BHP updated its purpose in May 2019 to reflect how we work and the place we want to occupy in society:

*To bring together people and resources to build a better world.*

**BHP**

**Our Charter**

We are BHP, a leading global resources company.

**Our Purpose**
To bring together people and resources to build a better world.

**Our Strategy**
Our strategy is to own and operate large, long-life, low-cost, expandable, upstream assets diversified by commodity, geography and market.

**Our Values**

- **Sustainability**
  Putting health and safety first, being environmentally responsible and supporting our communities.

- **Integrity**
  Doing what is right and doing what we say we will do.

- **Respect**
  Embracing openness, trust, teamwork, diversity and relationships that are mutually beneficial.

- **Performance**
  Achieving superior business results by stretching our capabilities.

- **Simplicity**
  Focusing our efforts on the things that matter most.

- **Accountability**
  Defining and accepting responsibility and delivering on our commitments.

**We are successful when:**

- Our people start each day with a sense of purpose and end the day with a sense of accomplishment.

- Our teams are inclusive and diverse.

- Our communities, customers and suppliers value their relationships with us.

- Our asset portfolio is world-class and sustainably developed.

- Our operational discipline and financial strength enables our future growth.

- Our shareholders receive a superior return on their investment.

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Andrew Mackenzie
Chief Executive Officer

May 2019
**Scope of this Report**

This Report provides an account of the economic, environmental and social performance of BHP in Chile and its operations: Minera Escondida Ltda. (Minera Escondida), Minera Spence S.A. (Spence) and Cerro Colorado Ltda. (Cerro Colorado).

In Chile, BHP presents its reports annually. This Report contains information about the events that occurred between 1 January and 31 December 2018 and was prepared in accordance with the Core option of the Global Reporting Initiative (GRI).

The GRI Content Index for this Report can be found on www.bhp.com by going to Community/Community and Sustainability Reports and searching for “GRI Index Sustainability Report BHP Chile 2018”.

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BHP’s sustainability performance in Chile

Over 24,000 direct and contractors’ employees worked at BHP in Chile.

In 2018...

- We worked with 1,997 Chilean suppliers.
- Our accident frequency rate measured according to the Chilean norm was 1.41.
- Our social investment in Chile reached US$ 17.4 million.
- Our total TRIF dropped to 2.04.
- We reduced our greenhouse gas (GHG) emissions by 6.8% (as compared to 2017).
- Our operations used a total of 54,706 megalitres (ML) of desalinated water.
We have a great opportunity to become an active partner in our surrounding areas, capable of generating trust and mobilising the different social players to work together for the development of the regions where we operate, its inhabitants and the country.

In this world of rapid change and constant disruption sustainability is more than ever a fundamental pillar in every decision we make. As companies we have an obligation to raise our transparency standards and show we take responsibility for the impacts throughout our product value chain.

In this context, I am pleased to present BHP Chile’s Sustainability Report 2018. In this report we voluntarily share information about the economic, social and environmental performance of our operations in the country. In addition, it represents a Progress Report for the UN Global Compact of which we are a member.

At BHP our main asset is people. This is why 2018’s most important achievement is that all our workers returned to their homes safe and healthy. We will continue working tirelessly to have fatality-free workplaces that also protect the physical and mental health of our workforce.

Our long-term viability depends on an organisational culture in which everyone participates with their views and skills. Our Inclusion and Diversity agenda plays an essential role in addressing this challenge. In 2018 we increased the representation of women in our workforce to 18% - 3% more than 2017 - and we strengthened the implementation of our Flexible Work policy. The latter is helping us to make work and personal life more compatible and is being implemented in operations since this year.

The organisational culture is also expressed in the way we engage with our employees. In 2018 we conducted collective bargaining processes that led to important agreements at all our mining operations. Of particular significance was the negotiation with Escondida Workers Union N°1, in which both parties were able to learn from previous processes and reach an agreement allowing us to focus on Escondida remaining a driver of development for everyone.

Due to the nature and size of our business, we have a role to play in addressing today’s significant environmental challenges. One of them is the water scarcity and quality risk we will face in the future. For this reason we are strengthening how we manage this resource and continuing to make progress in our aspiration to stop extracting groundwater in Chile by 2030 and move towards a supply matrix that is mainly based on desalinated water. Our Escondida Water Supply desalination plant, inaugurated in 2018, and the future plant at Spence as part of Growth Option project are key parts of the strategy to achieve this goal.

Climate change is another major global challenge and at BHP we have a public commitment to reduce greenhouse gas emissions. In line with this, our operations achieved a 6.8% decrease in total emissions compared to 2017.

Likewise, we must ensure that the benefits we generate are clear to the community. We need to work collectively to achieve this, incorporating the opinions and capabilities of all our stakeholders.

The Indigenous Peoples Plan for South America that we launched in 2018 is a good example of this. It is a pioneering document through which we publicly recognise the importance of working with Indigenous Peoples in the regions where we operate, with specific and relevant actions and commitments, in a framework of dialogue, respect and mutual recognition.

Another highlight of the year was the presentation of the plan to stimulate Antofagasta’s regional economy, which includes a series of measures to strengthen regional suppliers and local employability, among other aspects. Both examples reflect our dedication to dialogue and long-term commitment to the places where we operate and their inhabitants.

Sustainability is the most important challenge of our generation. It is the passport to the future and to continue operating for the coming decades. We have a great responsibility and also a unique opportunity to work together with the different social players to have more sustainable operations and to build together the world we want in the future.

Daniel Malchuk
President BHP
Minerals Americas
We are BHP

BHP in the world

BHP is a world-leading company in the discovery, acquisition, development and marketing of natural resources. We are present in 12 countries with operations in oil, iron ore, copper and coal.

Our company is the result of the merger of BHP Limited (currently BHP Billiton Limited) and Billiton Plc (BHP Billiton Plc). In 2017, the company returned to its original name, BHP, in order to reflect a regrouping of its assets and the simplification and standardisation of its processes.

Our business strategy is based on the ownership and operation of large, long-life, expandable assets diversified by commodity, geography and market.

The Board of Directors is chaired by Ken MacKenzie and the company’s CEO is Andrew Mackenzie. BHP’s headquarters are in Melbourne, Australia.

Minerals Americas

Minerals Americas is the division of BHP that groups together its operations around the American continent - excluding oil assets - as well as the offices of copper explorations globally. Its headquarters are in Santiago, Chile. Since 2015, Daniel Malchuk has served as President of Minerals Americas.

This division includes the vice presidencies of Human Resources, HSE (Health, Safety and Environment), Explorations, Marketing, Supply, Corporate Affairs, Projects, Legal Affairs, Technology, Finance, and Planning & Technical as well as the Projects Centre of Excellence and the operated and non-operated assets shown in the table below.

BHP Minerals Americas assets (including non-operated assets)

<table>
<thead>
<tr>
<th>Country</th>
<th>Asset</th>
<th>Description</th>
<th>BHP stake</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chile</td>
<td>Escondida</td>
<td>Open-cut copper mine in northern Chile.</td>
<td>57.5%</td>
</tr>
<tr>
<td>Chile</td>
<td>Pampa Norte</td>
<td>Cerro Colorado and Spence open-cut mines in northern Chile.</td>
<td>100%</td>
</tr>
<tr>
<td>Canada</td>
<td>Jansen</td>
<td>Potash extraction project in Saskatchewan, Canada.</td>
<td>100%</td>
</tr>
<tr>
<td>Peru</td>
<td>Antamina</td>
<td>Open-cut copper and zinc mine in northern Peru.</td>
<td>33.75%</td>
</tr>
<tr>
<td>Colombia</td>
<td>Cerrejón</td>
<td>Open-cut coal mine with integrated railway and port operations.</td>
<td>33.3%</td>
</tr>
<tr>
<td>Brazil</td>
<td>Samarco</td>
<td>Open-cut iron ore mines with integrated pipeline infrastructure, concentrators, pelletising facilities and port operations.</td>
<td>50%</td>
</tr>
</tbody>
</table>

1 Non-operated joint ventures
In Chile

BHP began its activities in Chile in 1984 with the acquisition of Utah Corporation, which was then the main partner in Minera Escondida. In 2000, Billiton acquired Rio Algom whose assets included Cerro Colorado and the Spence deposit, which now form the Pampa Norte business unit.

These three operations - Minera Escondida, Cerro Colorado and Spence - position BHP as the largest private player in Chile’s mining industry.

### Minera Escondida

<table>
<thead>
<tr>
<th>President</th>
<th>Mauro Neves</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>170 km southeast of the city of Antofagasta</td>
</tr>
<tr>
<td>Altitude</td>
<td>3,100 m a.s.l.</td>
</tr>
<tr>
<td>Production</td>
<td>Copper concentrate and cathodes</td>
</tr>
</tbody>
</table>
| Infrastructure | Mineral crushing and transporting systems (5 crushers)  
Concentrator plants (3)  
Seawater desalination plants (2)  
Oxide and sulphide heap leach operations  
Solvent extraction plants (2)  
Electrowinning plant  
Slurry pipelines (2)  
Concentrate shipping facilities in Puerto Coloso |

### Pampa Norte

#### Cerro Colorado

<table>
<thead>
<tr>
<th>President</th>
<th>Alejandro Vásquez</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Pozo Almonte municipal district, Tarapacá Region</td>
</tr>
<tr>
<td>Altitude</td>
<td>2,600 m a.s.l.</td>
</tr>
<tr>
<td>Production</td>
<td>Copper cathodes using leaching and electrowinning</td>
</tr>
</tbody>
</table>
| Infrastructure | Crushing systems  
Heap leaching operations  
Solvent extraction plants  
Electrowinning tank house |

#### Spence

<table>
<thead>
<tr>
<th>President</th>
<th>Alejandro Vásquez</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Sierra Gorda municipal district, Antofagasta Region</td>
</tr>
<tr>
<td>Altitude</td>
<td>1,750 m a.s.l.</td>
</tr>
<tr>
<td>Production</td>
<td>Copper cathodes using leaching and electrowinning</td>
</tr>
</tbody>
</table>
| Infrastructure | Crushing systems  
Heap leaching operations  
Solvent extraction plants  
Electrowinning tank house |

Sale of Cerro Colorado

In June 2018, BHP announced an agreement to sell Cerro Colorado to EMR, a private equity fund. However, in December, the two parties terminated the agreement after it became clear that EMR would be unable to comply with the financing condition within the stipulated period. As a result, Cerro Colorado continues to be part of BHP’s portfolio.
• Spence Growth Option project is approved.
• Los Colorados Extension project begins operation, enabling Escondida to operate three concentrators simultaneously.
• Escondida Water Supply (EWS) starts to operate at full capacity.

1981
• Discovery of Escondida deposit

1984
• BHP acquires Utah, the principal partner in Escondida

1991
• Inauguration of Minera Escondida Foundation

1994
• Start-up of Phase 2 Escondida expansion

1997
• Inauguration of Minera Escondida Foundation

1999
• Start-up of Phase 4 Escondida expansion

2000
• Merger of BHP and Billiton

2002
• Start-up of Phase 1 Escondida expansion

2004
• Installation of BHP Billiton Base Metals corporate centre in Santiago

2005
• Inauguration of Escondida's OGP1 project
• Approval of extension of Cerro Colorado's useful life 2016 – 2023

2006
• First cathode produced at Spence
• Escondida’s first desalination plant starts operations.

2008
• Creation of new Pampa Norte business unit (Cerro Colorado and Spence)

2010
• Start of operations of Escondida Ore Access

2012
• Base Metals is renamed Copper and Explorations and Olympic Dam (an operation in Australia) are incorporated into this division

2013
• Start of construction of Kelar plant
• Start of operations of OLAP project at Escondida

2014
• Inauguration of BHP Billiton's new corporate offices in Santiago

2016
• Approval of extension of Cerro Colorado’s useful life 2016 – 2023

2017
• Inaguration of EWS.

2018
• Start-up of Phase 3.5 expansion and oxides leaching at Escondida
• Start-up of Phase 3 Escondida expansion
• Start-up of Phase 2 Escondida expansion
• Start-up of Phase 1 Escondida expansion

• BHP simplifies its operations, reorganising them into three areas: Minerals Americas, Minerals Australia and Petroleum.
• The Kelar gas-fired power plant starts operation.
• Escondida celebrates 25 years of operations by inaugurating its third copper concentrator (OGP1).
• Escondida begins to pump water from Escondida Water Supply (EWS), its second desalination plant.

More than 30 years of history in Chile
Ethics and business conduct

The values of integrity, respect and responsibility, together with performance, are at the root of how we do business. We are committed to always acting ethically and to striving continuously to improve the systems and processes that underpin this commitment.

Code of Business Conduct

The BHP Code of Business Conduct is the tool that helps us to put into practice the BHP Charter of Values, also referred to as Our Charter, by providing clear guidelines for the conduct of those who work in the company or act on its behalf. It also establishes the organisation’s obligations in cases where people may be exposed to situations which pose a risk to compliance with the corporate values and ethical standards that our environment demands.

The guidelines of the Code of Conduct are promoted and reinforced through annual training for executives, other employees, contractors and suppliers (in those cases where contractual obligations so indicate).

EthicsPoint

EthicsPoint is a multilingual service, managed by an independent third party, which is available 24 hours a day. It can be used by both internal and external stakeholders to make enquiries or express concerns about conduct that may be at odds with Our Charter and Code of Business Conduct.

Any person can file a complaint anonymously and it is investigated thoroughly and confidentially, enabling the company to take the corresponding corrective and disciplinary measures. BHP rejects all forms of reprisal against those who raise a concern, file a complaint or participate in investigations of this type.

EthicsPoint cases in Chile by category, 2018

- Health and safety: 8 cases (4%)
- Theft or physical loss: 16 cases (8%)
- Conflict of interest: 21 cases (10%)
- Behaviour: 24 cases (12%)
- Accuracy of data and information: 7 cases (3.5%)
- Relations with suppliers: 7 cases (3.5%)
- Harassment and bullying: 88 cases (44%)
- Others*: 31 cases (15%)

*Others: Protection of BHP assets; job equality; undue dismissal; raising a question; accepting gifts; absenteeism; consumption of alcohol, drugs and tobacco; competition; performance.

The Code of Business Conduct can be consulted and downloaded at bhp.com/our-approach/our-company/our-code-of-conduct
Our stakeholders

We interact with different stakeholders with whom we seek to maintain relations based on dialogue, respect and mutual benefit. For this purpose, we have vehicles for relating and listening that are appropriate to the context of each group of stakeholders and in line with our company’s social value agenda.

Our principal stakeholders include:

• Direct employees and their families
• Contractors
• Suppliers
• Indigenous communities and the broader community
• Government bodies and regulators.

For a table with more details about our stakeholders and engagement methods, see the Appendix to this Report, page 41.

Alliances

Collective action is one of the keys to resolving the challenges faced by the mining industry, particularly as regards sustainability.

In line with this, we have alliances with public and private institutions in Chile and internationally. In Chile, we are members of the following organisations:

• National Mining Society (SONAMI). This association represents large, mid-sized and small metallic and non-metallic mining companies.
• Mining Council. This business association brings together the largest copper, gold, silver and molybdenum producers operating in Chile.
• Alianza Valor Minera. This institution seeks to represent the plurality of interests that coexist in the sector. The strategic pillars of its work point to a virtuous, inclusive and sustainable mining industry.
• National High-Grade Mining Program. The main objective of this initiative, spearheaded by the government’s Economic Development Agency (CORFO) and the Mining Ministry and coordinated by Fundación Chile, is to strengthen productivity, competitiveness and innovation in Chile’s mining industry and among its suppliers.

In addition, we are members of the boards of the Antofagasta and Iquique Industrialists’ Associations and participate in regional mining working groups and regional mining safety councils.

Voluntary initiatives and public commitments internationally

Compliance Program

The Compliance Program serves as the basis for assessing the risks to which our business is exposed as regards financial crimes such as corruption, asset laundering, the financing of terrorism and transactions with institutions or persons who have received sanctions as well as acts at odds with free competition. It enables the company to identify and implement measures to guard against and mitigate these risks and foster a culture of ethics and integrity throughout the organisation.

In October 2018, BHP in Chile certified its crime prevention model under Chile’s Law 20.393 on Companies’ Penal Responsibility. This certification is valid for two years and is monitored and improvements and updates are constantly introduced.

95% of BHP’s offices and operations in Chile received in-person training, tailored to their role, on anti-corruption issues in 2018 (including aspects for the prevention of crimes)
Our sustainability approach

Sustainability is at the heart of all we do. It is one of BHP’s core values and, as such, means always putting health and safety first, being environmentally responsible and supporting our communities.

Sustainability at BHP

Our strategy of owning and operating long-life, expandable, low-cost assets means that we must look to our long-term future in the places where we operate and this will only be possible if we have sustainable operations and maintain mutually beneficial relations of respect with our stakeholders.

We must ensure that the benefits generated by our presence are clear in the community, the environment and the economy. We have a great opportunity to enhance our role in bringing together and mobilising different social actors to foster development, generate trust and work together in creating social value, bearing in mind that this is not exclusive to our company and its shareholders.

Global targets on Environment

In 2017, BHP globally announced its public environmental management targets for 2018-2022 and these also apply to the performance of its operations in Chile.

They include a 15 per cent reduction in freshwater withdrawals at all our operations and keeping greenhouse gas (GHG) emissions to or below their level in 2017.

As a long-term goal, we aim to be carbon neutral before the second half of the century. To this end, we have explored the technical and commercial options arising from the boom in renewable energies and the structure of our energy supply contracts. The interconnection of Chile’s two main electricity systems creates interesting opportunities in this field.

In line with the sixth UN Sustainable Development Goal (SDG), we are also committed to achieving integrated water management in all the places where we operate by 2030.

Our performance on sustainability is based on BHP’s commitment to the Paris Agreement and the SDGs.

Risk management

Our global standard, Our Risk Management Requirements, is designed to identify and manage material risks in all our activities, including stakeholder relations.

Risks of potential impacts on health, safety, the environment, the community and reputation as well as legal and financial aspects are identified and managed in our regular assessments. We seek to continuously improve the way we incorporate risk management into our processes.

We have three levels of defence for risk management: verification by the risk’s owner (first line); internal review by different functions (second line); and the independent guarantee provided by the Internal Audit and Advice (IAA) function (third line).

Putting health and safety first, being environmentally responsible and supporting our communities

People
We look to create a culture of care and trusted relationships with our people through strong leadership and open communication.

Environment
We aim to minimise the environmental impacts from our activities and work in partnership with others to support environmental resilience.

Society
We support the development of local economies that contribute to improved quality of life beyond the life of our operations.
Our sustainability approach (continued)

IAA evaluates the design and effectiveness of processes each year and the conclusions are taken into account in drawing up plans for improvements where these are required. The results are reported to the BHP Executive Leadership Team and senior operational leaders, with summaries provided to the Sustainability Committee and the Risks and Audit Committee. Our Sustainability Report is also reviewed by external auditors to ensure that it accurately reports our undertakings and actions.

Materiality analysis
The content of this Report was defined in line with the priority issues for BHP’s stakeholders in Chile.

The materiality assessment is based on the principles of the Global Reporting Initiative (GRI), under the Core option, and guarantees the presentation of transparent information about the key issues addressed in the Report.

A prioritised list of material issues was drawn up, based on analysis that included surveys of internal and external stakeholders, semi-structured interviews with senior company executives and a review of public sources and corporate documents.

Contributing to sustainable development
The UN Sustainable Development Goals (SDGs) address the most important challenges facing the world today. Because we are a global company, many of these challenges have to do with impacts generated by our operations and to what society expects of us.

At BHP, we contribute to the SDGs through:
- Direct commercial activities: our products and the way they are produced;
- Governments’ use of the taxes and royalties we pay, the direct and indirect job opportunities we create and our supply chain;
- Our voluntary social investment

United Nations Sustainable Development Goals (SDGs)

1. No Poverty
2. Zero Hunger
3. Good Health and Well-being
4. Quality Education
5. Gender Equality
6. Clean Water and Sanitation
7. Affordable and Clean Energy
8. Decent Work and Economic Growth
9. Industry, Innovation and Infrastructure
10. Reduced Inequalities
11. Sustainable Cities and Communities
12. Responsible Consumption and Production
13. Climate Action
14. Life Below Water
15. Life on Land
16. Peace, Justice and Strong Institutions
17. Partnerships for the Goals
List of material issues

<table>
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<th>Page</th>
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</thead>
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<td>People</td>
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<tr>
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<td>Society</td>
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<tr>
<td>Relations with indigenous peoples: programs and initiatives we implement or support to contribute to the development of indigenous peoples, according to the priorities defined by our host communities and those close to our operations.</td>
<td>Society</td>
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<tr>
<td>Diversity and inclusion in the workplace: progress in promoting inclusion and diversity in our workforce.</td>
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<td>22</td>
</tr>
<tr>
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<td>People</td>
<td>23</td>
</tr>
<tr>
<td>Management of local suppliers: policies and current state of relations with local suppliers.</td>
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<td>16</td>
</tr>
<tr>
<td>Operational and economic performance: characteristics of our performance in Chile; results and expectations of BHP's economic performance in Chile.</td>
<td>Performance</td>
<td>13</td>
</tr>
<tr>
<td>Contribution to national and local development: role of the company in national and local development and expectations of it.</td>
<td>Performance</td>
<td>17</td>
</tr>
<tr>
<td>Climate change: the company's risks as regards climate change and measures to mitigate the impact of our operations, including particularly efficient energy management and greenhouse gas emissions.</td>
<td>Environment</td>
<td>36</td>
</tr>
<tr>
<td>Responsible environmental management: biodiversity and the strategic resources required by our operations in each of their phases; their impact on water quality and availability and air quality and waste generation.</td>
<td>Environment</td>
<td>36</td>
</tr>
</tbody>
</table>
Performance

We are aware of the role played by the mining industry in the Chilean economy through tax revenues, business development, job creation and procurement from suppliers.

In this section:
Performance of operations
Explorations
Summary of performance
Economic contribution in Chile
Value chain management
Supply innovation
As Chile’s principal source of foreign exchange, copper plays a decisive role in the economy. In 2018, BHP produced 1,485,344 tonnes of copper, representing sales of US$9,054 million (including exports and sales within Chile). This positions the company as the largest private player in the copper mining industry.

Performance of operations

In 2018, the total production of BHP’s three operations in Chile was up by 25 per cent on the previous year. Minera Escondida produced some 317,000 tonnes more than in 2017. This reflected the absence in 2018 of a stoppage for labour reasons and the start-up of the Los Colorados Extension project, which enabled Minera Escondida to increase its processing by operating three concentrators simultaneously. The improved performance of the concentrators and better mineral recovery rates offset the impact of lower copper grades.

Both Spence and Cerro Colorado processed record volumes of mineral. Spence, in particular, achieved record production, reaching over 200,000 tonnes in the financial year ending 30 June 2018. In September 2018, a fire at Spence’s electrowinning tank house meant a suspension of its operations for around a month, but it returned to full capacity in the third quarter of the year.

The Spence Growth Option (SGO) project, which involves the construction of a new concentrator with a capacity of 95,000 tpd, achieved a 34 per cent advance in line with its schedule.

Explorations

Exploration activities are a key part of our long-term strategy. The active search for new business opportunities, both within our concessions and on third-party properties around the world, provides us with a diversified, long-term, high-quality portfolio.

In 2018, our activities focused on the search for large copper deposits in Chile, Peru, Ecuador, the United States, Canada and Australia.

In Chile, Peru, the United States and Australia, targets in exploration properties were identified and tested, implying some 10,891 metres of drilling and 322 kilometres of terrestrial geophysical activities, while, in Ecuador, 876 kilometres of aerial geophysical activities were carried out to identify targets for 2019.
In 2018, BHP in Chile produced 1,485,344 tonnes of fine copper. This amounts to 25.5% of Chile’s copper production, equivalent to 5.8 million tonnes.

BHP’s operations in Chile sold 1,485,344 tonnes of copper, valued at US$ 9,054 million. The main markets were:

- **China**: 61%
- **Japan**: 13%
- **South Korea**: 7%
- **United States**: 5%
- **Chile**: 6%
- **India**: 4%
- **Other countries**: 4%

These countries include Taiwan, Arab Emirates, Brazil, Germany, Spain, Italy, Canada, and Thailand.
## Economic contribution in Chile

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suppliers</td>
<td>US$ 3,711 million</td>
</tr>
<tr>
<td>Payments to suppliers in Chile for goods and services</td>
<td></td>
</tr>
<tr>
<td>Taxes¹</td>
<td>US$ 928 million</td>
</tr>
<tr>
<td>Taxes and other payments to the government</td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>US$ 573 million</td>
</tr>
<tr>
<td>Payments to employees, wages, incentives and others</td>
<td></td>
</tr>
<tr>
<td>Social investment</td>
<td>US$ 17.4 million</td>
</tr>
<tr>
<td>Direct investment and administrative expenses</td>
<td></td>
</tr>
<tr>
<td>Total economic contribution²</td>
<td>US$ 5,229 million</td>
</tr>
</tbody>
</table>

¹ Taxes: Refers to expenditures for tax provisions.
² Excludes payment to shareholders.

For the economic value distributed by BHP in Chile, see the Appendix to this Report, page 42.

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### Case study

**200 K: Spence achieves record production**

In a milestone in its 12 years of operation, Spence’s production marked a new record, reaching 200,000 tonnes of fine copper in the financial year ending 30 June 2018.

This was the first time that Spence had reached its design capacity since its inauguration in 2006 and reflected strong mineral recovery rates accompanied by greater utilisation of the solvent extraction and electrowinning plants.

Currently, the operation is focused on maintaining good results in production, safety and productivity, with a view to the future start-up of the Spence Growth Option (SGO) project, which will extend its useful life for at least 50 years.
Sustainability Report 2018

Value chain management

Suppliers are a fundamental part of our value chain. In addition to the economic benefits generated by our procurement of goods and services, we implement policies and programs that reflect our commitment to the communities where we operate.

The document, Our Supply Requirements, and the Contracts Management Model (CMF) set out global guidelines for supplier management and performance in line with BHP’s values and standards and national and international regulatory frameworks. They also establish a criterion of zero tolerance in situations that affect the integrity of the business, such as cases of corruption, child rights and forced labour.

The CMF, in particular, was created after different fatal accidents at BHP as a result of which gaps and opportunities in contract administration were identified.

Local suppliers

We understand by local suppliers the companies that belong to the regions where our mining operations are located which, in this case, are the Tarapacá and Antofagasta Regions.

In July 2018, we formalised the Local Supply Strategy for Minerals Americas operations, including our mining operations in Chile. A special area of the company was created to implement initiatives and review the design of policies, plans and reportability, based on three pillars:

• Direct expenditure on contracts: Identification and development of opportunities for the procurement of goods and services from local suppliers that meet the required criteria of maturity and competitiveness;
• Indirect expenditure on contracts: Promotion of production linkages between large contractors and local suppliers, creating incentives for hiring subcontractors and local labour;
• Off-contract expenditure: Promotion of business opportunities for small and mid-sized local businesses through simplified purchasing processes and shorter payment times.
Plan to boost the economy of the Antofagasta Region

BHP and particularly Minera Escondida faced intense questioning from different actors in the Antofagasta community due to company decisions which, in their view, were not aligned with the Region’s interests. In July 2018, in response to these demands, the company announced a series of short and medium-term measures to dynamise the regional economy. They included special measures for local suppliers such as shorter payment times for small and mid-sized companies with their headquarters in the Region; the installation of a Supply office in Minera Escondida’s corporate building to improve the quality of service to suppliers; and the creation of a centre for the support of innovative entrepreneurship.

The announcement was welcomed by the Region’s principal authorities and marked the start of a new form of relations between BHP and the community.

The graph shows the results of the change in payments policy, with preferential times for local suppliers whose invoices were paid an average 18 days before those of suppliers from other regions.

<table>
<thead>
<tr>
<th>Suppliers in Tarapacá and Antofagasta Regions</th>
<th>Other regions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average payment time (days)</td>
<td></td>
</tr>
<tr>
<td>30.9</td>
<td>48.12</td>
</tr>
</tbody>
</table>

The graph shows the results of the change in payments policy, with preferential times for local suppliers whose invoices were paid an average 18 days before those of suppliers from other regions.
### National and local suppliers of BHP in Chile

<table>
<thead>
<tr>
<th>Region</th>
<th>Total Contribution</th>
<th>Total Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Antofagasta Region</strong></td>
<td>US$ 869 million</td>
<td>US$ 75.4 million</td>
</tr>
<tr>
<td>US$ 3,711 million</td>
<td>15.8%</td>
<td>7.7%</td>
</tr>
<tr>
<td>Suppliers in Chile</td>
<td>1,997</td>
<td>0.2%</td>
</tr>
<tr>
<td>Corresponds to goods</td>
<td>Corresponds to</td>
<td>Corresponds to</td>
</tr>
<tr>
<td>and services from</td>
<td>goods and services</td>
<td>indirect</td>
</tr>
<tr>
<td>suppliers in Chile in</td>
<td>from local suppliers</td>
<td>expenditure² in</td>
</tr>
<tr>
<td>2018</td>
<td>¹</td>
<td>the Region</td>
</tr>
<tr>
<td><strong>Tarapacá Region</strong></td>
<td>US$ 75.4 million</td>
<td>US$ 7.5 million</td>
</tr>
<tr>
<td>US$ 3,711 million</td>
<td>1.9%</td>
<td>0.2%</td>
</tr>
<tr>
<td>Suppliers in Chile</td>
<td>1,997</td>
<td>0.2%</td>
</tr>
<tr>
<td>Corresponds to goods</td>
<td>Corresponds to</td>
<td>Corresponds to</td>
</tr>
<tr>
<td>and services from</td>
<td>goods and services</td>
<td>indirect</td>
</tr>
<tr>
<td>local suppliers¹</td>
<td>from local suppliers</td>
<td>expenditure² in</td>
</tr>
<tr>
<td>Total contribution</td>
<td>US$ 869 million</td>
<td>US$ 75.4 million</td>
</tr>
</tbody>
</table>

¹ Identification of local suppliers:
In this edition of the Sustainability Report of BHP Chile, the methodology for classifying local suppliers was refined, considering the address given by the supplier to the National Tax Service (SII).

² Indicator of Indirect Expenditure:
This indicator seeks to quantify the impact of expenditures not assigned to local companies but which do, however, take place in the region. This impact is additional to the Direct Expenditure reported.

Methodology:
- For contracts fulfilled outside a BHP site:
  - Identification of contracts for work which takes place geographically in the regions where BHP operates;
  - Review of the structure of costs to identify items located in the region (e.g. installations, personnel, subcontracting);
  - Estimate of the expenditure to be classified as local and deduction from the expenditure associated with the supplier’s region of origin.
- For contracts fulfilled at a BHP site:
  - Identification of contracts with the largest number of people at the site;
  - Review of the structure of costs to identify the specific weight of the item “Labour” in the total cost;
  - Identification of local labour as a percentage of the total permanent labour associated with the contract;
  - Estimate of the expenditure to be classified as local and deduction from the expenditure associated with the supplier’s region of origin.

For further details about the number of national and local suppliers and expenditure by region, see the Appendix to this Report, page 43.
Supply innovation

Through our Supply Innovation area, we promote initiatives that seek to accelerate the development of innovative capabilities in Chile in line with the competitiveness and productivity challenges of our operations.

This area applies an Open Innovation methodology, sharing our operational challenges with suppliers with whom they can be resolved collaboratively. A pilot plan is used to validate the technology and, if it works, it is considered for implementation at our operations.

Supply Innovation has its origins in the World-Class Suppliers Program, an initiative spearheaded by BHP in Chile in 2008, which the government’s Economic Development Agency (CORFO) and Codelco subsequently joined to make a coordinated effort and achieve an impact on Chilean industry more broadly.

Expande

The Expande open innovation program for the mining industry was created in 2017, thanks to an alliance between Fundación Chile, Codelco, Antofagasta Minerals and BHP. Its aim is to foster the search for technological solutions and multi-sector collaboration between mining companies and suppliers as well as other actors like universities, the government, investment funds, the banking industry and business accelerators.

At present, it comprises CORFO, Antofagasta Minerals, Codelco, the National High-Grade Mining Program, the Ministry of Economy, Economic Development and Tourism, the Ministry of Mining, the Inter-American Development Bank’s Multilateral Investment Fund (IDB-MIF) and BHP.

Case study

New opportunities for regional suppliers

By flexibilising requirements that had previously made it difficult for small and mid-sized companies to participate, the tender for integral maintenance of the infrastructure of all Minera Escondida’s facilities was opened to new suppliers from the Antofagasta Region.

The contract was awarded to ECORA, an Antofagasta-based company whose value proposition was not only economically competitive but also included elements of local content such as hiring all the labour for the contract locally.

In the early stages of the contract, Minera Escondida facilitated the supplier’s adaptation through an accompaniment process. This has been reflected in good results in terms of safety as well as adaptation of the service to the standards and needs of Minera Escondida.

In 2018, we launched 14 operational challenges* together with Expande at our mines, with the participation of 192 Chilean suppliers and 76 international suppliers.

*An operational challenge is a problem or opportunity for improvement which the mine identifies in its processes and has tried resolve in a conventional way without success.
People

Our employees are our most important asset. Providing them with a safe and healthy work environment and promoting an inclusive and diverse culture are essential aspects of our competitive advantage as a company.

In this section:
- Workforce composition
- Where our employees live
- Culture
- Labour relations
- Safety
- Health
We seek to empower our employees so they can develop safer, more efficient and more productive ways of working. We are investing and incorporating technology in our activities and simplifying our processes as a means of equipping people to achieve their best performance.

At BHP, we offer competitive remunerations that recognise experience and fulfilment of the objectives of each period in line with the long-term strategy of the business.

### Our workforce comprises 6,928 direct employees

<table>
<thead>
<tr>
<th>Location</th>
<th>Direct Employees</th>
<th>Contractors' Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>BHP Chile</td>
<td>1,013 (14.6%)</td>
<td>1,291 (18.6%)</td>
</tr>
<tr>
<td>Spence</td>
<td>1,038 (15%)</td>
<td>2,006 (12%)</td>
</tr>
<tr>
<td>Minera Escondida</td>
<td>3,586 (51.8%)</td>
<td>6,569 (38%)</td>
</tr>
</tbody>
</table>

### 17,275 contractors’ employees work at our operations and offices

<table>
<thead>
<tr>
<th>Location</th>
<th>Contractors’ Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>BHP Chile</td>
<td>7,380 (43%)</td>
</tr>
<tr>
<td>Spence</td>
<td>1,320 (8%)</td>
</tr>
<tr>
<td>Minera Escondida</td>
<td>17,275 (38%)</td>
</tr>
</tbody>
</table>

In 2018, we focused on strengthening our culture of trustful relationships and care; improving our leaders’ capabilities to engage employees and promote continuous improvement; and achieving ongoing progress towards a more inclusive and diverse workforce. Together with our efforts as regards health and safety, this enables us to put people at the centre of our values as a company.

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1 The increase in the number of contractors reported for BHP Chile in 2018 is explained largely by the inclusion of contractors’ employees working in the Major Projects and Explorations areas and, to a lesser extent, by a change in the way the data is reported. In previous years, it was reported for the Minera Escondida and Pampa Norte assets, including in the latter contractors’ employees at Spence and Cerro Colorado and the personnel of BHP Chile assigned to Pampa Norte as well as contractors’ employees at BHP Chile. In this Report, on the other hand, it is reported by legal entity or, in other words, BHP Chile Inc., Minera Escondida, Spence and Cerro Colorado.
Where our employees live

<table>
<thead>
<tr>
<th>Region</th>
<th>Minera Escondida employees</th>
<th>Spence employees</th>
<th>Cerro Colorado employees</th>
<th>BHP Chile employees</th>
<th>Total by region</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arica y Parinacota</td>
<td>63</td>
<td>34</td>
<td>106</td>
<td>2</td>
<td>205</td>
</tr>
<tr>
<td>Tarapacá</td>
<td>138</td>
<td>114</td>
<td>620</td>
<td>33</td>
<td>905</td>
</tr>
<tr>
<td>Antofagasta</td>
<td>1,793</td>
<td>551</td>
<td>142</td>
<td>77</td>
<td>2,563</td>
</tr>
<tr>
<td>Santiago Metropolitan</td>
<td>323</td>
<td>93</td>
<td>42</td>
<td>800</td>
<td>1,258</td>
</tr>
<tr>
<td>Other regions</td>
<td>1,269</td>
<td>499</td>
<td>128</td>
<td>101</td>
<td>1,997</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6,928</td>
</tr>
</tbody>
</table>

For further details about the composition of our workforce, see the Appendix to this Report, page 44.

Culture

Culture is a key factor in people’s performance and we, therefore, implement different engagement initiatives in an inclusive work environment that promotes continuous improvement.

Our annual Engagement and Perception Survey (EPS) seeks to measure employees’ experience of their work environment.

Its results in 2018 indicated that Minerals Americas employees, including employees of offices and operations in Chile, are proud to work at BHP and see their work space as an inclusive, safe and sustainable place where they can perform well in an environment of well-being. They also identified opportunities for improvement in personal development, change management and employee engagement.

Culture plans

As a means of strengthening our organisational culture in line with the EPS results, Minera Escondida and Pampa Norte have culture plans designed and monitored by the leadership team of each asset. They include a series of actions in areas such as the role of leaders, well-being and quality of working life, respectful behaviour and employee recognition programs. The plans are implemented throughout the financial year and their progress is reviewed periodically.

Inclusion and diversity

Inclusive and diverse work environments are conducive to the safety, productivity and well-being of people. We employ, develop and promote people based on merit and we do not tolerate discrimination of any kind, bullying or harassment. We have in place systems, processes and practices to ensure that this is the case.
To implement our inclusion and diversity policy, we have a global council that defines priorities in this field, as well as local councils formed by leaders and professionals from the different workplaces.

**Gender balance**

In 2016, BHP announced an aspirational goal to achieve gender balance at all its operations by 2025. To this end, it established a target of increasing women’s participation in the workforce by 3 per cent each year.

At our operations, we implement special recruitment programs for women and emphasise the promotion of women to leadership positions, based on their professional skills. We also manage and monitor other variables that enable us to make progress towards gender balance, such as the proportion of women among contractors’ employees and voluntary turnover.

In addition to gender, we address other areas of inclusion and diversity such as persons with disabilities, indigenous peoples, flexible work, unconscious biases and the lesbian, gay, bisexual and transgender (LGBT) community.

In Chile, we achieved the following advances in 2018:

- We launched a Persons with Disabilities project, with special recruitment campaigns, and assessed the accessibility of our facilities. In this project, we formed an alliance with the Descúbreme Foundation through the Empresas Inclusivas-Antofagasta (Inclusive Companies-Antofagasta) program.
- Together with the ComunidadMujer organisation, we presented the Gender, Education and Work (GET) study, a countrywide study that identified gender gaps in three generations of Chilean women.
- We implemented the global Respect Campaign, focusing on raising awareness of cases of workplace harassment and bullying.
- We launched the Living I&D campaign to draw attention to different inclusion and diversity issues through the testimony of employees.
- We implemented the first Wear it Purple campaign in Chile in support of sexual and gender diversity and the LGBT community.

**18%** of our workforce were women in 2018, up by 3 percent on 2017

Training and development

We establish training plans to develop the capabilities of our team in line with the skills they require for their activities and compliance with operational objectives.

In 2018, a total of 150,368 hours of training were provided for employees of BHP and its operations in Chile.

For a breakdown by operation, see the Appendix to this Report, page 45.

**22 hours of training** on average per employee in 2018

For further details about the composition of our workforce, see the Appendix to this Report, page 44.
A key factor for progress on gender equity is the incorporation of women into leadership positions.

In June 2018, through her appointment as General Manager of Spence, Mia Gous became the first woman general manager of a large copper mining operation in Chile.

Mia, who is of South African origin, studied at the University of Stellenbosch in South Africa and has more than 20 years of mining experience in South Africa, Ireland and Chile. Prior to her appointment, she was Production Manager at Spence.

On taking up her new position, Mia indicated that “we have a wonderful opportunity in Chile to increase the incorporation of women in mining. But this is not only a responsibility of the government or companies, but also of all the women who currently work in the Chilean mining industry and are opening the way for new generations to follow in our footsteps.”

Labour relations

Our culture of care and trustful relationships is a guiding principle of how we relate to our employees. We are committed to full compliance with labour regulation and individual and collective agreements with our employees. Similarly, we seek to maintain permanent and honest dialogue, based on Our Charter of Values, in a quest to harmonise our employees’ aspirations and the company’s sustainability.

In the companies operated by BHP in Chile - Minera Escondida, Spence and Cerro Colorado - there are six unions representing supervisors, operators and maintenance personnel. As of end-2018, 90.5 per cent of the direct employees of these three operations were covered by collective agreements.

Collective bargaining processes

In 2018, several collective bargaining processes took place at our operations. They were all concluded successfully with agreements between the unions and the corresponding company.

In June and September, respectively, Spence and Cerro Colorado reached agreements with their unions.

Undoubtedly, the negotiation that attracted most attention in the industry and public opinion was the process between Escondida and its Workers’ Union N° 1.

This followed the 44-day stoppage that occurred at Escondida in 2017 and ended with the Union’s application of Article 369 of Chile’s Labour Code, extending for 18 months the collective contract that had expired on 31 January 2017.

In 2018, Escondida and Workers’ Union N° 1 began a new process that concluded, within the deadlines stipulated by law, with the signing of a new collective contract with a duration of 36 months.

This agreement was the result of the openness to dialogue shown by the Union and the company in a bid to benefit workers and their families, the company, the Antofagasta Region and the country.

Spence optimisation plan

In November 2018, as part of its permanent focus on reviewing and adjusting processes and organisational structures so as to ensure the long-term sustainability and competitiveness of its operations, Spence implemented an optimisation plan that involved letting go of 57 direct employees, including operators, maintenance personnel and supervisors, equivalent to 4 per cent of its workforce.

The company took this decision after evaluating its operational situation and the resources required for its production activities.
Safety

At BHP, the safety of our employees and contractors is our highest priority, over and above production levels. We, therefore, seek to understand, manage and, where possible, eliminate the fatality risks of our business in order to ensure a fatality-free environment.

In this context, our single most important result in 2018 was that there were no fatal accidents at our operations in Chile.

Principal Safety activities in 2018:
• Safety requirements for contractors were drawn up and published in the document Our Safety Requirements.
• The project to implement the new platform for managing safety events globally was launched.
• We continued to make progress with the Field Leadership Program, which promotes interaction between leaders and their teams.
• We made progress on the project to improve the quality of safety event investigations.

Contractors

Our workforce in Chile includes some 17,000 contractors’ employees. We must do whatever we can to ensure that, like our direct employees, they return home safe and sound at the end of their shift or working day.

Between October 2016 and November 2017, there were three fatal accidents involving contractors’ employees at BHP operations globally. In 2018, after a process of reflection and analysis, we updated the global document, Our Safety Requirements, reinforcing our approach to the management of contractors with specific actions and controls for contract administrators, contractors and all those involved in the life cycle of the contract in order to avoid fatalities associated with deficiencies in management of this group of workers.

Total TRIF for BHP operations in Chile

<table>
<thead>
<tr>
<th>Year</th>
<th>TRIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>1.98</td>
</tr>
<tr>
<td>2017</td>
<td>2.1</td>
</tr>
<tr>
<td>2018</td>
<td>2.04</td>
</tr>
</tbody>
</table>

Total Recordable Injury Frequency (TRIF) is one of the indicators we use to measure our safety performance. It shows the number of recordable accidents per million hours worked.

For frequency and severity rates calculated according to the Chilean norm, see the Appendix to this Report, page 45.
Health

Due to the nature of our business, our direct employees and contractors’ employees may be exposed to harmful agents and health risks. Through policies, processes and systems, we identify and evaluate the risks, manage their impact and monitor our people’s state of health in order to prevent illnesses and injuries in the workplace. We support our teams so that they are physically and mentally healthy and, in this way, prevent long-term impacts.

Exposure to dust and silica

Our operations have plans for monitoring, controlling and reducing exposure to silica. They implement specific projects in line with international OSHA norms. In this Report, our main results on health and safety are presented according to the Chilean norm.

<table>
<thead>
<tr>
<th></th>
<th>Si</th>
<th>Ac</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spence</td>
<td>262</td>
<td>0</td>
<td>553</td>
</tr>
<tr>
<td>Cerro Colorado</td>
<td>146</td>
<td>0</td>
<td>434</td>
</tr>
<tr>
<td>Escondida</td>
<td>3,931</td>
<td>102</td>
<td>1,453</td>
</tr>
<tr>
<td>Total</td>
<td>4,339</td>
<td>102</td>
<td>2,440</td>
</tr>
</tbody>
</table>

Figures according to the Chilean norm; includes direct and contractors’ employees.

Occupational health risks

In order to avoid accidents, we have fatigue and drowsiness programs for the operators of high-tonnage equipment at our mining operations. These programs focus on generating conditions conducive to proper rest, the early detection of health problems that can cause fatigue and their treatment, and fatigue alert devices for operators.

At each of our sites, we also implement alcohol and drug prevention and control programs. In addition, the operations have proactively raised the matter of ergonomic risks, detecting the factors involved and implementing projects to prevent and mitigate them.

In line with a focus on prevention, medical surveillance programs are implemented regularly for the early detection of occupational health problems.

Calculated according to the Chilean norm, there were three cases of employees with an occupational illness at our operations in 2018. No cases of silicosis were reported.

Case study

GPS system to avoid vehicle collisions

At our mine sites, the risk of vehicles colliding or running over a person is a critical safety risk.

The CAS-GPS project involves the installation of a proximity warning system in all the light, medium and heavy vehicles that circulate within Pampa Norte’s operations in order to avoid the exposure of people to an event of this type.

The project involves the installation of 180 devices at Spence and 220 at Cerro Colorado, covering all the vehicles that operate within these sites.

As well as a proximity alarm in each vehicle, the project includes a real-time monitoring system (CAS-Web) for the entire fleet.

At Spence, the project has been in operation since July 2017 while, at Cerro Colorado, it began operation in January 2019.

Since the implementation of this project, there have been no incidents involving collisions due to proximity.
Mental health and well-being

Our Mental Health Program seeks to raise employees’ awareness of the importance of proper treatment of mental illnesses, providing support and encouraging self-care.

The Employee Assistance Program (PAE) is a platform that is available to our employees and their family group, providing free and confidential assistance 24 hours a day throughout the year.

It provides professional guidance on psychological, medical, nutritional, financial and legal matters and we implement periodic campaigns to encourage our employees to use this service.

596 people used the PAE in 2018

Case study

Chile’s only high-altitude clinical laboratory

In September 2018, Minera Escondida inaugurated Chile’s first high-altitude clinical laboratory (3,000 m a.s.l.) and the first office of a workplace health and safety insurer at a mine site.

This centre is an important milestone for the industry and occupational health, offering world-class standards in terms of safety and quality of care that ranges from preventive tests to surveillance programs in accordance with Health Ministry protocols.

At the laboratory, all kinds of evaluations are available to employees who receive the results and a full medical check-up within two hours.

The project was implemented in partnership with the Mutual de Seguridad CChC insurer and Siemens.
We seek to make a positive contribution to quality of life and generate social value that endures over time, beyond the useful life of our operations. To this end, we implement a model of collaborative work with our stakeholders, through alliances and relations based on respect, trust and mutual benefit.

In this section:
- Community relations
- Social Investment Framework
- Approach to human rights
- Indigenous people
- Local employment
- Cultural program
- Work with related organisations in Antofagasta
In 2018, we marked two important milestones in our community relations in Chile. One was the presentation of a series of measures to dynamise the economy of the Antofagasta Region in a bid to restore trust with the different stakeholders calling on the company to play a more active role. The second was the launch of the Minerals Americas Indigenous Peoples Plan, establishing goals, undertakings and concrete actions in Chile and South America for the next five years for all BHP’s operations and activities in indigenous territories.

Community relations

We promote engagement, joint work with communities and open and permanent communication with them all. These lines of work allow us to understand their characteristics and development priorities as a basis for contributing through investment plans to their processes of economic, social and cultural empowerment.

Effective and transparent listening mechanisms are an essential part of the dialogue we establish and of learning about the communities’ concerns and worries.

Since 2017, BHP’s operations in Chile have had an integrated procedure for receiving community complaints. Through it, we identify and address the concerns of the communities near Cerro Colorado, Spence and Minera Escondida. The procedure includes a telephone line that is open 24 hours a day, every day of the year, WhatsApp communication and an email box.

In 2018, six complaints were received, related principally to vehicle traffic (3), air quality, operations and safety.

These complaints were addressed by the Communities team within the established time, enabling us to gather information and provide satisfactory answers to the members of the community by whom they were raised.

Social Investment Framework

At BHP, we have voluntarily undertaken to invest 1 per cent of the company’s global pre-tax profits in programs that generate positive and sustainable long-term impacts.

This undertaking is aligned with BHP’s social investment pillars at the global level, which are governance and the strengthening of institutions; the generation of capabilities and inclusion; and the environment with a focus on biodiversity and conservation. These pillars are, in turn, consistent with the UN Sustainable Development Goals.

In 2018, our social investment in Chile totalled US$17.4 million.

Approach to human rights

Respect for human rights is essential for the sustainability of our business.

Our strategy of developing large, long-life assets gives us the opportunity to make a positive contribution to respect for human rights and their protection, not only within the organisation but also in our relations with society in general.

We seek to ensure respect for these rights at all our operations, in the workplace and the supply chain as well as in our relations with the communities and indigenous peoples living near our operations.

This approach is framed within the UN Declaration of Human Rights and the principles of the UN Global Compact as well as the Guiding Principles on Business and Human Rights to which we adhere.
On 9 August 2018, as part of the celebration of the International Day of the World’s Indigenous People, we presented our plan for Minerals Americas. Based on BHP’s global policy, it defines the framework for our relations with indigenous peoples through four priority areas: Governance, Economic Empowerment, Social and Cultural Support, and Public Engagement. For each of these areas, it also sets out undertakings, goals and associated actions for the next five years. In addition, the plan establishes guidelines for our exploration activities in indigenous territories.

A working group was formed to ensure the plan’s implementation. It is led by the President of Minerals Americas and includes leaders of the different functions, operations and explorations that are directly linked to matters with a bearing on the contribution BHP can make to indigenous peoples. To ensure appropriateness and engagement, it also has an Advisory Council formed by indigenous representatives and traditional authorities and a Committee of Experts to make recommendations and review proper progress on the implementation of our undertakings.

Through this public document, BHP assumes its responsibility in the recognition of indigenous peoples. In addition, it reflects the methodology for working throughout the business cycle with indigenous peoples in South America, promoting the principles of respect, recognition and trust.
BHP Indigenous Peoples Strategy - Our vision

**Governance**
We recognise and respect the indigenous peoples of our host communities, their territories, identity and culture. We promote the strengthening of their governance processes and mechanisms, their representative institutions and interaction with them as a means of ensuring significant benefits for them.

**Economic Empowerment**
We seek to be recognised as an employer and promoter of local enterprises for indigenous peoples and communities, investing decidedly in the development of internal and external capabilities.

**Social and Cultural Support**
As a company, we seek to make a significant contribution to the sociocultural development of indigenous peoples, considering measures that foster autonomy and respect, both within operations and in the communities and territories of which we are part.

**Public Engagement**
We seek to be a leader in the industry in promoting the rights of indigenous peoples, supporting policies and initiatives that involve the recognition of indigenous peoples, their land, territories and the natural resources that permit the survival of their communities.
Local employment
The measures we announced in 2018 to dynamise the economy of the Antofagasta Region included the following initiatives related to local jobs:

- 40 per cent of employees for our new projects to be hired locally;
- Graduates from regional universities to account for 20 per cent of entrants to the BHP Graduates Program;
- Strengthening of the skills and capabilities of graduates from regional universities so they can work in the large-scale mining industry.

As of December 2018, local labour accounted for 27 per cent of new hires in operational projects, 20 per cent in the EWSE project to increase the capacity of Minera Escondida’s second desalination plant and 13 per cent in Spence’s SGO project. This represented a total of 1,890 jobs. Similarly, 19 per cent of the candidates selected for the 2018 version of the Graduates Program had graduated from a regional university.

Case study
SGO: greater diversity in new projects

In the implementation of the Spence Growth Option (SGO) project, one of the main objectives has been to have a diverse workforce at the future concentrator. The recruitment and training plan gives priority to women, members of communities close to the operations, persons with disabilities and recent graduates from the Antofagasta Region. The aim is to achieve gender balance in the workforce and to increase local hiring by 60 per cent, including 15 per cent from communities, 40 per cent of people without experience and 1 per cent of people with disabilities. At the time of publication of this Report, the project had exceeded its initial targets.

Informational and recruitment activities took place in Iquique, Calama, Antofagasta, Copiapó, La Serena and the communities of Sierra Gorda and Baquedano, reaching some 1,200 people. The plan included differentiated training for people with and without experience in mining, including in this challenge the engineering, procurement and construction (EPC) companies that are implementing SGO, in order to guarantee knowledge ranging from assembly of the equipment through to start-up.

Cultural Program
The Cultural Program seeks to generate spaces for meeting and dialogue between different sectors of the community, promoting free access to culture and its decentralisation.

We work together with our partners and other collaborators to strengthen the cultural ecosystem through the creation of networks of support for the industry and job creation.

The program includes 11 projects of regional, national and international scope, with activities that are attended by some 500,000 people each year.

The projects include Santiago and Antofagasta a Mil, the Puerto de Ideas Science Festival, the company’s alliance with the Chilean Museum of Pre-Columbian Art, the Identidades Festival and the Contemporary Art Week. All of them involve long-term alliances that have positioned Escondida as the private company making the most important contribution to cultural life in Chile.

With almost 20 years of uninterrupted support for culture, the vast majority of projects have educational programs specially designed to support the school curriculum and generate important learning opportunities for the new generations.
Events and activities in 2018

**Antofagasta Zicosur International Theatre Festival (FITZA)**
This Festival, which celebrated its 20th anniversary in 2018, presented a variety of shows in different municipal districts around the Antofagasta Region, including local, national and international artists. They were attended by some 20,000 people.

**Santiago and Antofagasta a Mil**
Around 378,000 people filled theatres and public spaces for the 25th version of this theatre festival, held in both Santiago and Antofagasta. As in previous years, it included not only plays and other shows but also hundreds of other activities for artists and the general public.

**Antofagasta Puerto de Ideas Science Festival**
Over 18,000 people gathered for the sixth version of this science and culture festival and it was followed by a further 20,000 via streaming.

In addition, the Education Area of the Puerto de Ideas Foundation organised 35 activities in different schools and universities in 11 different localities in the Region.

**Zicosur International Book Fair (FILZIC)**
FILZIC 2018 attracted some 150,000 people. During its closing ceremony, Chilean writer Diamenta Eltit received the Andrés Sabella International Prize for Literary Merit, the Fair’s highest award which has previously gone to figures such as Antonio Skármeta, Hernán Rivera Letelier, Gioconda Belli and Juan Villoro.

**Pensamiento Propio**
The five events of the 2018 cycle of Pensamiento Propio (Own Thought) conversations focused on the concept of ‘Fragility’. They included an interview with Sebastian Lelio, director of “A Fantastic Woman”, the Chilean winner of an Oscar for the Best Foreign Language Film. The interview took place in Antofagasta’s Municipal Theatre. Other conversations were with Huilliche poet Jaime Huenún, former President Ricardo Lagos, German monk and theologian Anselm Grün, literary essay writer Adriana Valdés, astronaut and winner of Chile’s National Science Prize José Maza and Spanish philosopher Josep María Esquirol.

**Chilean Museum of Pre-Columbian Art 2018**
Thanks to the alliance between the Chilean Museum of Pre-Columbian Art and Escondida / BHP, which now goes back more than 15 years, the exhibition “Taira, the Dawn of Art in Atacama” was shown in Santiago, Antofagasta and San Pedro de Atacama during 2018. In addition, the Atacameño Music project was launched and the exhibition “Festival of Images” was inaugurated in Santiago.

**Identidades Festival and La Huella Theatre**
In 2018, this initiative celebrated its fourth anniversary, bringing together over 3,500 people and offering plays, seminars, master classes and a series of cultural meetings that sought to foster encounters between international guests and the community.

**Contemporary Art Week**
The SACO Contemporary Art Festival takes place annually in the Antofagasta Region. In its seventh version, it offered 12 exhibitions in Antofagasta and San Pedro de Atacama.

**Antofagasta Symphonic Orchestra**
The Orchestra’s 2018 season included 10 free concerts between March and December, featuring important conductors and soloists from around the world.
In line with our approach of helping local economic organisations to develop sustainable models, Escondida supported the Caleta Coloso Association of Shellfish Divers and Related Organisations (AGREBUMAR) in the implementation of an experimental algae cultivation project in 2018.

Due to human activity, algae have been disappearing from the coast and the project seeks to recolonise the area and recover the habitat of the algae, particularly the Lessonia berteroana and Macrocystis piriøera species, in sectors close to the company’s industrial installations, on the El Sol beach and in Caleta Bolfin in the Antofagasta Region.

The project’s implementation began in 2017, following the signing of a cooperation agreement between Minera Escondida, the National Fisheries and Aquaculture Service (SERPESCA), the Zonal Directorate of the Undersecretariat for Fishing (SUBPESCA), the Regional Secretariat (SEREMI) of the Economy Ministry and AGREBUMAR, with technical support from local company Geascam.

The initiative’s main activities included the prior evaluation by AGREBUMAR’s members of the organisms present in intertidal and subtidal zones, seedling fixation, monthly monitoring of the recolonisation and estimation of the population and growth of brown algae.

In addition, AGREBUMAR implemented an educational activity with children at the República de los Estados Unidos School in Tocopilla in preparation for future studies there. Financed by the National Commission for Scientific and Technological Research (CONICYT), they will draw on the experience of the Coloso shellfish divers.

This initiative benefits AGREBUMAR’s members and their families. In addition, the second phase of the study, which is now underway, will permit better analysis of the growth of the recolonised algae as compared to natural forests.
Work with related organisations in Antofagasta

CREO Antofagasta

Since 2011, the CREO Plan has sought to address the challenge of the growth of the city of Antofagasta. The Plan is led by the municipal government, the Regional Government and Minera Escondida which, together with representatives of the community and other bodies, seek to contribute to the Region’s sustainable development and to transform Antofagasta into a city with world-class standards and quality of life.

In 2018, CREO worked on the implementation of the 2015-2021 Master Plan of strategic projects for the development of public spaces that promote mobility and environmental sustainability along the city’s coastline. These projects include a tender for the construction of a modern public space, where the community can enjoy green areas and recreational zones, along the coast in the La Chimba Beach sector. Given that Antofagasta is the city with the longest coastline in Chile and a large part of its inhabitants live less than 2 kilometres away from it, this project offers an opportunity to integrate all the city’s population.

Another project involves the construction of the Antonio Rendic Plaza on a site previously occupied by a micro-landfill. The site was recovered through participatory action and is now available for the interaction of children and senior citizens. A small solar plant provides electricity and produces a surplus that is injected into the Central Interconnected System.

Building local capabilities: FME and CEIM

The Minera Escondida Foundation (FME) and the Industrial and Mining Training Centre (CEIM) serve to boost Minera Escondida’s social investment in Antofagasta.

FME is a non-profit institution that is a pioneer in its field. Since its creation in 1996, it has focused on developing the capabilities of the Region’s people and communities in two strategic areas: Education and Social Engagement.

The CEIM, in turn, offers the country programs of specialisation in mining and industrial trades. Founded a little over 20 ago, it has trained approximately 170,000 people, using a skill development model that includes both theoretical and practical classes.

Between 2015 and 2018, Minera Escondida awarded 165 scholarships for training at the CEIM. Under the company’s Apprentices Program, with its emphasis on employability and gender balance, 25 scholarships were awarded to women in 2018, of whom five were from indigenous communities, two from Caleta Coloso and the rest from the city of Antofagasta.

The training program was taught by Minera Escondida instructors who, for three months, instructed the scholarship holders in knowledge of the highest standard, giving them an excellent level of preparation.

Minera Escondida Foundation Programs

<table>
<thead>
<tr>
<th>Education</th>
<th>Social engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Early Childhood Program</strong></td>
<td><strong>Agents of Change Training Program</strong></td>
</tr>
<tr>
<td>This is one of FME’s most important initiatives and seeks to develop language and communication skills in children aged between 0 and 8 years. The first version of the program was supported by the Mejillones and San Pedro de Atacama municipal governments and the Mejillones Industrialists’ Association. It covered 1,504 children and 57 teachers and educators from 26 educational establishments and nurseries. Its second version began in 2018 in the Antofagasta municipal district, in partnership with the Municipal Social Development Corporation, the National System of Nursery Schools (JUNJI) and the Integra Foundation. It will last until 2022 and aims to reach 2,200 children and 69 teachers and educators from 14 educational establishments and nurseries in the Region.</td>
<td>This initiative provides young people and social leaders from different parts of the Region with new social development skills. Its objective is to promote a proactive and assertive culture, producing citizens capable of leading social change and transformation. This program’s activities include the Somos contest for social organisations, AntofaEmprende and the fiiS Social Innovation Festival.</td>
</tr>
</tbody>
</table>
Our commitment to care for the environment is expressed in actions that minimise and mitigate the impacts generated by mining activity. We have developed specific guidelines for the efficient use of each resource required by our operations and the protection of biodiversity in the places where we operate.
Environment

Responsible water management

The importance of water for the well-being of the population globally and the normal development of ecosystems obliges us to take all necessary measures to use this resource responsibly.

Globally, BHP's Responsible Water Management initiative sets out the guidelines for positioning the company as a world leader in this field by 2022, providing a framework for decision-making, technological development and collaboration with other actors to improve our water use.

In 2018, BHP became the first resources company worldwide to publish a Water Report describing how it manages this resource and the associated risks. This document can be found on BHP.com in the Environment section.

Water strategy

Our water strategy for operations in Chile aims to change the balance of water supply sources, reducing withdrawals from aquifers by maximising the use of desalinated water and increasing water recovery in the different industrial processes.

In line with this, we aspire to cease using continental water in 2030 in favour of a matrix based mainly on desalinated water.

Minera Escondida started operation of its first 525-l/s desalination plant in 2006. In 2018, it went on to inaugurate a second plant with a capacity of 2,500 l/s, making it the largest installation of its type in South America. The company is currently implementing the Escondida Water Supply Extension (EWSE) project, which will give it an integrated capacity of up to 3,800 l/s.

In 2017, in line with this strategy, Minera Escondida submitted an Environmental Impact Study to extend water withdrawals from the Monturaqui aquifer for 11 years, with a flow of less than half its current level.

This project is in the indigenous territory of the Peine Community where an indigenous consultation process, managed by the government’s Environmental Evaluation Service, is taking place. In parallel, a series of processes of engagement and voluntary dialogue have begun with the communities along the southern edge of the Atacama Salt Flat.

A 1,000-l/s desalination plant, built and operated by a third party, is envisaged to supply the SGO project’s concentrator and the current Spence operation. It is expected to start operation in mid-2021.

An important aspect of water management is its reuse. At all our operations, we are constantly evaluating opportunities to use water efficiently by maximising recycling and reducing consumption per dry tonne of mineral processed.

Emissions

Our operations generate emissions that affect our people, nearby communities and the ecosystem. For this reason, we monitor air quality and emissions of particulate matter (PM) in order to define actions for its reduction and mitigation.

The information gathered enables us to strengthen our plans for the reduction and mitigation of our impacts. It is also shared with our stakeholders as part of our approach of transparency and good faith.

For air quality data per operation, see the Appendix to this Report, page 49.
Waste management

We have sought to make significant progress in reducing and recycling our domestic and industrial waste as a means of reducing our environmental footprint.

Each operation has waste management plans. The largest volume of waste they generate corresponds to “massive mining waste” (solids) which includes mainly sterile materials, gravel and tailings.

Both Minera Escondida’s Laguna Seca tailings dams and Spence’s gravel deposit are subject to specific controls and weekly monitoring to ensure their stability.

At Cerro Colorado, the gravel dump and, specifically, the unloading platforms are inspected daily. These controls ensure regular unloading under optimal conditions of stability and check maximum humidity, avoiding infiltration of the solutions contained in the material.

### Total waste, BHP operations in Chile, 2018 (t)

<table>
<thead>
<tr>
<th></th>
<th>Hazardous</th>
<th>Non-hazardous</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Escondida</td>
<td>7,724</td>
<td>21,228</td>
<td>28,952</td>
</tr>
<tr>
<td>Spence</td>
<td>1,956</td>
<td>13,046</td>
<td>15,002</td>
</tr>
<tr>
<td>Cerro Colorado</td>
<td>604.7</td>
<td>1,613</td>
<td>2,217.7</td>
</tr>
</tbody>
</table>

For further details about mining waste according to disposal method, see the Appendix to this Report, pages 49 and 50.
Biodiversity

Our operations in northern Chile take place in two types of environments: the high Andean ecosystem, represented by salt flats, and the marine ecosystem.

To ensure effective mitigation of the impacts we generate in our areas of influence, permanent monitoring systems are used to gather information about our environmental performance and deepen our understanding of these territories. We also support and undertake scientific research with independent third parties and universities in the Antofagasta Region, studying the salt flats, marine environments and the impact of desalination processes.

In 2018, both Minera Escondida and Spence continued to have agreements with the University of Antofagasta's Rescue Centre, which provides specialised assistance in wildlife recovery.

Lagunillas vegetation cover

Since 2006, we have been implementing a Management Plan for the Lagunillas Wetland. This wetland is related to the Lagunillas aquifer, which Cerro Colorado will use as its source of water through to 2023.

As of March 2018, the recovery of the wetland's characteristic vegetation coverage had reached 94 per cent, ahead of our undertaking of 78 per cent.

Energy

The nature and magnitude of our operations, together with our public undertakings in this field, mean that we pay special attention to greenhouse gas (GHG) emissions. Given their role in climate change, we take concrete measures to reduce them, investing in low-emissions technology and creating opportunities for collaboration with others in promoting the planet's sustainability.

Industry and society as a whole have advanced towards an economy that fosters the reduction of energy consumption and the emission of greenhouse gases.

We are committed to reducing and gradually replacing polluting fuels with alternatives that offer the same performance, but with a lower emissions intensity. Our decision to use natural gas at the Kelar power plant, rather than coal as originally planned, is an example of this.

For information about energy consumption by source, see the Appendix to this Report, page 46.

Closure plans

Our three operations in Chile each have a closure plan approved by the National Geology and Mining Service (SERNAGEOMIN) as required under the country's legislation (Law 20.551) and in accordance with our sustainability approach and requirements for performance on health, safety, environment and community. This includes the presentation to SERNAGEOMIN of the required financial guarantees against the obligations involved in the mine's exploitation.

Minera Escondida has a closure plan that was approved by SERNAGEOMIN in June 2015 under a transitory regime. In 2019, it plans to submit a closure plan under the general regime in order to comply with Chilean legislation and hopes to obtain its approval during the first half of 2020.

Since Chile's law regulating mine closures came into force, Cerro Colorado and Spence have complied with all its modes of application and, in 2015, obtained the corresponding approvals under the transitory regime.

Subsequently, in the context of obtaining environmental approval for Cerro Colorado's Operational Continuity project and the Spence Growth Option (SGO) project, they obtained approval of updated closure plans under the general regime.
Appendix

In this section:
- Stakeholders
- Performance
- People
- Environment
- Report of independent professionals
Stakeholders

Who are they? Engagement methods

**Direct employees and their families**

Employees and their families; social, sports and trade union organisations.  
- In-person meetings with line managers on matters ranging from the operation’s performance to the area’s activities  
- Internal media (such as corporate magazines, newsletters and in-house TV channel and radio)  
- Engagement and Perception Survey and other measurements  
- Meetings of Unions with Human Resources area  
- Performance evaluations  
- Other vehicles such as talks; recreational, sports, social and cultural activities; recognition for years of service ceremonies; celebration of key Chilean and international dates; special events.

**Contractors**

Contractors’ employees  
- Communication between the company’s contract administrators and the contractor  
- Regular meetings of the company’s professionals and the contract administrator and the head of risk prevention or similar professional, depending on the matter.

**Suppliers**

Suppliers of goods and services  
- Participation in World-Class Suppliers Program, Supply Innovation  
- Antofagasta Industrialists’ Association: participation in its board, Sustainable Development Council, Human Capital and Labour Relations Council and Business Development Council  
- SICEP: client of the Supplier Qualification System  

**Communities**

Communities in the area of influence of Cerro Colorado: Mamíña, Quipisca, Parca and Iquiuca in the valleys of the Andean foothills of the Pozo Almonte municipal district; the town of Pozo Almonte itself, located in the Pampa del Tamurarual; Lirima, Collacagua y Cancosa in the Andean plateau of the Pica municipal district. Spence: the Sierra Gorda municipal district, which includes the towns of Sierra Gorda and Baquedano. Escondida: the Antofagasta municipal district and the Coloso community, the San Pedro de Atacama municipal district and the La Grande Atacama Indigenous Development Area, especially the communities on the southern edge of the Salt Flat: Peine, Socaire, Camar, Talabre and Toconoa.

- Development of projects with the communities as well as periodic fieldwork with the different participants in joint social investment projects and initiatives  
- Mutual beneficial cooperation and sustainability agreements with territorial indigenous communities  
- Working groups and environmental technical groups with territorial indigenous communities and places close to our operations  
- Alliances for the development of community activities  
- Engagement and dialogue process with indigenous communities for the environmental evaluation of investment projects.

**Government bodies and regulators**

National and regional government authorities. National and regional heads of public services.  
- Formal and technical meetings depending on the case  
- Joint projects through the establishment of alliances.

**Associations, organisations, NGOs and others**

Iquique Industrialists’ Association (AII) and Antofagasta Industrialists’ Association (AIA); Tarapacá and Antofagasta Regional Mining Safety Councils. At the national level, membership of Chilean Mining Council, National Mining Society (SONAMI), Acción Empresas, Icare and other civil society organisations. Through specific projects, relations with Casa de la Paz, the Simón de Cirene organisation and Juventud Emprendadora Foundation, which are both regional NGOs.  
- Periodic meetings with the participation of our representatives  
- Coordination for the implementation of joint initiatives  
- In the case of NGOs, informational and technical meetings as well as field visits and the distribution of reports, among other mechanisms; in some cases, the implementation of joint projects.
## Performance

### 1. Economic Value Generated, BHP in Chile (US$ million)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pampa Norte(1)</td>
<td>Minera Escondida</td>
<td>Pampa Norte(1)</td>
</tr>
<tr>
<td>Operating income</td>
<td>1,402</td>
<td>5,273</td>
<td>1,689</td>
</tr>
<tr>
<td>Financial income</td>
<td>29</td>
<td>1</td>
<td>38</td>
</tr>
<tr>
<td>Non-operating income</td>
<td>2</td>
<td>54</td>
<td>2</td>
</tr>
<tr>
<td>Economic value generated</td>
<td>1,433</td>
<td>5,327</td>
<td>1,729</td>
</tr>
</tbody>
</table>

(1) Figures for Pampa Norte are the sum of Spence and Cerro Colorado.

### 2. Economic Value Distributed(1) BHP in Chile (US$ million)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pampa Norte(2)</td>
<td>Minera Escondida</td>
<td>Pampa Norte(2)</td>
</tr>
<tr>
<td>Operating costs</td>
<td>666</td>
<td>1,380</td>
<td>823</td>
</tr>
<tr>
<td>Employee wages and benefits</td>
<td>117</td>
<td>268</td>
<td>128</td>
</tr>
<tr>
<td>Other payments to third parties</td>
<td>200</td>
<td>1,153</td>
<td>218</td>
</tr>
<tr>
<td>Taxes</td>
<td>12</td>
<td>422</td>
<td>147</td>
</tr>
<tr>
<td>Financial expenses</td>
<td>21</td>
<td>50</td>
<td>23</td>
</tr>
<tr>
<td>Investment in the community</td>
<td>13</td>
<td>25.4</td>
<td>3.8</td>
</tr>
<tr>
<td>Owners</td>
<td>1,880</td>
<td>700</td>
<td>2,599</td>
</tr>
<tr>
<td>Economic value distributed</td>
<td>2,909</td>
<td>3,997</td>
<td>1,343</td>
</tr>
<tr>
<td>Economic value retained(2)</td>
<td>-1,476</td>
<td>1,330</td>
<td>N/A(4)</td>
</tr>
</tbody>
</table>

(1) Employee wages and benefits: Value distributed to employees through payments that include wages, social security contributions, bonuses, social and health benefits, holidays and training.
Other payments to third parties: Payments by the company to contractors for services provided during the year.
Taxes: Contribution of the company to the state through income tax and the specific mining tax. Also includes payments for business licences, property tax and stamp duty.
Financial expenses: Payment of the company’s financial obligations as well as other expenses arising from financial operations.
Investment in the community: Includes social programs, sponsorships and donations.
Owners: Dividends paid to the company’s shareholders.
Environment: Includes expenditure on environmental projects.
(2) Retained by the company: Money reinvested in the company for continuity of operations. Includes depreciation and amortisation of the period as well as profits of the period. Calculated as the difference between economic value generated and economic value distributed.
(3) Figures for Pampa Norte are the sum of Spence and Cerro Colorado.
(4) N/A: Not available.
### 3. National Suppliers by Region, BHP in Chile

<table>
<thead>
<tr>
<th>Region</th>
<th>N° of Suppliers by Region</th>
<th>Suppliers by Region (%) 2018</th>
<th>Payments to Suppliers by Region (US$ mill)</th>
<th>Payments by Region (%) 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tarapacá Region</td>
<td>126</td>
<td>123</td>
<td>128</td>
<td>6.4</td>
</tr>
<tr>
<td>Antofagasta Region</td>
<td>448</td>
<td>439</td>
<td>413</td>
<td>20.7</td>
</tr>
<tr>
<td>Santiago Metropolitan Region</td>
<td>1,235</td>
<td>1,190</td>
<td>1,304</td>
<td>65.3</td>
</tr>
<tr>
<td>Other regions</td>
<td>130</td>
<td>122</td>
<td>152</td>
<td>7.6</td>
</tr>
<tr>
<td>Total</td>
<td>1,939</td>
<td>1,874</td>
<td>1,997</td>
<td>100</td>
</tr>
</tbody>
</table>

Identification of local suppliers: In 2018, the methodology for classifying local suppliers was refined, considering the address given by the supplier to the National Tax Service (SII).

### 4. Copper Sales by Product (t), BHP in Chile

<table>
<thead>
<tr>
<th>Sales</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fine copper in concentrate</td>
<td>689,884</td>
<td>688,602</td>
<td>934,275</td>
</tr>
<tr>
<td>Fine copper in cathodes</td>
<td>553,640</td>
<td>502,533</td>
<td>511,272</td>
</tr>
<tr>
<td>Total fine copper(1)</td>
<td>1,243,524</td>
<td>1,191,135</td>
<td>1,445,547</td>
</tr>
</tbody>
</table>

(1) includes only own production.
## People

### 5. Direct Employees, BHP in Chile

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>BHP Santiago</td>
<td>563</td>
<td>729</td>
<td>1,013</td>
</tr>
<tr>
<td>Cerro Colorado</td>
<td>953</td>
<td>1,046</td>
<td>1,038</td>
</tr>
<tr>
<td>Spence</td>
<td>1,064</td>
<td>1,199</td>
<td>1,291</td>
</tr>
<tr>
<td>Minera Escondida</td>
<td>3,600</td>
<td>3,578</td>
<td>3,586</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,180</strong></td>
<td><strong>6,552</strong></td>
<td><strong>6,928</strong></td>
</tr>
</tbody>
</table>

### 6. Direct Employees by Category, BHP in Chile, 2018

<table>
<thead>
<tr>
<th>Category</th>
<th>Pampa Norte</th>
<th>Minera Escondida</th>
<th>BHP Chile</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male Female</td>
<td>Male Female</td>
<td>Male Female</td>
<td>Male Female</td>
</tr>
<tr>
<td>Executives</td>
<td>37</td>
<td>5</td>
<td>131</td>
<td>30</td>
</tr>
<tr>
<td>Supervisors/</td>
<td>297</td>
<td>74</td>
<td>691</td>
<td>152</td>
</tr>
<tr>
<td>administrative personnel and similar</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operators</td>
<td>1,630</td>
<td>220</td>
<td>2,288</td>
<td>261</td>
</tr>
<tr>
<td>Graduates</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Apprentices</td>
<td>8</td>
<td>58</td>
<td>0</td>
<td>33</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,972</strong></td>
<td><strong>357</strong></td>
<td><strong>3,110</strong></td>
<td><strong>476</strong></td>
</tr>
</tbody>
</table>

### 7. Female Direct Employees, BHP in Chile

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nº</td>
<td>%</td>
<td>Nº</td>
<td>%</td>
</tr>
<tr>
<td>BHP Santiago</td>
<td>181</td>
<td>32</td>
<td>272</td>
</tr>
<tr>
<td>Pampa Norte*</td>
<td>142</td>
<td>7</td>
<td>277</td>
</tr>
<tr>
<td>Minera Escondida</td>
<td>382</td>
<td>11</td>
<td>420</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>705</td>
<td>11.4</td>
<td>969</td>
</tr>
</tbody>
</table>

* Includes the Iquique office.

### 8. Contractors’ Employees

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spence</td>
<td>1,458</td>
<td>2,428</td>
<td>2,006</td>
</tr>
<tr>
<td>Cerro Colorado</td>
<td>1,003</td>
<td>2,428</td>
<td>1,320</td>
</tr>
<tr>
<td>Minera Escondida</td>
<td>5,961</td>
<td>6,249</td>
<td>6,589</td>
</tr>
<tr>
<td>BHP Chile(1)</td>
<td>N/A(2)</td>
<td>125</td>
<td>7,380</td>
</tr>
</tbody>
</table>

(1) The increase in the number of contractors reported for BHP Chile in 2018 is explained largely by the inclusion of contractors’ employees working in the Major Projects and Explorations areas and, to a lesser extent, by a change in the way the data is reported. In previous years, it was reported for the Minera Escondida and Pampa Norte assets, including in the latter contractors’ employees at Spence and Cerro Colorado and the personnel of BHP Chile assigned to Pampa Norte as well as contractors’ employees at BHP Chile. In this Report, on the other hand, it is reported by legal entity or, in other words, BHP Chile Inc., Minera Escondida, Spence and Cerro Colorado.
(2) N/A: Not available.
### 9. Workforce by Age Range, 2018, and Average Age, BHP in Chile

<table>
<thead>
<tr>
<th>Age Range</th>
<th>&lt; 30</th>
<th>30 - 50</th>
<th>&gt; 50</th>
<th>Average Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>BHP Santiago</td>
<td>Male</td>
<td>Female</td>
<td>Total</td>
<td>Male</td>
</tr>
<tr>
<td>Male</td>
<td>39</td>
<td>53</td>
<td>92</td>
<td>294</td>
</tr>
<tr>
<td>Female</td>
<td>464</td>
<td>294</td>
<td>758</td>
<td>128</td>
</tr>
<tr>
<td>Total</td>
<td>138</td>
<td>118</td>
<td>256</td>
<td>1,510</td>
</tr>
<tr>
<td>Pampa Norte</td>
<td>133</td>
<td>121</td>
<td>254</td>
<td>2,161</td>
</tr>
<tr>
<td>Minera Escondida</td>
<td>133</td>
<td>121</td>
<td>254</td>
<td>2,161</td>
</tr>
<tr>
<td>Total BHP in Chile</td>
<td>310</td>
<td>292</td>
<td>602</td>
<td>4,135</td>
</tr>
</tbody>
</table>

### 10. Absenteeism, BHP in Chile, 2018

<table>
<thead>
<tr>
<th>Location</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>BHP Santiago</td>
<td>866,505</td>
<td>556,327</td>
<td>4,021,567</td>
<td>516,885</td>
<td>6,512,599</td>
<td>826,511</td>
</tr>
<tr>
<td>Pampa Norte</td>
<td>1,013</td>
<td>14,569</td>
<td>164,659</td>
<td>32,528</td>
<td>284,761</td>
<td>45,751</td>
</tr>
<tr>
<td>Minera Escondida</td>
<td>21,3</td>
<td>76,341</td>
<td>1,614,410</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total BHP in Chile</td>
<td>13,300,394</td>
<td>552,401</td>
<td>4.1</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 11. Training, BHP in Chile, 2018

<table>
<thead>
<tr>
<th>Location</th>
<th>Average hours per year per employee</th>
<th>Hours of training</th>
<th>Average annual investment in training per employee (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>BHP Santiago</td>
<td>22.5</td>
<td>22,815</td>
<td>509,402</td>
</tr>
<tr>
<td>Pampa Norte</td>
<td>22</td>
<td>51,212</td>
<td>742,712</td>
</tr>
<tr>
<td>Minera Escondida</td>
<td>21.3</td>
<td>76,341</td>
<td>1,614,410</td>
</tr>
<tr>
<td>Total BHP in Chile</td>
<td>22</td>
<td>150,368</td>
<td>2,866,525</td>
</tr>
</tbody>
</table>

### 12. Accident Frequency Rate, Severity Rate and TRIF

<table>
<thead>
<tr>
<th>Cargo</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cerro Colorado</td>
<td>2.26</td>
<td>3.33</td>
<td>2.46</td>
</tr>
<tr>
<td>Spence</td>
<td>4.70</td>
<td>2.20</td>
<td>1.17</td>
</tr>
<tr>
<td>Minera Escondida</td>
<td>1.43</td>
<td>2.20</td>
<td>1.46</td>
</tr>
<tr>
<td>CR (Global)</td>
<td>2.82</td>
<td>3.33</td>
<td>5.48</td>
</tr>
<tr>
<td>Frequency rate CP</td>
<td>60.24</td>
<td>62.06</td>
<td>53.61</td>
</tr>
<tr>
<td>Severity rate</td>
<td>303.60</td>
<td>74.33</td>
<td>19.69</td>
</tr>
</tbody>
</table>
### 13. Energy Consumption by Source, BHP Operations in Chile

<table>
<thead>
<tr>
<th>Direct and indirect energy consumed</th>
<th>Unit</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diesel (1) and petrol</td>
<td>GJ</td>
<td>1,869,905&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>2,304,505&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>11,749,289</td>
</tr>
<tr>
<td></td>
<td></td>
<td>8,140</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liquefied petroleum gas (LPG)</td>
<td>GJ</td>
<td>0</td>
<td>2,073</td>
<td>2,118</td>
</tr>
<tr>
<td>Subtotal direct energy consumed</td>
<td>GJ</td>
<td>1,869,905</td>
<td>2,306,579</td>
<td>11,759,547</td>
</tr>
<tr>
<td>Indirect energy consumed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electricity</td>
<td>GJ</td>
<td>917,293</td>
<td>1,877,883</td>
<td>14,089,050</td>
</tr>
<tr>
<td>Subtotal indirect energy consumed</td>
<td>GJ</td>
<td>917,293</td>
<td>1,877,883</td>
<td>14,089,050</td>
</tr>
<tr>
<td>Total direct and indirect energy consumed</td>
<td>GJ</td>
<td>2,787,198</td>
<td>4,184,461</td>
<td>25,848,596</td>
</tr>
</tbody>
</table>

(1) In the case of Cerro Colorado and Escondida includes petrol consumption. Petrol not consumed at Spence.

---

N/A: Not available
N/AP: Not applicable
### 14. Water Withdrawals by Source, BHP Operations in Chile (ML)

<table>
<thead>
<tr>
<th>Operation</th>
<th>Source</th>
<th>Unit</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cerro Colorado</td>
<td>Lagunillas</td>
<td>ML</td>
<td>3,773</td>
<td>3,796</td>
<td>4,060</td>
</tr>
<tr>
<td>Spence</td>
<td>FABC and ADASA</td>
<td>ML</td>
<td>6,458</td>
<td>6,317</td>
<td>6,154</td>
</tr>
<tr>
<td>Minera Escondida</td>
<td>Monturaqui</td>
<td>ML</td>
<td>43,385</td>
<td>36,138</td>
<td>41,627</td>
</tr>
<tr>
<td></td>
<td>Punta Negra</td>
<td>ML</td>
<td>9,220</td>
<td>1,897</td>
<td>371</td>
</tr>
<tr>
<td></td>
<td>Salt Flat</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hamburgo</td>
<td>ML</td>
<td>2,423</td>
<td>1,837</td>
<td>2,157</td>
</tr>
<tr>
<td></td>
<td>Mine drainage</td>
<td>ML</td>
<td>3,725</td>
<td>2,121</td>
<td>2,828</td>
</tr>
<tr>
<td></td>
<td>Seawater</td>
<td>ML</td>
<td>29,570</td>
<td>75,777</td>
<td>127,392</td>
</tr>
<tr>
<td></td>
<td>Water from</td>
<td>ML</td>
<td>873</td>
<td>1,376</td>
<td>674</td>
</tr>
<tr>
<td></td>
<td>bottom of mine</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Water returned to source</strong>(1)</td>
<td>ML</td>
<td>16,617</td>
<td>41,764</td>
<td>73,846</td>
<td></td>
</tr>
<tr>
<td><strong>Total water withdrawn BHP in Chile</strong></td>
<td>ML</td>
<td>100,089</td>
<td>129,895</td>
<td>185,861</td>
<td></td>
</tr>
<tr>
<td><strong>Total water consumed BHP in Chile</strong></td>
<td>ML</td>
<td>83,472</td>
<td>88,131</td>
<td>112,014</td>
<td></td>
</tr>
</tbody>
</table>

(1) Corresponds to reject brine and Punta Negra Salt Flat and Lagunillas Recharge System.
(2) Water withdrawals at Cerro Colorado include pit drainage.

### 15. Water Treated/Reused, BHP Operations in Chile (ML)

<table>
<thead>
<tr>
<th>Utilisation of Treated Water</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pampa Norte</td>
<td>Minera Escondida</td>
<td>Pampa Norte</td>
</tr>
<tr>
<td></td>
<td>Cerro Colorado</td>
<td>Spence</td>
<td>Cerro Colorado</td>
</tr>
<tr>
<td>Effluents of sewage treatment plants</td>
<td>71</td>
<td>490</td>
<td>66</td>
</tr>
<tr>
<td>Reuse of process water</td>
<td>148,315</td>
<td>163,344</td>
<td>16,133</td>
</tr>
<tr>
<td>Total volume of water recycled and/or reused</td>
<td>148,386</td>
<td>163,834</td>
<td>16,199</td>
</tr>
<tr>
<td>Percentage of water recycled and/or reused*(1)</td>
<td>95%</td>
<td>70%</td>
<td>84%</td>
</tr>
</tbody>
</table>

* According to the definition of the Water Accounting Framework (WAF), the percentage of water reused corresponds to the ratio between the sum of the treated flow of water that enters a task and the total sum of the water entering that task. The water balances of Minera Escondida and Cerro Colorado only consider recirculation between the different processes.

N/A: Not available
N/AP: Not applicable
**Environment (continued)**

### 16. Greenhouse Gas Emissions, BHP Operations in Chile

<table>
<thead>
<tr>
<th>Year</th>
<th>Type of Emissions</th>
<th>Unit</th>
<th>Pampa Norte</th>
<th>Minera Escondida</th>
<th>Total BHP in Chile</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Cerro Colorado</td>
<td>Spence</td>
<td>Total BHP in Chile</td>
</tr>
<tr>
<td>2016</td>
<td>Direct emissions</td>
<td>KT CO2-e</td>
<td>136</td>
<td>163</td>
<td>841</td>
</tr>
<tr>
<td></td>
<td>Indirect emissions</td>
<td>KT CO2-e</td>
<td>198</td>
<td>406</td>
<td>3,240</td>
</tr>
<tr>
<td></td>
<td>Total emissions</td>
<td>KT CO2-e</td>
<td>334</td>
<td>569</td>
<td>4,081</td>
</tr>
<tr>
<td></td>
<td>Intensity of direct emissions</td>
<td>KT CO2-e/KT Cu Produced</td>
<td>1.8</td>
<td>1.0</td>
<td>0.8</td>
</tr>
<tr>
<td></td>
<td>Intensity of indirect emissions</td>
<td>KT CO2-e/KT Cu Produced</td>
<td>2.7</td>
<td>2.4</td>
<td>3.2</td>
</tr>
<tr>
<td></td>
<td>Intensity of total emissions</td>
<td>KT CO2-e/KT Cu Produced</td>
<td>4.5</td>
<td>3.4</td>
<td>4.1</td>
</tr>
<tr>
<td>2017</td>
<td>Direct emissions</td>
<td>KT CO2-e</td>
<td>162</td>
<td>138</td>
<td>741</td>
</tr>
<tr>
<td></td>
<td>Indirect emissions</td>
<td>KT CO2-e</td>
<td>158</td>
<td>414</td>
<td>2,820</td>
</tr>
<tr>
<td></td>
<td>Total emissions</td>
<td>KT CO2-e</td>
<td>320</td>
<td>551</td>
<td>3,561</td>
</tr>
<tr>
<td></td>
<td>Intensity of direct emissions</td>
<td>KT CO2-e/KT Cu Produced</td>
<td>2.5</td>
<td>0.8</td>
<td>0.8</td>
</tr>
<tr>
<td></td>
<td>Intensity of indirect emissions</td>
<td>KT CO2-e/KT Cu Produced</td>
<td>2.7</td>
<td>2.4</td>
<td>3.4</td>
</tr>
<tr>
<td></td>
<td>Intensity of total emissions</td>
<td>KT CO2-e/KT Cu Produced</td>
<td>5.2</td>
<td>3.2</td>
<td>4.2</td>
</tr>
<tr>
<td>2018</td>
<td>Direct emissions</td>
<td>KT CO2-e</td>
<td>165</td>
<td>153</td>
<td>931</td>
</tr>
<tr>
<td></td>
<td>Indirect emissions</td>
<td>KT CO2-e</td>
<td>118</td>
<td>258</td>
<td>2,506</td>
</tr>
<tr>
<td></td>
<td>Total emissions</td>
<td>KT CO2-e</td>
<td>283</td>
<td>411</td>
<td>3,437</td>
</tr>
<tr>
<td></td>
<td>Intensity of direct emissions</td>
<td>KT CO2-e/KT Cu Produced</td>
<td>2.5</td>
<td>0.9</td>
<td>0.7</td>
</tr>
<tr>
<td></td>
<td>Intensity of indirect emissions</td>
<td>KT CO2-e/KT Cu Produced</td>
<td>1.8</td>
<td>1.5</td>
<td>2.0</td>
</tr>
<tr>
<td></td>
<td>Intensity of total emissions</td>
<td>KT CO2-e/KT Cu Produced</td>
<td>4.3</td>
<td>2.3</td>
<td>2.8</td>
</tr>
</tbody>
</table>

(1) When gathering the data for 2018, direct and indirect emissions in 2017 were corrected due to the National Electricity System’s annual emissions factor update, which affects indirect emissions.
### 17. Air Quality, Concentration of PM10 (ug/m³ N)

<table>
<thead>
<tr>
<th>Operation</th>
<th>Place of Measurement</th>
<th>Average Annual Concentration</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2016</td>
</tr>
<tr>
<td>Minera Escondida</td>
<td>Villa San Lorenzo</td>
<td>135</td>
</tr>
<tr>
<td></td>
<td>Camp 2000</td>
<td>83</td>
</tr>
<tr>
<td></td>
<td>Camp 5400</td>
<td>78</td>
</tr>
<tr>
<td></td>
<td>Coloso</td>
<td>33</td>
</tr>
<tr>
<td>Cerro Colorado</td>
<td>Mamiña</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>Parca</td>
<td>41</td>
</tr>
<tr>
<td>Spence</td>
<td>Sierra Gorda</td>
<td>48</td>
</tr>
</tbody>
</table>

### 18. Solid Waste, BHP Operations in Chile (t)

<table>
<thead>
<tr>
<th>Type of Solid Waste</th>
<th>Unit</th>
<th>Pampa Norte</th>
<th>Minera Escondida</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cerro Colorado</td>
<td>Spence</td>
<td>Cerro Colorado</td>
</tr>
<tr>
<td>Hazardous</td>
<td>t</td>
<td>2,437</td>
<td>1,612</td>
</tr>
<tr>
<td>Non-hazardous</td>
<td>t</td>
<td>2,840</td>
<td>5,300</td>
</tr>
<tr>
<td>Total</td>
<td>t</td>
<td>5,277</td>
<td>6,912</td>
</tr>
<tr>
<td>Intensity of hazardous waste</td>
<td>t/t de Cu Produced</td>
<td>0.03</td>
<td>0.01</td>
</tr>
<tr>
<td>Intensity of non-hazardous waste</td>
<td>t/t de Cu Produced</td>
<td>0.04</td>
<td>0.03</td>
</tr>
</tbody>
</table>

### 19. Treatment and Disposal of Hazardous Waste (t)

<table>
<thead>
<tr>
<th>Treatment or Disposal of Hazardous Waste</th>
<th>Pampa Norte</th>
<th>Minera Escondida</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cerro Colorado</td>
<td>Spence</td>
</tr>
<tr>
<td>Reuse</td>
<td>1,033</td>
<td>N/AP</td>
</tr>
<tr>
<td>External recycling</td>
<td>240</td>
<td>N/AP</td>
</tr>
<tr>
<td>External security landfill</td>
<td>1,164</td>
<td>1,612</td>
</tr>
<tr>
<td>Total BHP in Chile</td>
<td>2,437</td>
<td>1,612</td>
</tr>
</tbody>
</table>

N/A: Not available
N/AP: Not applicable
W/I: Without information
Environment (continued)

20. Treatment and Disposal of Non-Hazardous Waste (t)

<table>
<thead>
<tr>
<th>Treatment or Disposal of Non-Hazardous Waste</th>
<th>Pampa Norte</th>
<th>Pampa Norte</th>
<th>Pampa Norte</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cerro Colorado</td>
<td>Spence</td>
<td>Minera Escondida</td>
</tr>
<tr>
<td>External recycling</td>
<td>2,099</td>
<td>1,277</td>
<td>19,815</td>
</tr>
<tr>
<td>Landfill</td>
<td>741</td>
<td>1,185</td>
<td>16,382</td>
</tr>
<tr>
<td>Industrial landfill (Rescon)</td>
<td>N/AP</td>
<td>2,838</td>
<td>N/AP</td>
</tr>
<tr>
<td>Total BHP in Chile</td>
<td>2,840</td>
<td>5,300</td>
<td>36,197</td>
</tr>
</tbody>
</table>

21. Massive Mining Waste, BHP in Chile (t)

<table>
<thead>
<tr>
<th>Treatment or Disposal of Non-Hazardous Waste</th>
<th>Pampa Norte</th>
<th>Pampa Norte</th>
<th>Pampa Norte</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cerro Colorado</td>
<td>Spence</td>
<td>Minera Escondida</td>
</tr>
<tr>
<td>Waste rock</td>
<td>43,334,978</td>
<td>61,210,902</td>
<td>200,929,243</td>
</tr>
<tr>
<td>Tailings</td>
<td>N/AP</td>
<td>N/AP</td>
<td>82,359,965</td>
</tr>
<tr>
<td>Leaching gravel</td>
<td>16,513,650</td>
<td>22,681,669</td>
<td>N/AP</td>
</tr>
<tr>
<td>Low-grade mineral</td>
<td>N/AP</td>
<td>8,331,571</td>
<td>0</td>
</tr>
</tbody>
</table>

NA: Not available
N/AP: Not applicable
Informe de Revisión independiente
"Informe de Sustentabilidad BHP Chile 2018"

Señores
Presidente y Directores
BHP Chile
Presente

Hemos revisado los contenidos de información y datos presentados en el "Informe de Sustentabilidad BHP Chile 2018" que se mencionan más adelante de BHP Chile Inc. (en adelante "BHP Chile") al 31 de diciembre de 2018.

La preparación de dicho informe es responsabilidad de la Administración de BHP Chile. Asimismo, la Administración de BHP Chile también es responsable de la información y las afirmaciones contenidas en el mismo, de la definición del alcance del informe y de la gestión y control de los sistemas de información que hayan proporcionado la información reportada.

Nuestra revisión fue efectuada de acuerdo con normas de trabajo de etestigacación emitidas por el Colegio de Contadores de Chile A.G. Una revisión tiene un alcance significativamente menor al de un examen, cuyo objetivo es de expresar una opinión sobre el "Informe de Sustentabilidad BHP Chile 2018". En consecuencia, no expresamos tal opinión.

Los contenidos de información y datos presentados en el "Informe de Sustentabilidad BHP Chile 2018" fueron revisados tomando en consideración los criterios descritos en el Estándar para la elaboración de Informes de Sostenibilidad del Global Reporting Initiative (GRI) y su respectivo suplemento para el Sector de Minería y Metales y se resumen a continuación:

- Determinar que la información y los datos presentados en el "Informe de Sustentabilidad BHP Chile 2018" están debidamente respaldados con evidencias suficientes.
- Determinar que BHP Chile haya elaborado su "Informe de Sustentabilidad BHP Chile 2018" conforme a los principios de Contenido y Calidad del Estándar GRI y su Suplemento para el Sector de Minería y Metales.
- Confirmar la opción de conformidad "esencial" declarada por BHP Chile en su "Informe de Sustentabilidad BHP Chile 2018", según el Estándar GRI.

Nuestros procedimientos consideraron la formulación de preguntas a la Dirección, Gerencias y Unidades de BHP Chile involucradas en el proceso de elaboración del Reporte, así como en la realización de otros procedimientos analíticos y prácticas por cómo se describen a continuación:

- Entrevistas a personal clave de BHP Chile, a objeto de evaluar el proceso de elaboración del "Informe de Sustentabilidad 2018 BHP Chile", la definición de su contenido y los sistemas de información utilizados.
- Verificación de los datos incluidos en el "Informe de Sustentabilidad BHP Chile 2018" a partir de la documentación de respaldo proporcionada por BHP Chile.
- Análisis de los procesos de recolección y control interno de los datos cuantitativos reflejados en el "Informe de Sustentabilidad BHP Chile 2018".
- Verificación de la fiabilidad de la información utilizando procedimientos analíticos y pruebas de revisión en bases a muestras y revisión de cálculos mediante re-cálculos.
- Visita a las oficinas corporativas de BHP en la Región Metropolitana.
- Revisión de la redacción del "Informe de Sustentabilidad BHP Chile 2018".

Basados en nuestra revisión, no tenemos conocimiento que:

- La información y los datos publicados en el "Informe de Sustentabilidad BHP Chile 2018", no estén debidamente respaldados con evidencias suficientes.
- El "Informe de Sustentabilidad BHP Chile 2018" no haya sido elaborado en conformidad con el Estándar para la Elaboración de Reportes de Sostenibilidad del GRI y su Suplemento para el Sector de Minería y Metales.
- La opción de conformidad "esencial" declarada por BHP Chile no cumple con los requisitos que están establecidos en el Estándar GRI.

KPMG Ltd.

Luis Felipe Encina K.P
Socio

Santiago, 6 de junio de 2019

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(*) Cerro Colorado and Spence form the Pampa Norte business unit.
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