



**Building a better
working world**

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Independent Reasonable Assurance Report to the Directors and Management of Minera Spence S.A. and the Management of BHP Group Limited ('BHP')

Our Opinion:

Ernst & Young ('EY', 'we') were engaged by BHP to undertake a reasonable assurance engagement as defined by International Auditing Standards, hereafter referred to as the assurance procedures, to report on the Subject Matter defined below for the year ended 30 June 2023. In our opinion, the Subject Matter for the year ended 30 June 2023 is prepared, in all material respects, in accordance with the Criteria defined below.

What we assured

We undertook reasonable assurance procedures on the following Subject Matter as shown in the table below:

BHP's reported conformance to the criteria from the Joint Due Diligence Standard for Copper, Lead, Molybdenum, Nickel and Zinc ('JDDS') as included in the JDDS Assessment Tool for Pampa Notre (Spence).

Refer to Appendix A for an extract of the JDDS Assessment Tool with EY observations.

Criteria applied by BHP

In preparing the JDDS Assessment Tool, BHP applied the following Criteria:

- ▶ JDDS conformance criteria

Key responsibilities

EY's responsibility and independence

Our responsibility is to express an opinion on the presentation of the Subject Matter based on the evidence we have obtained.

We have complied with the independence and relevant ethical requirements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

BHP's responsibility

BHP's management is responsible for selecting the Criteria, and for presenting the JDDS Assessment Tool for Spence in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject

Matter, such that it is free from material misstatement, whether due to fraud or error.

Our approach to conducting the assurance procedures

We conducted our assurance procedures in accordance with the International Auditing and Assurance Standards Board's International Standard on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000'), the Copper Mark Assurance Process and the terms of reference for this engagement as agreed with BHP on 1 August 2023. That standard requires that we plan and perform our engagement to obtain reasonable assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report.

Summary of assurance procedures performed

The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risk of material misstatement, whether due to fraud or error. The procedures we performed included, but were not limited to:

- ▶ Conducted interviews with specific corporate staff members to gain insight into the due diligence management system's procedures and processes across corporate and site
- ▶ For a sample of purchases, we tested the underlying source information to assess the implementation of the due diligence process and confirm if any third-party purchases exist that form a structural feed for Spence
- ▶ Inspected relevant documentation of the due diligence management system, related processes and BHP's Responsible Minerals Program 2023 report

We believe that the evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Inherent limitations

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance



engagement was not designed to provide assurance on internal controls.

While our procedures performed for our reasonable assurance engagement are of a higher level of assurance, due to the use of sampling techniques, it is not a guarantee that it will always detect material misstatements.

Other matters

We have not performed assurance procedures in respect of any information relating to prior reporting periods, including those presented in the Subject Matter. This assurance report does not extend to any disclosures or assertions made by BHP relating to future performance plans and/or strategies disclosed in the Subject Matter.

Use of our Assurance Report

We disclaim any assumption of responsibility for any reliance on this assurance report to any persons other than the management and directors of BHP and of Minera Spence S.A., or for any purpose other than that for which it was prepared.

Our assurance procedures were performed over certain web-based information that was available via web links as of the date of this report. We provide no assurance over changes to the content of this web-based information after the date of this assurance report.

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young
Melbourne, Australia
30 November 2023

Appendix A: Additional Information as requested by the Copper Mark's JDDS

This appendix includes additional information as requested by the Copper Mark's JDDS and a table outlining Spence's rating and EY's observations against each Criterion. Each Criterion is rated as either:

- Does Not Meet: The company has not implemented a policy or completed due diligence that conforms with the OECD Due Diligence Guidance ('DDG')
- Partially Meets: The company has begun to develop a policy and to complete a due diligence that conforms with the OECD DDG, but implementation has not started or is incomplete
- Fully Meets: The company has a fully implemented policy and completed due diligence that conforms with the OECD DDG.
- Not Applicable ('N/A'): This Criterion is not relevant to Spence's operations.

The final column within the table below represents observations from EY's reasonable assurance procedures, as described in the assurance report, relating to each Criterion. The observations listed below are in the context of our assurance of the JDDS Assessment Tool as a whole, and in forming our conclusion thereon, and we do not provide a separate conclusion on these matters.

Site Information

Name of company	Minera Spence S.A. ('the Company')
Name of site	Spence
Address	Cerro El Plomo 6000 (the site is located in the Atacama Desert)
Country of operation	Chile
Metals produced on site	Copper, molybdenum, with by-products including gold, silver
Metals included in scope	Copper
Metals covered by other independent assessments for Criterion 31	NA
Types of operations included in scope:	
Mining	☒
Concentrate blending	☒
Solvent extraction and electrowinning	☒
Smelting	☐
Refining	☐
Other (please explain)	
Infrastructure owned or controlled by the site and included in scope	
Roads	☐
Rails	☐
Ports	☐
Other (please explain)	Spence is located over 1750 meters above sea level in the commune of Sierra Gorda in the Province of Antofagasta, Region of Antofagasta, approximately 50 km southwest of Calama and 150 km to northeast of Antofagasta. This site began operations in December 2005. Spence produces copper cathodes and copper and molybdenum concentrate. .

Independent Site Assessment Information

Name of the Lead Assessor	Meg Fricke
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Name of the Assessment firm	EY
Date(s) of assessment activities (dd/mm/yyyy – dd/mm/yyyy)	5-8 September 2023
Assessment period	1 July 2022 – 30 June 2023
Summary of the Assessment Methodology	EY developed a reasonable assurance methodology specific to the JDDS requirements in accordance with International Standard on Assurance Engagements (ISAE 3000), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and the Copper Mark Assurance Process. Key assessment activities are outlined below.
Summary of the Assessment Activities	The following assessment activities were conducted: - Assurance Planning and Strategy - Opening meeting - Understand the JDDS criteria specific to Spence - Development of specific procedures and approach for assurance execution - Execution - In-person and virtual meetings with functional owners at BHP Group-level to understand processes and activities to address the JDDS criteria - Checked accuracy of the JDDS Assessment Tool against evidence and observations - Held discussions around criteria ratings, supporting documentation, gaps and plans to address any gaps - Conclusion - Executive review and final inspection of the JDSS Assessment Tool - Drafting and finalising assurance report, including the Copper Mark verification summary report - Closing meeting

Summary of Findings				EY Observations
#	Criteria	Objective	Rating (as defined by Spence)	
1	Management System	To maintain a strong management system to support supply chain due diligence	Fully Meets	Spence is a BHP asset that has a simple supply chain where it had no external structural feed that physically forms part of its products during the assessment period. Material sourcing is done at a corporate level by the Commercial Sales and Marketing team. BHP has a Group-wide Responsible Minerals Policy ('Policy'), which is publicly available here. BHP has established an OECD-aligned Due Diligence Program ('Program') that is appropriate to the nature, scale and operational context of the BHP Group and the Company. Resources were appointed to support the implementation of the Policy and Program. Adequate training was provided to relevant employees. BHP senior management assumes responsibility for the implementation, maintenance, and continuous improvements of the Program. In addition, they ensure the Program is integrated into the business processes of the BHP Group and the Company.

Summary of Findings				EY Observations
#	Criteria	Objective	Rating (as defined by Spence)	
				BHP has EthicsPoint, which is an established and effective grievance mechanism accessible here, that is appropriate to the nature, scale and operational context of the BHP Group and the Company. The information generated by the Program is sufficient for the effective implementation of all applicable steps of the due diligence process. The above was assessed through interviews with management, and other relevant members of the workforce. We conducted comprehensive examination of various documents such as BHP's Responsible Minerals Policy, BHP's Responsible Minerals Program Due Diligence Procedure, and training materials.
2	Red Flags Identification Process	To identify risks of potential adverse impacts and actual adverse impacts covered by a company's policy along the supply chains for the materials in scope of the assessment.	Fully Meets	BHP's Know-Your-Supplier ('KYS') Questionnaire - Due Diligence Questions and Supply Chain Mapping templates can be implemented to collect, review, and retain supplier and other material information which are in line with the requirements of the JDDS, and appropriate to the nature, scale, and operational context of the BHP Group and the Company. The process to collect, review, and retain information for red flags identification is appropriate to the nature, scale, and operational context of the BHP Group and the Company. BHP's Conflict-Affected and High-Risk Areas (CAHRA) determination process leverages TDI Sustainability's published CAHRA list TDI CAHRA TDI Sustainability (tdi-sustainability.com). Spence did not receive any external feed from third-party suppliers during the assessment period and, as a result, the implementation of the Red Flags Identification Process was not required. The above was assessed through interviews with management, and comprehensive examination of BHP Group's mineral purchases data.
3	Risk Assessment Process	To confirm the presence of risks of adverse impacts or actual adverse impacts identified during the risk assessment.	Fully Meets	No red flags were identified for Spence during the assessment period under Step 2 (Red Flags Identification Process). Details about BHP's corporate approach to risk assessment is included below. The information collected by BHP is sufficient and reasonable to determine the presence of OECD Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas ('OECD Guidance') Annex II risks. Assessment results and the review processes are reasonable based on the nature, size, location,

Summary of Findings				EY Observations
#	Criteria	Objective	Rating (as defined by Spence)	
				and circumstances of the BHP Group and the Company. As part of its Responsible Minerals Program, BHP has a credible process to determine the need for on-the-ground assessment. No on-the-ground assessment was deemed necessary with respect to Spence and, as such, none has taken place during this assessment period. BHP has an appropriate continuous monitoring process given nature, scale and circumstances of the BHP Group and the Company.
4	Risk Management Process	To design a strategy and implement a risk management plan to respond to risks of adverse impacts and actual adverse impacts identified during the risk assessment.	Fully Meets	No red flags were identified for Spence during the assessment period under Step 2. Details about BHP's corporate approach to risk management is included below. BHP has a risk mitigation strategy consistent with its Responsible Minerals Policy and the recommendations of the OECD Guidance. In addition, it is appropriate to the type and scale of the risks of adverse impacts and actual adverse impacts and the Company's position along the supply chain. The risk management plan is consistent with the risk management strategy and appropriate to the type and scale of the risks of adverse impacts and actual adverse impacts and the Company's position along the supply chain. The above was assessed through interviews with management, and comprehensive examination of various documents such as tools to enable implementation of the risk management tool.
5	Public Reporting	To report on supply chain due diligence policies and practices	Fully Meets	BHP has published its Responsible Minerals Program 2023 report on its supply chain due diligence that is publicly available here. This report covers the requirements of the JDDS and includes Spence within its scope.