

Closure and Legacy Management Global Standard

Purpose of Global Standard?

This Global Standard outlines the minimum requirements for closure and legacy management to achieve the optimised closure outcomes and closure objectives identified in the closure strategy for each BHP-operated site/asset.

Who does this apply to?

This Global Standard applies to anyone involved in:

- Managing, planning, or executing exploration, projects, operational or closure activities, for all BHP-operated sites (including legacy assets), at any time in the entire lifecycle of the site or asset.
- Investment decisions (including capital project funding, mergers, acquisitions, or divestments) who needs to understand minimum closure requirements.

Please note: Internal approval thresholds are in line with the level of risk.

This document has been prepared for external publication and may restate or omit elements of the internal version for clarity or brevity (including omission of internal process specification or guidance). Our *Global Standards* are reviewed at least each 12 months, and so this external version may be periodically updated.

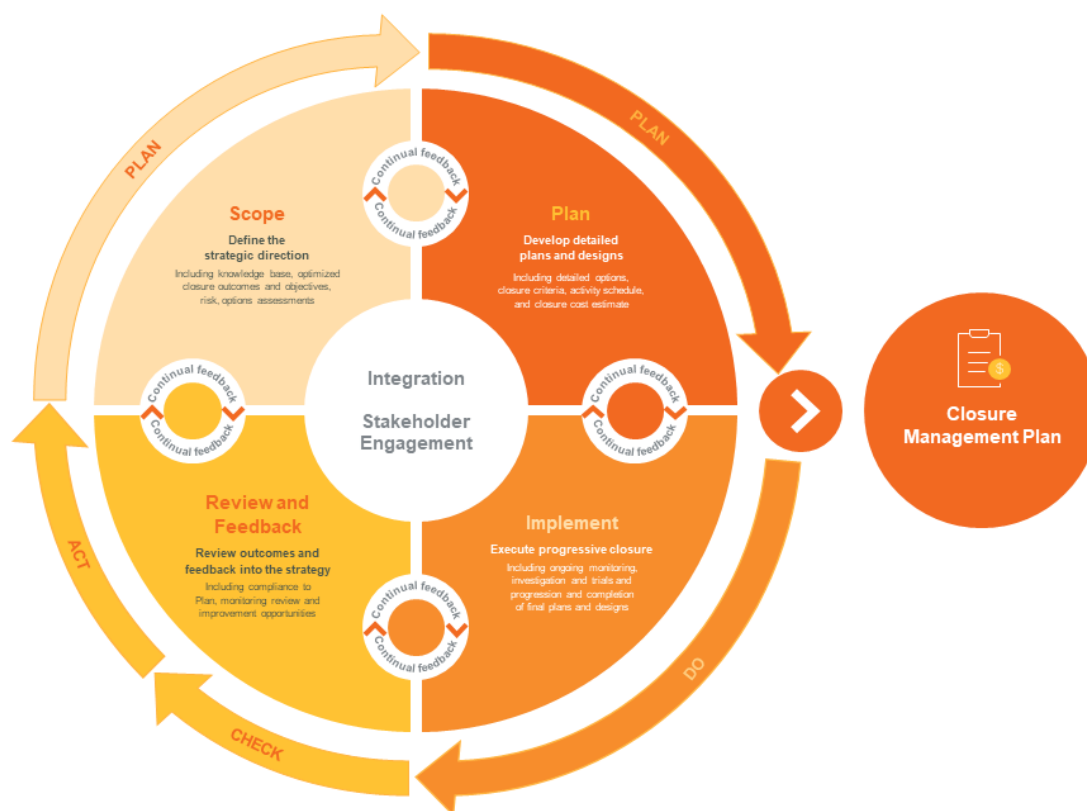
Global Standard Requirements

Closure management process

Closure management process

- The closure management process, in the figure below, must be followed by each asset throughout the entire lifecycle of a site/asset to:
 - Develop a closure strategy.
 - Identify, plan and achieve optimised closure outcome(s) and closure objectives.

Figure 1: Closure management process



- The process requires continual feedback and is iterative throughout the entire lifecycle of a site/asset.

Integration

- Closure is multidisciplinary and closure considerations must be integrated into wider business processes throughout the Entire Lifecycle of a site/asset, where planning, design, and/or execution activities have the potential to change optimised closure outcome(s) or closure objectives. In implementing BHP's closure management process, sites/assets must:
- Identify all relevant internal stakeholders and their required contribution to the knowledge base and the closure strategy.
- Integrate closure considerations into wider business processes and activities by:
 - integrating the closure strategy with the asset strategy and life-of-asset plan (LoA Plan).
 - scheduling progressive, final and post-closure activities in operational and functional plans and initiatives.
- Implement a compliance to plan and reconciliation process to track:
 - execution of integrated progressive closure activities.
 - effectiveness of result.

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- related schedules, budgets, and costs.
- Implement a process to:
 - monitor closure criteria and leading performance indicators.
 - identify and monitor closure risks.
 - monitor improvements.

Stakeholder engagement

- In developing a closure strategy ensure that:
 - External stakeholders and partners (including Indigenous peoples) are engaged throughout the entire lifecycle of a site/asset.
 - Closure-related external engagements are incorporated into the broader asset stakeholder engagement plans for the entire lifecycle of the site/asset.
 - Outcomes or results from closure-related external engagements are retained as part of a knowledge base.

Scope

Knowledge base

- Each site/asset must:
- Develop a knowledge base by compiling available contextual information (baseline, local, regional and global) relevant to closure, to understand the closure risks (threats and opportunities), including:
 - social and environmental data.
 - results from closure-related external engagements.
 - a register of legal obligations and public commitments.
 - technical studies and designs.
 - inputs/outputs of progressive closure activities.
 - operational knowledge.
 - the basis of closure cost estimates.
 - outputs of the closure management process (as it progresses).
 - monitoring data.
- Maintain the knowledge base so it is relevant, site-specific, and at a level of detail and quality commensurate with the closure risks and the required timeframe for implementing controls in relation to the management of closure risks.
- Identify gaps and uncertainties in the knowledge base and schedule activities to address them commensurate with the closure risks and the required timeframe for implementing controls in relation to the management of closure risks.
- Retain the knowledge base until closure liabilities are relinquished, transferred, or otherwise extinguished, or for as long as required under local law, whichever is the greater.

Optimised closure outcomes and closure objectives

- Assets must use the knowledge base to:
 - Identify optimised closure outcome(s) for all physical domains or the site overall.
 - Identify achievable post-closure land capability / use(s) for each physical domain.
 - Identify closure objectives for each physical and non-physical domain or the site overall.

Closure risk

- Identify and assess closure risks that could result in failure to meet optimised closure outcomes and/or closure objectives, or realise opportunities, within nominated timeframes for all domains.

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Closure options assessment

- Conduct a closure options assessment to iteratively refine optimised closure outcome(s), closure objectives and closure activities.
- Record the outcomes of the closure options assessment, including if more than one option is to be progressed.
- Demonstrate how the closure options assessment considered the following matters:
 - Expectations of external stakeholders and partners, including Indigenous peoples.
 - Safety.
 - Cost.
 - BHP's legal obligations.
 - BHP's public commitments.
- Closure options assessments must be conducted at a level of detail appropriate for the assessment and conducted for the:
 - whole site;
 - one domain (physical or non-physical); or
 - multiple domains (physical and/or non-physical).

Plan

Closure criteria

- Develop specific, measurable, achievable, realistic and timely (SMART) closure criteria at a level of detail commensurate with the knowledge base maturity and the required timeframe for achieving the closure objectives.
- Develop leading performance indicators that will demonstrate whether closure objectives are on a path to being achieved.

Closure activities

- Define closure activities, including progressive activities, to manage closure risks and costs and to inform the closure strategy.

Closure cost estimates

- Prepare life-of-asset closure cost estimates, based on the closure strategy documented in the Closure Management Plan.
- Make sure closure cost estimates are:
 - an expected cost based on best available information at a point in time.
 - reflective of the class of estimates appropriate for the proximity in time to the commencement of closure activities.
 - inclusive of uncertainty.
 - approved.

Closure management plan

- Document the closure strategy and supporting information developed throughout the closure management process in a Closure Management Plan (CMP).
- Get approval for the CMP.
- Where local regulatory reporting requirements differ from this Global Standard, prepare additional outputs to meet the regulations.

Implement

- Execute closure activities as scheduled and integrated in operational and functional plans and initiatives.

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- Make sure the level of effort given to closure activities at any point in time is commensurate with the closure risk, the required timeframe to implement controls in relation to the management of closure risks, and the proximity in time to closure.

Review and feedback

Strategy review and changes

- Annually, check if there has been a significant change to the assumptions used in the last approved CMP and document the results. A significant change includes:
 - a change to the assumptions that has the potential to result in a significant risk.
 - A change to the optimised closure outcome(s) and/or closure objectives for the site/asset or domain.
 - a change in the ability to achieve the existing optimised closure outcome(s) for the site/asset or domain.
 - a change in site/asset status (e.g., ceased operation, entered care and maintenance, entered active closure, entered post-closure monitoring and maintenance).
 - a change in closure timing of a site/asset to within 10 years, in line with the LoA Plan.
 - new knowledge base information that will cause a change to closure objectives (e.g., regulatory changes, changes in stakeholder expectations, changes to the asset strategy, completion of a study phase, or review of outcomes).
- Conduct a multidisciplinary review of the closure strategy:
 - at least every 3 years.
 - when the annual review identifies a significant change to the assumptions used in the last approved CMP.
- Make sure the multidisciplinary review of the closure strategy:
 - considers the sites/assets' closure risks.
 - considers feedback and results from the compliance to plan, reconciliation process and the monitoring process.
 - considers whether the knowledge base is fit-for-purpose.
 - determines whether a full or partial update of the closure strategy, closure risks and/or basis of the closure cost estimates is required.
- Get an objective closure peer review of the closure strategy as directed by second line assurance activities (under BHP's risk governance model):
 - every 6 years; or
 - more frequently (commensurate with closure risk and complexity) if the LoA Plan identifies the site is within 10 years of Closure.
- Contribute to closure deep dive reviews as directed by second line assurance activities.

Closure project readiness review

- Conduct a closure project readiness review to assess the quality and completeness of the closure knowledge base within defined pre-closure timeframes commensurate with the closure risks, the required timeframe to implement controls in relation to the management of closure risks, and the proximity in time to closure.
- If the closure project readiness review identifies fitness-for-purpose gaps in the closure knowledge base, identify whether the gaps can be addressed prior to or during the closure project and scope and schedule accordingly.