss that we have integrated into our corporate requirements since 2014.

Our current set of 5-year public targets that run from FY2018-FY2022 includes a target for biodiversity, which is to improve marine and terrestrial biodiversity outcomes by:

- Developing a framework to evaluate and verify the benefits of our actions, in collaboration with others
- Contributing to the management of areas of national or international conservation significance exceeding our disturbed land footprint

Our current long-term goal for biodiversity is to make a measurable contribution to the conservation, restoration and sustainable use of marine and terrestrial ecosystems in all regions where we operate by 2030. This is aligned with the UN Sustainable Development Goals 14 and 15.

We have made good progress with these through our Conservation International alliance and the Proteus partnership – a voluntary partnership between the UN Environment Program World Conservation Monitoring Centre and 12 extractive industry companies. During FY2021, we assessed all our operated assets using an early-stage methodology developed by Proteus and we developed a prototype scorecard based on this methodology to test and refine how we track biodiversity status and trends at our operated assets. The framework will be used to track achievement of our long-term biodiversity goal.

Further information on our current set of public targets is available via our website.

We are also in the process of defining a new set of public targets to cover the period FY2023 – FY2030 that we are aligning to the current draft of the Convention of Biological Diversity (CBD) post-2020 global biodiversity framework.

Coupled to our commitment to No Net Loss, is our program of significant voluntary contributions to biodiversity conservation.

Since 2011, we have voluntarily committed >US\$85m to biodiversity conservation initiatives through our alliance with Conservation International and other partners.

We will continue to work with governments, research organisations, civil society and non-government organisations to promote nature-positive outcomes. Our current partnerships include:

- [Conservation International Alliance](#)
- [Proteus Partnership](#) with UNEP-World Conservation Monitoring Centre
- Research and Development programs with academic organisations, which include:
 - With the Australian Institute of Marine Science – our AU\$27M co-invested project on coral reef resilience
 - With Curtin University in collaboration with the University of Antofagasta in Chile - our 5-year project investigating environmental DNA as a new biomonitoring tool
 - With CSIRO - Australia's national science agency – a project looking at pathways to nature-positive
 - And with the University of Western Australia – a project supporting several PhD students to pilot environmental economic accounting techniques in the offshore marine environment

For BHP, we believe that there will be a range of outcomes associated with our approach to biodiversity management including those that are value accretive in the social and market dimensions, we will have done the right work that helps to mainstream biodiversity into our business and plans for our operated assets, and that we will make a meaningful contribution to a nature-positive planet.



Libby Ferrari, VP Global Indigenous Engagement & Community

Colin and I have had the opportunity to speak with many of you previously and we have gained a lot ourselves from those conversations – it is by having these open discussions that we can all gain a deeper appreciation for this work and equally the opportunities and challenges as we move forward in a world that is, rightly, focused on the rights, voice and recognition of First Nations peoples

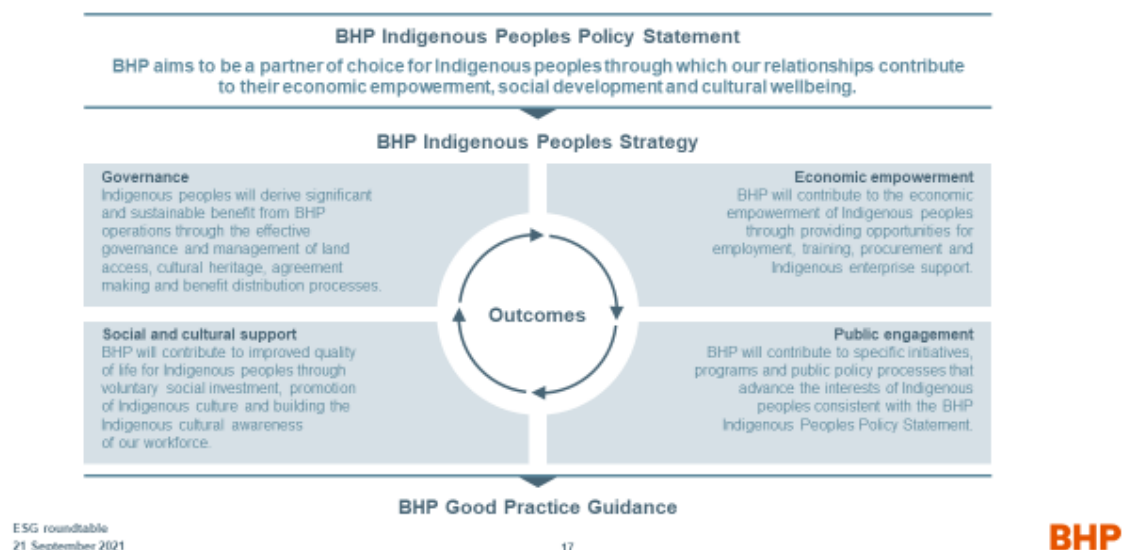
At BHP, our approach to cultural heritage is driven by the commitments made in three key guiding documents: our Indigenous Peoples Policy Statement, our Indigenous Peoples Strategy and our Reconciliation Action Plan.

We are working closely with Traditional Owner groups and other Indigenous representative organisations to further strengthen our cultural heritage management practices.

We have established a new Global Indigenous Engagement team, including expanding our Australian team and creating a new permanent team in Minerals Americas.

We also continue to support efforts to further strengthen the laws, policies and practices that underpin the management of cultural heritage values.

Indigenous Peoples Strategy



Our Indigenous Peoples Policy Statement:

- BHP aims to be a partner of choice for Indigenous peoples through which our relationships contribute to their economic empowerment, social development and cultural wellbeing

It follows then, that our Indigenous Peoples Strategy centres around four key themes

- Governance
- Economic empowerment
- Public engagement
- Social and cultural support

Beyond compliance with local laws, BHP's Indigenous People's Policy Statement and Indigenous People's Strategy articulate a commitment to operating in a manner that's consistent with a series of globally consistent public commitments – to working with Indigenous peoples around the world in accordance with standards that have been in turn informed by:

- The UN Declaration of Rights for Indigenous People
- The UN Guiding Principles on Business and Human Rights
- The ICM Position Statement on Indigenous Peoples and Mining

One of the key vehicles in which we translate this greater approach into our way of operations is via Indigenous Land Use Agreement making.

This is a process designed to recognise native title rights and interests, and to formalise those essential aspects of our relationship with Traditional Owners.

In addition to benefit sharing, these agreements provide mechanisms for consultation and discussion and set out a mutually agreed way of working in relation to cultural heritage management.

BHP is also committed to creating opportunities for employment, training, and procurement for Indigenous peoples.

And through voluntary social investment, promotion of Indigenous culture and building cultural awareness of our workforce, we aim to contribute to improved quality of life for Indigenous peoples

It's in this way that BHP's performance does not turn on overarching legislation alone, but on the standards to which we hold ourselves and the commitments that we have made to others. This is the essence of how we work in partnership with Indigenous peoples – and how our policies and practices translate into the way our teams on the ground think, feel and work in this critical space.

Australian Cultural Heritage management update

Consistent with our Indigenous Peoples Policy Statement, Indigenous Peoples Strategy and Reconciliation Action Plan commitments

Category	Milestones
People and culture	- Part of a new global Indigenous Engagement team, this includes a permanent Minerals Americas Indigenous Engagement Team - A stronger Australian Indigenous Cultural Respect Framework
Law reform and advocacy	- Australian Government's Indigenous Voice co-design consultation process - The Joint Standing Committee on Northern Australia's inquiry into matters relevant to the Juukan Gorge events - Western Australia's Aboriginal Cultural Heritage Bill 2020 (WA) consultation process
Cultural heritage management	- Enhanced cultural heritage management systems and processes - Strengthened engagement with Traditional Owners and other representative Indigenous bodies, including the First Nations Heritage Protection Alliance - A Heritage Advisory Council comprising Binjima Elders and senior BHP representatives at South Flank
Economic participation	- Indigenous procurement, employment and social investment core components of our Indigenous Peoples Strategy - Minerals Australia saw 17% growth against FY20 levels in our direct spend with Indigenous businesses



ESG roundtable
21 September 2021

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BHP

Colin Johnston, Manager Indigenous Engagement

As always, we have been extremely busy in the cultural heritage management space, so I will just talk to a few of the key themes.

BHP welcomes the cultural heritage legislation reform as an opportunity to engage on issues relating to cultural heritage, and the effectiveness of State and Federal laws.

In advance of law reform, BHP committed to:

- Not acting on existing section 18 approvals in WA without further extensive consultation with Traditional Owners
- Further consultation with Traditional Owners in instances where new information emerges that materially changes the significance of a heritage site.

Key themes in BHP's submission to the JSCNA Inquiry into the destruction of Juukan Gorge:

- Supporting the WA community in the work being done to modernise the WA Heritage Act
- Supporting Traditional Owners to have a rightful involvement in the management of cultural heritage sites on their land
- Advocating the primacy of Traditional Owner perspectives in land use decision making;
- Contemporary appeal rights and penalty provisions

The First Nations Heritage Protection Alliance and the Heritage Advisory Council, comprising Banjima Elders and senior BHP representatives at South Flank, are examples of our strengthened engagement with Traditional Owners and other representative Indigenous bodies.

In both the immediate response to COVID-19 and in the ongoing recovery phase, we have worked closely with Indigenous communities where we operate.

This has included financial support to local and regional health networks, the provision of essential community services including mental health, training and upskilling, enhancing technology and targeted support to remote Indigenous communities.

Despite the logistical obstacles that COVID presented, at a time when quality engagement was more important than ever, we are grateful to have found new ways of working with Traditional Owners.

Indigenous procurement, employment and social investment are core components of our Indigenous Peoples Strategy.

In FY21 we increased our direct spend with Indigenous businesses by 17% and with effect from 1 July 2021, BHP has reduced to seven-day payment terms for all small, local and Indigenous suppliers, getting cash into their hands sooner.

Agreement making case study: Barada Barna ILUA



ESG roundtable
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BHP

Libby Ferrari VP Global Indigenous Engagement & Community

In August 2021, and after a year of negotiations, the Barada Barna Aboriginal Corporation (BBAC), on behalf of the Barada Barna people, and BHP Mitsui Coal Pty Ltd (BMC) signed a Native Title Project Agreement (Agreement) for South Walker Creek Mine in Central Queensland.

I had the huge honour of being a part of the team working on this agreement after several years of relationship and trust building with the Barada Barna peoples.

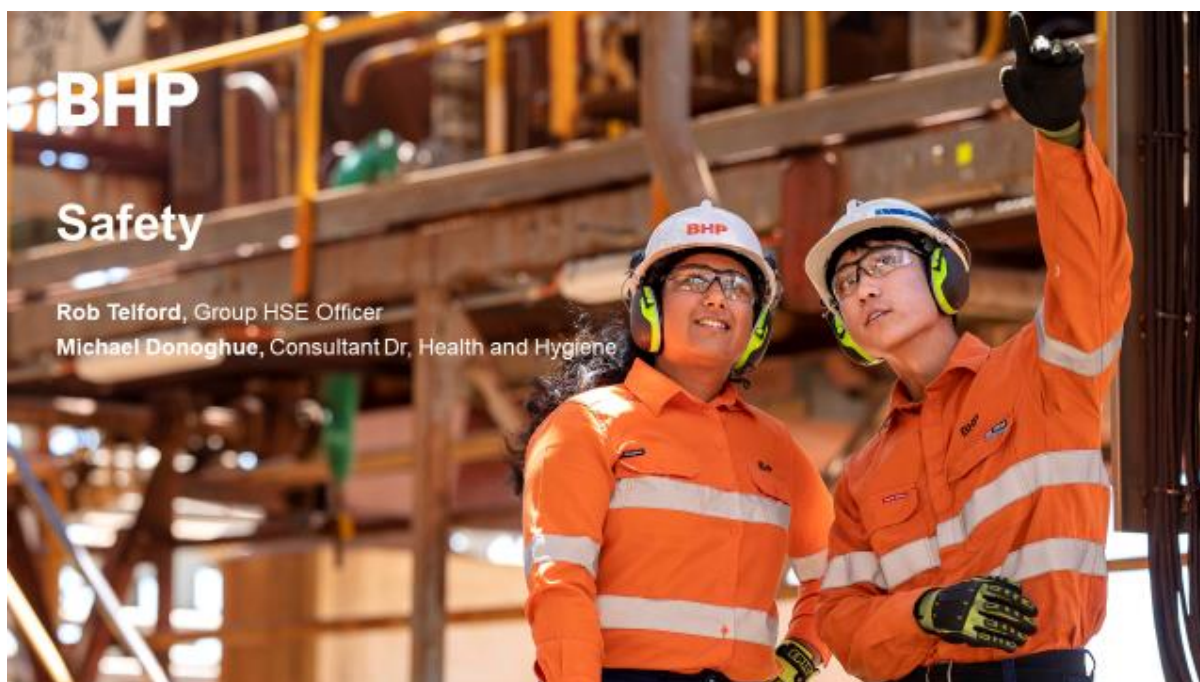
It was a unique experience as Colin referred to – through COVID restrictions and in the midst of a significant time in the cultural heritage space in Australia and I am incredibly proud of the result for the Barada Barna people and for our Company

It's the first agreement of its kind between Barada Barna and BMC, and will deliver a legacy of intergenerational benefits to the Barada Barna people.

The Agreement outlines a path forward for a long-term relationship based on trust, respect and mutual benefit. It will also see BMC and Barada Barna work together in relation to the management of Cultural Heritage at South Walker Creek and deepen our workforces' knowledge and understanding of Barada Barna history and connection to Country through cultural awareness training

Importantly, a site of significant cultural value to the Barada Barna is accessible, protected and will be handed back to the Barada Barna people at the end of mine life.

This agreement represents a positive shift for us, and if I can finish by quoting the Barada Barna Chairperson: "the agreement sets Barada Barna on a path of self-determination. It will ensure that BBAC is sustainable into the future and help our next generation of descendants achieve their goals through schooling, university, employment and training. It also provides BBAC with the ability to diversify out income streams, by creating TO businesses that can tender for a variety of contracts on country".



Strong safety performance

In FY2021, we continued to focus on strong safety performance



ESG roundtable
21 September 2021

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BHP

Rob Telford, Group HSE Officer

My role is to make sure that we have the right systems, processes, frameworks and culture to manage risks, endeavour to keep our people, planet and communities safe and continue to strive towards a workplace where our people thrive mentally and physically.

In FY2021, we had another year of strong safety performance and delivered the safest year in BHP's history, all against a backdrop of the turbulent and challenging circumstances of a COVID-19 world. I am immensely proud of the hard work and resilience our folks have shown over the past year to achieve this result. Some highlights include:

- No fatalities at our operated assets – we are now 2.5 years fatality free
- A decrease of 17 per cent in high-potential injury frequency rate from FY2020
- An increase in field leadership activities, which occurred at a sustainable frequency rate of 9,400 activities per million hours worked with over 1,573,000 activities completed in the period and over 44,000 employees and contractors participating in the program at least once
- Coached levels in field leadership – 5% higher than FY2020
- Near miss significant event (SE) frequency – 3% lower than FY2020
- A decrease in total recordable injury frequency (TRIF) of 11 per cent from FY2020
- In FY2021, potential material exposures overall reduced by 70 per cent compared to the adjusted FY2017 baseline which is better than our FY2022 target. Our exposure data in all cases discounts the effect of personal protective equipment.
- Diesel particular matter (DPM) - Work to control exposure to DPM at Nickel West and Olympic Dam resulted in a 12 per cent reduction compared to FY2020 in the number of workers potentially exposed to DPM
- In addition, no safety fines were received at our operated assets in FY2021

As I mentioned above, throughout FY2021, we continued to navigate the challenges of the global COVID-19 pandemic to prioritise the health and safety of our people and workplaces. The pandemic has caused unprecedented challenges to the daily lives of our people, the communities we operate and our business globally.

This is why over the course of the year we have worked hard to:

- Always put the health and safety of our people first
- Remain vigilant for new developments
- Update our controls to protect our people
- Support our suppliers
- Work closely with the communities where we operate to provide assistance where it's been needed most

Supporting our people and communities through COVID-19

Putting the health and safety of our people and communities first

Improved quarantine and testing regime

Health and medical support

Mental health

Support to our Minerals Americas operated assets

Regional community support in Australia

BHP Foundation donations



BHP

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Dr Michael Donoghue, Consultant Doctor

The pandemic has been very challenging for the world. There have been remarkable advances particularly with vaccines, but we still have a way to go. At BHP, we have remained receptive to frequent scientific advances and adjusted our response accordingly

Firstly, we have improved our **quarantine and testing regime**.

To investigate optimal COVID-19 quarantine and testing strategies, we collaborated with researchers from Yale University, York University, University of Colorado, University of Florida, University of Maryland and NewFields consulting firm.

The research showed that shorter quarantine periods combined with targeted testing strategies can provide equivalent or lower probabilities of post-quarantine transmission than the standard 14-day quarantine period without testing.

The findings were put into practice on our offshore oil rigs to support our efforts to reduce the risk of COVID-19.

Next is **health and medical support**.

In areas impacted by high community transmissions and reduced local medical capabilities, we provided additional support to our workforce.

This included establishing telehealth services, providing in-home testing, arranging emergency ambulance support and enhanced mental wellness support and providing medical support (for example, the procurement of oxygen concentrators in India) to support ill workers and their family members.

We are also encouraging our workforce to protect themselves and their communities by choosing to get the COVID-19 vaccination, if they can.

Mental health has been an area of focus for BHP for a number of years.

Over the last year we increased access to mental health support in two significant ways.

We recognise the added pressure, and increased stress and anxiety that the pandemic has presented at work and in our daily lives. We've updated our resources in a practical way to help our employees, contractors and their families through this difficult period.

The capacity of our Employee Assistance Program was doubled to support an increased need for counselling services arising from the pandemic.

This increased level of service access provided our people and their family members with a dedicated tele-mental health counselling resource, reducing appointment wait times to no more than two days.

Our Personal Resilience Program has been in place for over three years now – with the severe impact of COVID-19 on the travel industry, including oil and gas contracted aviation operations, we part-funded the development of a new mental health program for the Flight Safety Foundation based largely on our own BHP Resilience Program.

Many of you will know that **Chile** has been severely impacted by COVID-19 recording more than 1.6 million confirmed cases since the start of the pandemic.

In addition to a suite of onsite COVID controls, in FY2021 our Minerals Americas operated assets undertook over 870,000 polymerase chain reaction (PCR) tests and 70,000 antigen tests with the participation rates of our workforce ranging from 85 to 97 per cent.

In addition to PCR testing prior to coming to site, all our operated assets in Chile conducted routine antigen testing during each shift to support early detection of asymptomatic cases onsite.

Since May 2021, we commenced onsite vaccination at our operated assets in Chile and as at the end of June 2021, we had enabled more than 18,000 employees and contractors to receive their first dose, and more than 14,000 to be fully vaccinated.

To support **regional communities throughout Australia**, in FY2020, BHP established a A\$50 million Vital Resources Fund (VRF) to keep vital services functioning and strengthen community recovery. Find out more about the VRF in our case studies available at bhp.com.

During the pandemic in Australia, we also:

- reduced payment terms for small, local and Indigenous suppliers to increase their critical cash flow during the pandemic peak
- hired an additional 1,500 people on six-month contracts to support our Australian operations
- created a A\$6 million fund to support labour hire companies and their employees

Throughout the pandemic, the **BHP Foundation (which is a charitable organisation funded by BHP)** continued to support their 40 partner organisations as they pivoted and adapted their work across 49 countries:

- In India, 10,000 nurses and nurse assistants were upskilled and certified to bolster health system capacity through Foundation partner organisation, UN Women's Second Chance Education Project
- The Foundation also funded essential medical supplies and community support through a US\$2million contribution to the Indian Red Cross Society
- The Foundation's support of the Australian Red Cross helped socially-isolated people to sustain social connections during periods of lockdown and isolation
- The Foundation also supported the University of Sydney's Matilda Centre to stimulate bold thinking around a national response to the mental health impacts of COVID-19
- A national Digital Education Network was established in Chile in response to the disruption to education. In a Foundation-supported partnership with six leading organisations, technology and tools were developed to support both students and teachers, with 870,000 beneficiaries to date



Footnotes

1. Slides 6 & 9 : These positions are expressed using defined terms, including the following: (i) 'Net zero' includes the use of carbon offsets as required; (ii) 'Target' means an intended outcome in relation to which we have identified one or more pathways for delivery of that outcome, subject to certain assumptions or conditions; (iii) 'Goal' means an ambition to seek an outcome for which there is no current pathway(s), but for which efforts will be pursued towards addressing that challenge, subject to certain assumptions or conditions; and (iv) 'Carbon neutral' includes all those greenhouse gas emissions as defined by BHP reporting purposes.
Refer to the BHP Climate Transition Action Plan 2021, available at bhp.com/climate, for the essential context, definitions, assumptions and drivers for BHP's new Scope 3 goal and targets (stated in full in section 1 of the Climate Transition Action Plan).
2. Slide 6: Reference baselines will be adjusted for any material acquisitions and divestments based on emissions at the time of the transaction. Carbon offsets will be used as required.
3. Slide 9: Subject to completion of both of the divestment of our oil and gas business and the sale of our interest in Cerrejón. Refer to BHP's prior announcements on 17 August 2021 and 28 June 2021 respectively, available at bhp.com/investor-centre.
4. Slide 9: 'Operational GHG emissions of our direct suppliers' means the Scope 1 and Scope 2 emissions of our direct suppliers included in BHP's Scope 3 reporting categories of purchased goods and services (including capital goods), fuel and energy related activities, business travel, and employee commuting.
5. Slide 9: BHP-chartered and third party-chartered shipping.
6. Slide 9: Target excludes maritime transportation of products purchased by BHP.
7. Slide 9: In line with our reporting methodology for Scope 3 emissions, we define 'processing of our products' as emissions resulting from our customers' processing of our products comprising iron ore and metallurgical coal (steelmaking materials) and copper (assumed to be processed into copper wire for end use).
8. Slide 21: Potential material occupational exposures are calculated discounting the use of personal protective equipment, where required