

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Important Notice: Forward looking statements; No reliance on third party information

This CDP response ('Response') contains forward looking statements, including, but not limited to: statements regarding trends in commodity prices and supply and demand for commodities; assumed long-term scenarios; potential global responses to climate change; regulatory and policy developments; the development of certain technologies; the potential effect of possible future events on the value of the BHP portfolio and the plans, strategies and objectives of management.

Forward looking statements may be identified by the use of terminology, including, but not limited to, 'intend', 'aim', 'project', 'see', 'anticipate', 'expect', 'estimate', 'plan', 'objective', 'believe', 'expect', 'may', 'should', 'will', 'would', 'continue' or similar words.

The forward looking statements in this Response are based on the information available as at the date of this Response and/or the date of the Group's planning processes or scenario analysis processes, as relevant. There are inherent limitations with scenario analysis and it is difficult to predict which, if any, of the scenarios might eventuate. Scenarios do not constitute definitive outcomes for us. Scenario analysis relies on assumptions that may or may not be, or prove to be, correct and may or may not eventuate, and scenarios may be impacted by additional factors to the assumptions disclosed.

Additionally, forward looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this Response. BHP cautions against reliance on any forward looking statements or guidance.

There are a number of factors that may have an adverse effect on our results or operations, including those identified in the risk factors discussed in BHP's filings with the US Securities and Exchange Commission (the 'SEC') (including in Annual Reports on Form 20-F) which are available on the SEC's website at www.sec.gov.

Except as required by applicable regulations or by law, BHP does not undertake any obligation to publicly update or review any forward looking statements, whether as a result of new information or future events. Past performance cannot be relied on as a guide to future performance. The views expressed in this Response contain information that has been derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information.

This Response should not be relied upon as a recommendation, advice or forecast by BHP.

About BHP

BHP is a leading global resources company. We extract and process minerals, oil and gas, via a team of >72,000 employees and contractors (in FY2019), primarily in Australia and the Americas. We are among the world's top producers of major commodities, including iron ore, metallurgical coal and copper. We also have substantial interests in oil, gas, energy coal and nickel. A number of by-products are produced by our copper operations. Our products are sold worldwide. Our global headquarters are in Melbourne, Australia. Our Executive Leadership Team (ELT) is responsible for the day-to-day management of the Group and for leading the delivery of our strategic objectives.

In this CDP response, the terms 'BHP', the 'Company', the 'Group', 'our business', 'organisation', 'we', 'us', 'our' and 'ourselves' refer to BHP Group Limited, BHP Group Plc and, except where the context otherwise requires, their respective subsidiaries as defined in note 13 'Related undertaking of the Group' in section 5.2 of the FY2019 BHP Annual Report. Those terms do not include non-operated assets. References to 'Onshore US' mean BHP's former petroleum asset in four US shale areas. Refer to our Annual Report for definitions of Continuing and Discontinued operations.

We disclose GHG emissions and other climate data at the Group level. In addition, CDP requests that we report our operational emissions by region, 'business division', and 'business facility'. In order to ensure consistency, our reporting by 'business division' in this response corresponds to the commodity-based 'reportable segments' applied in our Annual Report. Similarly, we report by 'business facility' using the definitions of our assets given in our Annual Report 2019. For additional details as they relate to this CDP response, refer to our Annual Report 2019.

Note that our financial year runs from 1 July to 30 June, and this CDP response relates to the financial year ended 30 June 2019 (FY2019) unless otherwise stated in the response. More recent information on the topics covered in this CDP response is available for FY2020 in our Climate Change Report 2020 and Annual Report 2020 and online at www.bhp.com.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	July 1 2018	June 30 2019	Yes	1 year

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

Algeria
Australia
Canada
Chile
Colombia
Peru
Trinidad and Tobago
United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-CO0.7

(C-CO0.7) Which part of the coal value chain and other areas does your organization operate in?

Row 1

Coal value chain

Underground coal mining
Surface coal mining

Other divisions

Other minerals mining
Metal ore mining

C-MM0.7

(C-MM0.7) Which part of the metals and mining value chain does your organization operate in?

Row 1

Mining

Copper
Gold
Silver
Iron ore
Nickel
Zinc
Lead
Other mining, please specify (Uranium and petroleum)

Processing metals

Copper
Gold
Silver
Nickel
Zinc

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Director on board	Climate change is a material governance and strategic issue for BHP. The Board is the highest level of authority at BHP and is responsible for overseeing the Group's approach to climate change and making strategic decisions in the best interests of the Group. The Directors' responsibilities include consideration of the potential impact of climate-related risks, including as part of strategy discussions, portfolio reviews and investment decisions. Oversight and monitoring of climate-related issues and risk management therefore lies with the Directors of our Board. Climate change is a multi-faceted issue that has the potential to affect a wide range of key business issues, including investment decisions, our portfolio, the sustainability of our operated assets and engagement with government, investors, our workforce, suppliers and customers and other key stakeholders. Board members bring experience from a range of sectors including resources, energy, finance, technology and public policy, which equips them to consider potential implications of climate change on BHP and its operational capacity, as well as understand the nature of the debate and the international policy response as it develops. Collectively, the Board has the experience and skills to assist the Group in the optimal allocation of financial, capital and human resources for the creation of long-term shareholder value. It also means the Board understands the importance of meeting the expectations of stakeholders, including in respect of the natural environment.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	<ul style="list-style-type: none"> Reviewing and guiding strategy Reviewing and guiding risk management policies Reviewing and guiding business plans Monitoring implementation and performance of objectives Monitoring and overseeing progress against goals and targets for addressing climate-related issues 	<Not Applicable>	Climate change is treated as a Board-level governance issue and is discussed regularly, including as part of Board strategy discussions, portfolio reviews and investment decisions, risk management oversight and monitoring, and performance against our commitments. Our Board is actively engaged in the setting of strategy and in governance of climate-related issues and risks. The Sustainability Committee assists the Board in overseeing the Group's climate change performance and governance responsibilities. The Risk and Audit Committee and Sustainability Committee assist the Board with the oversight of climate-related risk management, although the Board retains overall accountability for BHP's risk profile. The Risk Appetite Statement is approved by the Board and includes a qualitative statement for the Environment, Climate Change and Community Group Risk Category. This provides guidance to management on the amount and type of risk that is acceptable, and key risk indicators are set by management to help monitor performance against our risk appetite. Refer to section C1.1a for a description of the relevant experience of Board members. To enhance that experience, the Board has taken a number of measures to ensure that its decisions are informed by climate change science and expert advisers. The Board seeks the input of management (including from our Vice President Sustainability and Climate Change) and independent advisers. In addition, our Forum on Corporate Responsibility advises operational management teams and engages with the Sustainability Committee and the Board as appropriate. In 2019, BHP's Board Directors approved a new Climate Investment Program to invest more resources in low emissions technologies and other activities that can decarbonise our operations and value chain. The Program will build on BHP's existing investments in low emissions technologies and carbon capture and storage. The Climate Investment Program includes a total investment amount of US\$400 million over its five-year life. The Program was announced in July 2019. During FY2020, the Board undertook a deep dive relating to climate change and strategy. This included discussions about climate change scenarios and on relative commodity attractiveness, including a 1.5°C Paris Agreement-aligned scenario and a non-linear, higher temperature Climate Crisis scenario. Following detailed discussions by the ELT, the Board's Sustainability Committee and the Board during FY2020, the Board approved our FY2030 operational emissions target, our Scope 3 emission goals and our Carbon Offset Strategy. Details are available in our Climate Change Report 2020, available online at www.bhp.com .
Scheduled – some meetings	<ul style="list-style-type: none"> Reviewing and guiding major plans of action Reviewing and guiding annual budgets Setting performance objectives Overseeing major capital expenditures, acquisitions and divestitures 	<Not Applicable>	Climate change is treated as a Board-level governance issue and is discussed regularly, including as part of Board strategy discussions, portfolio reviews and investment decisions, risk management oversight and monitoring, and performance against our commitments. Collectively, the Board has the experience and skills to assist the Group in the optimal allocation of financial, capital and human resources for the creation of long-term shareholder value. Our Board is actively engaged in the setting of strategy and governance of climate-related issues and risks. The Sustainability Committee assists the Board in overseeing the Group's health, safety, environment and community (HSEC) performance and governance responsibilities, and the adequacy of the Group's HSEC framework, including climate change. The Risk and Audit Committee and Sustainability Committee assist the Board with the oversight of climate change risk management, although the Board retains overall accountability for BHP's risk profile. During FY2020, the Board: <ul style="list-style-type: none"> • Undertook a deep dive relating to climate change and strategy, including climate change scenarios. Discussions included the relative commodity attractiveness, under a 1.5°C scenario. Following detailed discussions by the ELT, the Board's Sustainability Committee and the Board during FY2020, the Board approved our FY2030 operational emissions target, Scope 3 emission goals and noted the Carbon Offset Strategy. Details are available in our Climate Change Report 2020, available online at www.bhp.com. • Considered stakeholder attitudes, including those of investors, in relation to climate change and the direction and momentum of the evolution of those expectations. • Held discussions on a range of other climate-related topics including the role of industry associations in climate policy advocacy, and investor and government views on climate-related issues (including in the context of shareholder requisitioned resolutions). • Strengthened the link between executive remuneration and delivery of our climate-related performance measures, now representing 10 per cent of the Cash and Deferred Plan (CDP) scorecard.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	<Not Applicable >	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly
Other C-Suite Officer, please specify (Chief External Affairs Officer (equivalent to the Chief Operating Officer (COO)))	<Not Applicable >	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly
Sustainability committee	<Not Applicable >	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly
Risk committee	<Not Applicable >	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Half-yearly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

Climate change is a material governance and strategic issue for BHP and is routinely on the Board agenda, including as part of strategy discussions, portfolio reviews and investment decisions, risk management oversight and monitoring, and performance against our commitments. The Sustainability Committee assists the Board in overseeing the Group's climate change performance and governance responsibilities. The Risk and Audit Committee and Sustainability Committee assist the Board with the oversight of climate change risk management, although the Board retains overall accountability for BHP's risk profile. Below the level of the Board, key management decisions are made by the CEO, and management, in accordance with their delegated authority. The Executive Leadership Team (ELT) are held to account for a range of measures including climate change-related performance, and these measures are cascaded through the organisation.

Our approach to sustainability is reflected in Our Charter and in our sustainability performance targets, which define our public commitments related to health, safety, environment and community (HSEC), including climate change. Management have primary responsibility for the design and implementation of an effective HSEC Management System and accountability for HSEC performance. The Board, Sustainability Committee and management seek input and insight from external experts. We also have clear links between executive remuneration and HSEC performance.

BHP has a dedicated Climate Change Team that sits within our External Affairs function and is responsible for advising the ELT on BHP's response to climate change. The team collaborates with BHP's Functions and Asset teams, external partners and industry to develop practical climate change solutions, designed to preserve and unlock long-term value for BHP. It regularly prepares information and advice for the ELT, Sustainability Committee, Risk and Audit Committee and the Board on climate-related strategy, risks and performance against climate-related metrics. We also use key risk indicators to monitor performance against our risk appetite for climate-related risks.

Climate-related activity is also undertaken across the Group, including in our Portfolio Strategy and Development, Commercial, Planning and Technical and Environment teams. These activities are overseen by the Climate Change Steering Committee, which is made up of senior management representing our operated assets and Commercial team, plus Legal, Governance, Finance, Planning and Investor Relations functions. The Steering Committee and Climate Change Team are supported by the Climate Change Working Group, which acts as a coordination point for climate-related activity across BHP's functions.

The Sustainability Committee assists the Board in overseeing the Group's HSEC performance and governance responsibilities, and the adequacy of the Group's HSEC framework, including climate change. Committee members have extensive experience with complex HSEC risks and frameworks, and the broader stakeholder considerations relating to climate change. The Sustainability Committee spends a significant amount of time considering systemic climate change matters relating to the resilience of, and opportunities for, BHP's portfolio.

The Risk and Audit Committee (RAC) assists the Board with the oversight of risk management, although the Board retains overall accountability for BHP's risk profile. In addition, the Board requires the CEO to implement a system of controls for identifying and managing risk. The Directors, through the RAC, review the systems that have been established, regularly review the effectiveness of those systems and monitor to ensure that necessary actions have been taken to remedy any significant failings or weaknesses identified from that review. The RAC regularly reports to the Board to enable the Board to review our Risk Framework at least annually, to confirm that the Risk Framework continues to be sound and that BHP is operating with regard to the risk appetite set by the Board.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Chief Executive Officer (CEO)	Monetary reward	Emissions reduction target Supply chain engagement	The Remuneration Committee develops and agrees with the Board the remuneration policy for the CEO based on a number of strategic drivers, including sustainability. Components of the CEO's remuneration are base salary, pension contributions, benefits, the short-term incentive plan (STIP) until FY2019 or the cash and deferred plan (CDP) from FY2020 and the long-term incentive plan (LTIP). For FY2019, under the prior STIP the Remuneration Committee set a balanced scorecard of HSEC (including climate change), financial and individual performance measures, with targets and relative weightings, at the beginning of the financial year. HSEC measures carried a 25% weighting. The target level of STIP was worth 160% of base salary (maximum 240%), delivered half in cash and half in deferred shares vesting in 2 years. The minimum STIP outcome was zero. At the conclusion of FY2019, the Board and Committee determined that the STIP outcome for the CEO for FY2019 to be 48% against the 100% target (which is 32% against maximum). This outcome took into account HSEC performance, including climate change. For FY2020, the STIP was replaced with the CDP in accordance with the remuneration policy changes approved by shareholders at the 2019 Annual General Meetings. Under the CDP, the Remuneration Committee also sets a balanced scorecard of HSEC (including climate change), financial and individual performance measures. In 2020, the Board approved the recommendation from the Remuneration Committee, working in conjunction with the Sustainability Committee, that from 1 July 2020 (for FY2021), the 25% HSEC component of the CDP scorecard will include increased weighting, specificity and transparency on climate-related metrics. For FY2021, the climate change weighting within the CDP scorecard that applies to the CEO, and members of the ELT, will be 10% (i.e. 40% of the 25% HSEC component weighting), which compares to ~4% allocated to climate change in the prior STIP. This change delivers on BHP's commitment to clarify and strengthen the links between executive remuneration and climate change. The 10% climate change component will include reductions in Scope 1 and Scope 2 operational emissions, actions to reduce operational emissions on the pathway to net-zero emissions and actions to address value chain emissions.
Corporate executive team	Monetary reward	Emissions reduction target Supply chain engagement	An individual CDP scorecard of measures is set for each executive in the Executive Leadership Team (ELT) at the commencement of each financial year. These measures and their relative weightings are chosen by the Remuneration Committee in order to appropriately drive overall performance in the current year, including achievement of financial outcomes and delivery against measures that impact the long-term sustainability of the Group. The Sustainability Committee assists the Remuneration Committee in determining appropriate HSEC metrics to be included in ELT scorecards. Delivery of GHG emission reduction projects and achievement of GHG emissions reduction targets are included in these HSEC metrics. At the conclusion of the financial year, each executive's achievement against their measures is assessed by the Committee and the Board, and their CDP award determined. The Remuneration Committee is assisted by the Sustainability Committee and by the Risk and Audit Committee in relation to assessment of performance against HSEC (including GHG metrics) and financial measures, respectively. The Board believes this method of assessment is transparent, rigorous and balanced, and provides an appropriate, objective and comprehensive assessment of performance. Refer to the CEO section above with respect to the change to the HSEC component of the CDP scorecard for FY2021. This change, with an increase in the weighting, specificity and transparency of climate-related metrics, will directly determine the remuneration outcomes of the CEO and the members of the ELT, and will also be cascaded to other senior leaders and the broader workforce, and specifically to individual employees who have direct accountability for the achievement of HSEC outcomes as part of their roles.
Business unit manager	Monetary reward	Emissions reduction target	Senior executives' performance is adopt measured against an annual scorecard that includes performance indicators aligned with meeting HSEC targets, including GHG emissions reduction targets. The responsibility of BHP's Asset Presidents is to ensure their Asset Group's GHG emission reduction target is achieved for the operated assets under their control. Refer to the CEO section above with respect to the change to the HSEC component of the CDP scorecard for FY2021. This change, with an increase in the weighting, specificity and transparency of climate-related metrics, will directly determine the remuneration outcomes of the CEO and the members of the ELT, and will also be cascaded to other senior leaders and the broader workforce, and specifically to individual employees who have direct accountability for the achievement of HSEC outcomes as part of their roles.
Environment/Sustainability manager	Monetary reward	Emissions reduction target	Senior executives' performance is measured against an annual scorecard that includes Senior managers adopt annual performance indicators aligned with meeting HSEC targets that include GHG emissions reduction targets. It is their responsibility to ensure that performance against GHG emissions reduction targets is tracked at the operational level and reported on an annual basis. Refer to the CEO section above with respect to the change to the HSEC component of the CDP scorecard for FY2021. This change, with an increase in the weighting, specificity and transparency of climate-related metrics, will directly determine the remuneration outcomes of the CEO and the members of the ELT, and will also be cascaded to other senior leaders and the broader workforce, and specifically to individual employees who have direct accountability for the achievement of HSEC outcomes as part of their roles.
All employees	Monetary reward	Emissions reduction target	As an organisation we hold our people accountable to our Charter Values of Sustainability, Integrity, Respect, Performance, Simplicity and Accountability. We annually review and remunerate based on consideration of the performance of employees with respect to each of these values. Furthermore, the short-term incentive (STI) pool, determined against an annual scorecard, includes consideration of HSEC metrics (including GHG emissions reduction and other climate-related performance measures). Refer to the CEO section above with respect to the change to the HSEC component of the CDP scorecard for FY2021. This change, with an increase in the weighting, specificity and transparency of climate-related metrics, will directly determine the remuneration outcomes of the CEO and the members of the ELT, and will also be cascaded to other senior leaders and the broader workforce, and specifically to individual employees who have direct accountability for the achievement of HSEC outcomes as part of their roles.
All employees	Non-monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target Behavior change related indicator Environmental criteria included in purchases Supply chain engagement	Every year we hold HSEC Awards, where all employees can nominate or be nominated to receive an award in recognition of their achievements in any area related to HSEC, including GHG emissions reductions and other climate-related initiatives. We believe these awards constitute an added incentive to our employees to do their utmost in promoting sustainability and action on climate change.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	2	BHP has a two-year budget. Our Risk Framework includes requirements and guidance on the tools and process to manage all risk types (current and emerging).
Medium-term	2	5	BHP has a five-year plan, which includes a more detailed outlook for this period. Our Risk Framework includes requirements and guidance on the tools and process to manage all risk types (current and emerging).
Long-term	5	30	Our supply, demand and pricing forecasts and scenarios for portfolio analysis extend to 2050 and in some cases beyond. Given the long term nature of some climate-related risks, we qualitatively and quantitatively explore scenario outcomes across a range of climate outcomes in the long run and assess the impact that will have on our portfolio options. Our Risk Framework includes requirements and guidance on the tools and process to manage all risk types (current and emerging).

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Current risks may have their origin inside BHP or originate as a result of BHP's activities. These may be strategic or operational in nature and include material and non-material risks.

The materiality of a current risk is determined by estimating the maximum foreseeable loss (MFL) if that risk was to materialise. The MFL is not an estimate of the probable impact to BHP if the risk was to materialise. Instead, the MFL is the estimated impact to BHP in a worst case scenario without regard to probability and assuming that all risk controls, including insurance and hedging contracts, are ineffective.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

Annually

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

This response reflects our Risk Framework as at 30 June 2020. Our Risk Framework requires identification and management of risks to be embedded in business activities through the following process: • risk identification – new and emerging risks are identified and each is assigned an owner, or accountable individual, in the part of our business where the risk is located • risk assessments – risks are assessed using an appropriate and internationally-recognised technique to determine their potential impacts and likelihood, prioritise them and inform risk treatment options • risk treatment – controls are implemented to prevent, reduce or mitigate downside risks and increase the likelihood of opportunities being realised • monitoring and review – risks and controls are reviewed periodically and on an ad hoc basis (including where there are high potential events or changes in the external environment, such as the COVID-19 pandemic) to evaluate performance All risks, including climate-related threats and opportunities, are required to be managed in accordance with this process. Current risks may have their origin inside BHP or originate as a result of BHP's activities. These may be strategic or operational in nature and include material and non-material risks. The materiality of a current risk is determined by estimating the maximum foreseeable loss (MFL) if that risk was to materialise. The MFL is not an estimate of the probable impact to BHP if the risk was to materialise. Instead, the MFL is the estimated impact to BHP in a worst case scenario without regard to probability and assuming that all risk controls, including insurance and hedging contracts, are ineffective. For example, when calculating the number of fatalities to assess MFL in the event of an offshore well blow out, we assume the personnel capacity of the drilling rig even though there may be fewer people on it at the time of an incident and despite controls such as emergency response plans and equipment in place that are designed to reduce the number of fatalities. Our focus for current risks is to prevent their occurrence or minimise their impact should they occur, but we also consider how to maximise possible benefits that might be associated with strategic risks. Current material risks are required to be evaluated once a year at a minimum to determine whether our exposure to the risk is within our risk appetite. Emerging risks are newly developing or changing risks that are highly uncertain and difficult to quantify. They are generally driven by external influences and often cannot be prevented, although they can be prepared for. They also tend to be interconnected and often require solutions that draw upon expertise from across our organisation. In FY2020, we introduced an enterprise-level 'watch list' of themes that provides an evolving view of the changing external environment and how it might have an impact on our business. This watch list includes 'non-linear climate change'. This theme addresses the potential for the climate system to pass through 'tipping points', which could trigger abrupt impacts that make adaptation difficult. Once identified, our focus for emerging risks is on reducing the impact should an event occur, and on advocacy efforts to reduce the likelihood of the risks manifesting (for example, advocating for public policy responses to mitigate greenhouse gas emissions). We apply contingency controls, such as response plans, to emerging risks that are outside our appetite. These controls increase the resilience of BHP to shocks from the external environment.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	This response reflects our climate-related risk assessments as at 30 June 2020. Transitioning to a low carbon economy may entail extensive policy and regulatory changes to address mitigation and adaptation requirements, or initiatives related to climate change. Policy and regulatory risk is particularly relevant for resource-intensive organisations with significant GHG emissions across their value chains. BHP produces fossil fuels (energy coal, oil and gas) used primarily in the transport and electricity generation sectors, as well as fossil fuels and other commodities used as inputs to emissions-intensive industrial processes (including metallurgical coal and iron ore used in steelmaking). We also use fossil fuels in our mining and processing operations either directly or through the purchase of fossil fuel-based electricity. We therefore have already been and may be further impacted by policies and regulations that reduce GHG emissions from the resources, electricity generation, transport and industrial sectors. We have operated assets and projects, exploration activities or interests in non-operated assets in many geographic locations. We also operate under a Dual Listed Company structure, with listings subject to regulation in the UK, Australia, South Africa and the United States. The policy and regulatory landscape vary significantly between jurisdictions, increasing the risks that climate-related regulation may pose for BHP. Some examples of current regulation BHP is subject to include: - In Australia, we operate under the Safeguard Mechanism administered by the Clean Energy Regulator which sets an emission threshold on facilities emitting over 100,000 tonnes of CO2e per year. - In Chile, the Tax Reform Law 20780 added a 'green tax' on particulate matter, sulphur dioxide and carbon dioxide air emissions by facilities with a rated capacity greater than or equal to 50MWt. Uncertainty around the application or interpretation of current regulations in some of the jurisdictions in which we operate creates additional risk. On a subnational level, many states and cities are continuing to develop and expand initiatives to reduce GHG emissions, leaving companies facing differing regulatory regimes across the country. In Australia, a carbon pricing regime introduced in 2011 by a Labour government was repealed in 2014 by the subsequent Coalition government, and the energy and climate policy landscape remains uncertain.
Emerging regulation	Relevant, always included	This response reflects our climate-related risk assessments as at 30 June 2020. Transitioning to a low carbon economy may entail extensive policy and regulatory changes to address mitigation and adaptation requirements or initiatives related to climate change. Policy and regulatory risk is particularly relevant for resource-intensive organisations with significant GHG emissions across their value chains. BHP produces fossil fuels (energy coal, oil and gas) used primarily in the transport and electricity generation sectors, as well as fossil fuels and other commodities used as inputs to emissions-intensive industrial processes (including metallurgical coal and iron ore used in steelmaking). We also use fossil fuels in our mining and processing operations either directly or through the purchase of fossil fuel-based electricity. We therefore have already been and may be further impacted by policies and regulations that reduce GHG emissions from the resources, electricity generation, transport and industrial sectors. We have operated assets and projects, exploration activities or interests in non-operated assets in many geographic locations including Australia, Chile, Peru, Brazil, Colombia, Canada, the US, , Trinidad and Tobago, and Algeria; and similarly sell our products into numerous markets, particularly in Asia. We also operate under a Dual Listed Company structure, with listing subject to regulation in the UK, Australia, South Africa and the United States. The regulatory landscape varies significantly between jurisdictions, increasing the risks that climate-related regulation may pose for BHP. Some examples of emerging regulation BHP may become subject to (if implemented in domestic regulation in relevant jurisdictions) include: - Mandatory TCFD reporting in the European Union - Paris Agreement, Article 6, which calls for the establishment of an international carbon market. We also consider the potential for the development of future carbon markets.
Technology	Relevant, always included	This response reflects our climate-related risk assessments as at 30 June 2020. Transition risk arises from a variety of technological and market responses to the challenges posed by climate change and the transition to a low carbon economy; these are often interconnected with the policy and regulatory risks discussed separately, with more ambitious emissions reduction targets or GHG regulations likely to accelerate the adoption of lower emissions technologies. We have not identified 'technology' as a material climate-related risk to be managed in its own right but do consider technology impacts in all climate-related risk assessments. The substitution of existing technologies with lower emissions options, particularly in the electricity generation and transport sectors, has the potential to reduce demand for our fossil fuel products. For example, switching from coal to gas or renewables for electricity generation may lead to reduced demand for our energy coal products. The development of low emissions technologies also presents an opportunity for BHP. Our copper products have application in a variety of low emissions products in energy generation and transport, for example electric vehicles, that are expected to see growth driven by technology developments. Likewise, nickel is a key raw material for batteries, with battery producers expected to match electric vehicle growth rates. Carbon capture and storage/carbon capture, utilisation and storage (CCUS) is another key technology that offers an opportunity for BHP as CCUS has the potential to play a pivotal role in decarbonizing industrial processes such as steel production (steelmaking, which uses both iron ore and metallurgical coal, currently accounts for the majority of Scope 3 emissions in our value chain). Technology developments also have the potential to impact our operations, with the potential requirement for increased capital expenditure or investment in research and development into low emissions or negative emissions technologies. The deployment of low emissions technologies at our operations also presents opportunities to reduce costs, improve productivity and reduce health-related risks to our people. For example, deploying electric vehicles at our mine sites has the potential to lower operating costs and reduce, or in some cases, eliminate potential exposure of our people to emissions associated with some health-related risks.
Legal	Relevant, always included	This response reflects our climate-related risk assessments as at 30 June 2020. Legal risk is relevant to BHP in that applications for licences, permits and authorisations required to develop our assets and projects may face greater scrutiny and be contested by third parties due to climate-related concerns. BHP may be subject to or impacted by climate-related litigation (including class actions). There has been a recent escalation of climate-related litigation involving companies, particularly in the US.
Market	Relevant, always included	This response reflects our climate-related risk assessments as at 30 June 2020. Market risk can take the form of changing customer behaviour or uncertainty in market signals. The ways in which markets could be affected by climate change are varied and complex. For BHP, market risk is intimately connected with the technology, policy and regulatory risks described separately; changes in public expectations may also play a role. The substitution of existing technologies with lower emissions options, particularly in the electricity and transport sectors, has the potential to reduce demand for our fossil fuels. For example, switching from coal to gas or renewables for electricity generation may lead to reduced demand for our energy coal products (though it may increase demand for our natural gas for the period of switching to gas). The development of low emissions technologies also presents an opportunity for BHP. In terms of direct impacts on our operations, another form of market risk is the potential for increases in the cost of fuels or other raw materials as a result of developments in climate regulations. As a major energy consumer, this is of relevance to our business, and managing energy use and cost at our operations is a priority for BHP.
Reputation	Relevant, always included	This response reflects our climate-related risk assessments as at 30 June 2020. Climate change is a potential source of reputational risk tied to changing investor, customer, community or other stakeholder perceptions of an organisation's contribution to or detractor from the transition to a low carbon economy. This may lead to shifts in consumer preferences, as discussed separately in the context of market risk, and as such is relevant to BHP. This also represents an opportunity for BHP due to the broader social value of the commodities we produce and their contribution to economic development. For example, though they are emissions-intensive to produce, steel products (including products manufactured using steel equipment) are ubiquitous in society and integral to transport, housing, agriculture, manufacturing, energy production, and water supply systems. Developing societies need steel to meet their infrastructure and construction needs, and steel is critical to the sectors and technologies on which a low carbon economy would be based, such as energy and resource efficient buildings, renewable energy infrastructure, and low emissions transport. Reputational risk may also manifest in the form of stigmatisation of certain sectors or increased stakeholder concern. The production and use of fossil fuels receives scrutiny from a range of stakeholders, including governments, investors, insurers, NGOs and communities, and stakeholder expectations in relation to climate change continue to increase. For BHP, there is the potential for reputational risks with investors and other stakeholders if our performance and policy commitments on climate and other Environmental, Social and Corporate Governance (ESG) issues fall short of stakeholder expectations for a leading resources company. A loss of stakeholder support could result in: • restricted access to capital or an inability to attract new or retain existing employees • adverse impacts to the environment, communities, human rights and social wellbeing, which could affect our relationships with, and be viewed negatively by, the community and other stakeholders and damage our reputation • opposition to new projects or our entry to new jurisdictions by communities, including through legal or social action, or other loss of business opportunities • the Group may be subject to or impacted by climate-related litigation (including class actions), associated costs and reputational damage.
Acute physical	Relevant, always included	This response reflects our climate-related risk assessments as at 30 June 2020. Risks related to the potential physical impacts of climate change include acute risks resulting from increased severity of extreme weather events. Such risks may materially and adversely affect our assets, the productivity of our assets and the costs associated with our assets, as well as our supply chains, transport and distribution networks, customers' facilities and the markets in which we sell our products. They may also impact the wider environment in which we operate, including the natural environment, communities and other stakeholders. We have onshore and offshore extractive, processing and logistical operations in many geographic locations and as such a wide variety of physical climate change risks are potentially relevant to our business. At BHP, we have already identified potential threats from extreme weather events to our operations, and have adapted accordingly. Refer to Risk 2 below in C2.3a for a specific example of this risk as it applies to our business.
Chronic physical	Relevant, always included	This response reflects our climate-related risk assessments as at 30 June 2020. Risks related to the physical impacts of climate change also include chronic risks resulting from longer-term changes in climate patterns. Both forms of physical risk (acute and chronic) are relevant to BHP. Chronic physical risks include longer-term changes in climate patterns, for example, potential changes in precipitation patterns, water shortages, rising sea levels, increased storm intensities, higher temperatures and natural disasters. Storm surges and sea level rise would have the potential to affect our port facilities, offshore petroleum operations and onshore operations located near coastlines. Our key port facilities are located at Coloso and Antofagasta in Chile and Port Hedland and Hay Point in Australia. Changing precipitation patterns may exacerbate water stress, affect the structural integrity of tailings dams and impact availability of water for our operations. Some of our operated assets, such as those producing copper, are water intensive. Others, for example Queensland Coal, are located in areas that have already experienced significant changes in precipitation patterns in recent years. Temperature extremes could affect the performance of our workforce. In order to strengthen our approach to adapting to actual or expected physical impacts of climate change, BHP undertook a series of assessments and engagements in FY2020. These included a questionnaire for our operated assets, industry benchmarking assessment, internal policy review and extensive engagements across BHP. BHP has existing commitments and requirements for climate adaptation, as expressed through Our Climate Change Position Statement, our Group-wide minimum mandatory performance standards for risk management, environment and climate change, water and tailings storage facilities and closure, and Our Social Value Plan. Requirements under the Our Requirements for Environment and Climate Change standard are designed to support and intersect with other key initiatives, including GHG emissions reduction, water stewardship and social value. Working collaboratively across these initiatives is expected to help minimise and mitigate the physical climate change risks to our business.

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Technology	Substitution of existing products and services with lower emissions options
------------	---

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

A structural change occurs in the end uses for the commodity, arising from long term substitution or demand destruction.

Time horizon

Long-term

Likelihood

More likely than not

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

2000000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The potential financial impact figure is US\$2 billion or more. The high degree of uncertainty around the likelihood of occurrence, timing and magnitude of the risk makes it difficult to determine the potential financial impact with any precision. The risk relates to a number of different markets (geographically and product) and there is variability in the magnitude and timing across and within markets depending on if, when and how it were to occur. Potential financial impact is further dependent on our approach to managing the risk. Refer to the Important Notice set out in Section C0.1 above in relation to forward looking statements, and the Description of response and further explanation of cost calculation section below.

Cost of response to risk

0

Description of response and explanation of cost calculation

The potential financial impact figure above has been provisionally estimated as the maximum foreseeable loss (MFL) if that risk were to materialise. The MFL is not an estimate of the probable impact to BHP if the risk was to materialise and is used solely as an input to our risk management process. Refer to Section C2.2 for further information about our estimation of MFL. Our approach to managing this risk should be considered in the context of our strategy to have a simple and diverse portfolio of tier one assets that are long life, low cost and expandable, and future options diversified by commodity and geography; and of broader trends in the sector. We manage risk by seeking to remain financially disciplined within the framework of our differentiated and proven strategy. We take a portfolio approach as the quality and breadth of our business across geography, commodity and market can help to reduce earnings volatility and enable our portfolio to be robust across a range of scenarios. For example, in FY2019, energy coal made up a relatively small part of our portfolio, representing around 3 per cent of EBITDA and around 5.6 per cent of Group capital expenditure on a cash basis in FY2019, helping to mitigate the potential financial impact if this risk occurs in the context of energy coal. In addition, we have not invested in any new greenfield energy coal assets for the past decade. An example of how we have reshaped our portfolio to focus on long-life, tier one assets is the divestment of New Mexico Coal.

Comment

This response reflects our risk profile as at 30 June 2020.

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods
----------------	--

Primary potential financial impact

Decreased revenues due to reduced production capacity

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

An overtopping event as the result of a cyclone leading to significant offshore infrastructure damage.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

6400000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The potential financial impact figure above relates to a specific overtopping risk identified at a specific BHP operated asset, only. The high degree of uncertainty around the likelihood of occurrence, frequency and severity of the event described by this risk makes it difficult to determine the potential financial impact with any precision. Potential financial impact is further dependent on our approach to managing the risk. The frequency and severity of the event would proportionally determine any long-term financial implication. Refer to the Important Notice set out in Section C0.1 above in relation to forward looking statements, and the Description of response and further explanation of cost calculation section below.

Cost of response to risk

0

Description of response and explanation of cost calculation

The potential financial impact figure above has been estimated as the maximum foreseeable loss (MFL) if the potential specific example of the risk (as noted above) were to materialise. The MFL is not an estimate of the probable impact to BHP if the risk was to materialise and is used solely as an input to our risk management process. Refer to Section C2.2 for further information about our estimation of MFL. We take a risk-based approach to adapting to the physical impacts of climate change, including consideration of the potential vulnerabilities of our operated assets, investments, portfolio, communities, ecosystems and our suppliers and customers across the value chain. Our operated assets are required to build climate resilience into their activities through compliance with the Our Requirements for Environment and Climate Change standard. We also require proposed new investments to assess and manage risks associated with the potential physical impacts of climate change. At BHP, we have already identified potential threats from extreme weather events to our operations and have adapted accordingly. Overtopping of port infrastructure at the Hay Point coal terminal in Queensland, for example, led to the identification and assessment of the risk of increasing storm intensity and storm surge levels during design of the facility's 2015 expansion. This resulted in the construction of higher marine infrastructure, including replacement trestle and a new, third loading facility and re-assessment of the work scopes for future replacement of the older two loading facilities to similarly address overtopping risks. Other examples include cyclone disruption (e.g. production shutdown) at Western Australia Iron Ore (WAIO), which has led to adaptive management practices that allow WAIO to respond to the risk of an increase in cyclone intensity in the Pilbara region. Water scarcity and quality impacts and risk have also led to desalination investments in Chile. We recognise the body of scientific knowledge about the potential impacts of climate change is rapidly expanding and we continue to review of our adaptation approach to account for the latest climate science. Part of our adaptation approach is continuing to learn and test the potential impacts on our business. By undertaking climate change resilience deep dives with our operated assets, we will be able to continue to build on our understanding.

Comment

This response reflects our risk profile as at 30 June 2020.

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Reputation	Other, please specify (Shareholder activism)
------------	--

Primary potential financial impact

Decreased access to capital

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Investor/Governance advisors/NGO adverse reaction and loss of confidence in the Group's governance. Serious national and international negative media attention. General public adverse reaction and interest from regulators. Ongoing condemnation resulting in damage to the reputation of the Company. The strategy of BHP is impacted by investor preferences around portfolio composition, capital management, and corporate structure. As a response to activist agitation, increasing number of investors support the need for a rapid change in the portfolio.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure**Cost of response to risk****Description of response and explanation of cost calculation**

The high degree of uncertainty around the likelihood of occurrence, timing and magnitude of the risk means we cannot determine the potential financial impact with any precision or within a range. The risk relates to a number of different markets (geographically and product) and there is variability in the magnitude and timing of the risk across and within markets depending on if, when and how it were to occur. Potential financial impact is further dependent on our approach to managing the risk. Refer to the Important Notice set out in Section C0.1 above in relation to forward looking statements. Our approach to managing this risk should be considered in the context of our strategy to have a simple and diverse portfolio of tier one assets that are long life, low cost and expandable, and future options diversified by commodity and geography; and of broader trends in the sector. We manage risk by seeking to remain financially disciplined within the framework of our differentiated and proven strategy. We take a portfolio approach as the quality and breadth of our business across geography, commodity and market can help reduce earnings volatility and enable our portfolio to be robust across a range of scenarios. For example, in FY2019, energy coal made up a relatively small part of our portfolio, representing around 3 per cent of EBITDA and around 5.6 per cent of Group capital expenditure on a cash basis in FY2019, helping to mitigate the potential financial impact if this risk occurs in the context of energy coal. In addition, we have not invested in any new greenfield energy coal assets for the past decade. An example of how we have reshaped our portfolio to focus on long-life, tier one assets is the divestment of New Mexico Coal.

Comment

This response reflects our risk profile as at 30 June 2020.

C2.4**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

C2.4a**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.****Identifier**

Opp1

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Other, please specify (Increased portfolio value resulting from increased revenues due to increased demand for products and services)

Company-specific description

Potential increased demand for our copper products. BHP is one of the world's top producers of copper. Our total copper production (concentrate and cathode) in FY2019 was 1,689 kt (Annual Report 2019, p.263). Our copper products have application in a variety of low emissions products in energy generation and transport that are expected to see growth driven by climate policy and technology developments. Our copper products are ideally placed to support the electrification of energy demand. The production, distribution and transmission of that power is anticipated to require a significant quantity of copper. Copper is particularly well placed to support the electrification of transport – with a battery-powered electric car requiring four times as much copper as a conventional car. Copper is also required to support build out of renewables capacity – both wind and solar. Offshore wind has five to six times more copper on a MW basis compared with a coal-fired power plant. For onshore wind, it's roughly double the amount of copper. Refer to our Climate Change Report 2020, available online at <https://www.bhp.com>, for a description of our latest portfolio analysis. Refer also to the Important Notice set out in Section C0.1 above in relation to forward looking statements. This opportunity should be considered in the context of broader trends in the sector. As is the case with many climate-related risks and opportunities, this opportunity may present over short-, medium- and long-term time horizons.

Time horizon

Long-term

Likelihood

More likely than not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

8000000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The potential financial impact figure is up to US\$8 billion. This figure reflects the potential increase in the value of our existing copper portfolio in our 1.5°C scenario compared to our Central Energy View scenario, also known as our mid planning case. Please see our Climate Change Report 2020, available online at <https://www.bhp.com>, for more detail on both of these scenarios. Note that the Central Energy View already includes a significant amount of copper for use in renewables and electrification of transport. The 1.5°C scenario is an attractive scenario for BHP, our shareholders and the global community. However, today's signposts do not indicate that the appropriate measures are in place to drive decarbonisation at the pace nor scale required for the 1.5°C scenario. The high degree of uncertainty around the likelihood of occurrence, timing and magnitude of the opportunity means we cannot determine the potential financial impact with any precision. The opportunity relates to a number of different markets and there is variability in the magnitude and timing of the opportunity across and within markets depending on if, when and how it were to occur. Potential financial impact is further dependent on implementation of our strategy to realise the opportunity. Refer to the Important Notice set out in Section C0.1 above in relation to forward looking statements. Refer also to our Climate Change Report 2020, available online at <https://www.bhp.com>, for information about the assumptions and limitations of our 1.5°C scenario and of scenario analysis more generally.

Cost to realize opportunity**Strategy to realize opportunity and explanation of cost calculation**

Our strategy, to have the Best Capabilities, Best Commodities and Best Assets, is integrated with the climate challenge and our ambition to grow value and returns in a decarbonising world. Every element of our strategic framework: the capabilities we need, the commodities we prefer and the assets we choose – including how we run those assets – is driven by the value we can create by positioning BHP to benefit from a world that is focussed on reducing greenhouse gas emissions. Refer to our Climate Change Report 2020, available online at <https://www.bhp.com>, for a description of our latest portfolio analysis. Our Olympic Dam asset in Australia comprises one of the world's largest ore bodies. In Chile, the Escondida asset is a leading producer of copper concentrate and cathodes, and Pampa Norte consists of two operated copper assets in northern Chile – Spence and Cerro Colorado. On 27 November 2018, we announced a copper, gold and uranium discovery at one of our exploration projects on the Stuart Shelf, 65 kilometres to the southeast of BHP's operations at Olympic Dam. During FY2019, we acquired an interest in Solgold Plc, the majority owner and operator of the Cascabel porphyry copper-gold project in Ecuador (Refer to our Annual Report 2019 and Annual Report 2020 for further details). We have been clear that we intend to create and secure more options in future facing commodities, including copper to optimise our opportunities. Copper exploration is focused on identifying and gaining access to new search spaces to test the best targets capable of delivering tier one deposits while we maintain research and technology activities aligned with our exploration strategy.

Comment

This response reflects the opportunity as at 30 June 2020.

Identifier

Opp2

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Other, please specify (Increased portfolio value resulting from increased revenues due to increased demand for products and services)

Company-specific description

Potential increased demand for our nickel products. Our Nickel West operated asset is a fully integrated mine-to-market nickel business with operations (mines, concentrators, a smelter and refinery) located in Western Australia. Integration of the business helps to add value throughout our nickel supply chain. Our total nickel production in FY2019 was 87.4 kt (Annual Report 2019, p.264). Nickel is a key raw material for batteries. We expect significant growth in electric vehicle sales, with battery producers expected to match electric vehicle growth rate while responding to growing demand from other areas i.e. stationary storage. Virtually all battery producers are moving to higher nickel-rich chemistries, which are preferred due to their superior energy density, lighter weight for any given battery size, increased vehicle range, and lower metal cost. Refer to our Climate Change Report 2020, available online at <https://www.bhp.com>, for a description of our latest portfolio analysis. Refer also to the Important Notice set out in Section C0.1 above in relation to forward looking statements. This opportunity should be considered in the context of broader trends in the sector. As is the case with many climate-related risks and opportunities, this opportunity may present over short-, medium- and long-term time horizons.

Time horizon

Long-term

Likelihood

More likely than not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1000000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The potential financial impact figure is up to US\$1 billion. This figure reflects the potential increase in the value of our existing nickel portfolio in our 1.5°C scenario compared to our Central Energy View scenario, also known as our mid planning case. Please see our Climate Change Report 2020, available online at

<https://www.bhp.com>, for more detail on both of these scenarios. Note that the Central Energy View already includes a significant amount of nickel, for use in batteries. The 1.5°C scenario is an attractive scenario for BHP, our shareholders and the global community. However, today's signposts do not indicate that the appropriate measures are in place to drive decarbonisation at the pace nor scale required for the 1.5°C scenario. The high degree of uncertainty around the likelihood of occurrence, timing and magnitude of the opportunity means we are unable to determine the potential financial impact with any precision. The opportunity relates to a number of different markets and there is variability in the magnitude and timing of the opportunity across and within markets depending on if, when and how it were to occur. Potential financial impact is further dependent on implementation of our strategy to realise the opportunity. Refer to the Important Notice set out in Section C0.1 above in relation to forward looking statements. Refer also to our Climate Change Report 2020, available online at <https://www.bhp.com>, for information about the assumptions and limitations of our 1.5°C scenario and of scenario analysis more generally.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

Our strategy, to have the Best Capabilities, Best Commodities and Best Assets, is integrated with the climate challenge and our ambition to grow value and returns in a decarbonising world. Every element of our strategic framework: the capabilities we need, the commodities we prefer and the assets we choose – including how we run those assets – is driven by the value we can create by positioning BHP to benefit from a world that is focussed on reducing greenhouse gas emissions. Refer to our Climate Change Report 2020, available online at <https://www.bhp.com>, for a description of our latest portfolio analysis. We have been clear that we intend to create and secure more options in future facing commodities, including nickel to optimise our opportunities. We are investing in our Nickel West asset to enable production of downstream battery chemicals like nickel sulphate to support our transition to become a globally significant battery materials supplier. Nickel West made significant progress in FY2019 on its transition to becoming a leading supplier to the battery materials market, selling more than 70 per cent of its production to this sector in FY2019. In addition, we announced that Nickel West will be retained in the BHP portfolio. Construction of a nickel sulphate plant at the Kwinana Nickel Refinery is underway. Stage 1 is expected to produce up to 100 ktpa of nickel sulphate.

Comment

This response reflects the opportunity as at 30 June 2020.

Identifier

Opp3

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Potential increased demand for our natural gas products. As well as being a major producer of iron ore, metallurgical coal and copper, we also have substantial interests in oil and gas. Our natural gas production in FY2019 totalled 493 billion cubic feet (Annual Report 2019, p.265). CO2 emissions from the combustion of natural gas are lower than those from other fossil fuels, with the potential for avoided emissions from fuel switching. The introduction of more stringent climate policy and GHG regulations, including carbon pricing, has the potential to provide a cost advantage for lower carbon energy sources and could increase the market for natural gas. Refer to our Climate Change Report 2020, available online at <https://www.bhp.com>, for a description of our latest portfolio analysis. Refer also to the Important Notice set out in Section C0.1 above in relation to forward looking statements. The development of an economic carbon capture and storage/carbon capture, utilisation and storage solution would be expected to provide additional upside. This opportunity should be considered in the context of broader trends in the sector. In the case of liquefied natural gas (LNG), despite strong demand growth in Asia and Europe, new supply is likely to weigh on the market in the near term. However, in the long run, the outlook for LNG appears positive, underpinned by rising energy demand from emerging economies and the need for low-emission and flexible fuels to support decarbonisation of hard to abate sectors and supplement intermittent renewables. Depleting indigenous gas supplies would also be expected to increase the dependence of some major consumers on the export market. As is the case with many climate-related risks and opportunities, this opportunity may present over short-, medium- and long-term time horizons.

Time horizon

Medium-term

Likelihood

About as likely as not

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The high degree of uncertainty around the likelihood of occurrence, timing and magnitude of the opportunity means we are unable to determine the potential financial impact with any precision. The opportunity relates to a number of different markets and there is variability in the magnitude and timing of the opportunity across and within markets depending on if, when and how it were to occur. Potential financial impact is further dependent on implementation of our strategy to realise the opportunity.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

Our strategy is to continue to invest in advantaged gas assets, which are those that are advantaged on the cost curve, either due to proximity to infrastructure or access to premium markets. Our strategy to realise this opportunity should be considered in the context of our strategy to have a simple and diverse portfolio of tier one assets that are long life, low cost and expandable, and future options diversified by commodity and geography; and of broader trends in the sector. Refer to our Climate Change Report 2020, available online at <https://www.bhp.com>, for a description of our latest portfolio analysis. Refer also to the Important Notice set out in Section C0.1 above in relation to forward looking statements. Our Petroleum unit comprises conventional oil and gas assets, and includes exploration, development and production activities. We have a

high-quality resource base concentrated in the United States and Australia. During FY2019, we divested our entire interests in our Eagle Ford, Haynesville, Permian and Fayetteville Onshore US oil and gas assets. Natural gas is a key transition fuel, providing opportunities to invest in the quality gas resources in our portfolio. We are a joint venture participant in the North West Shelf project (12.5–16.67 per cent interest), located approximately 125 kilometres northwest of Dampier in Western Australia. The North West Shelf project supplies gas to the Western Australian domestic market and liquefied natural gas (LNG) to buyers primarily in Japan, South Korea and China.

Comment

This response reflects the opportunity as at 30 June 2020.

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative and quantitative

C3.1b

(C3.1b) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
Other, please specify (A 1.5°C Paris-aligned scenario, a non-linear, higher temperature Climate Crisis scenario, a Central Energy View and a Lower Carbon View)	<p>BHP develops planning cases to inform our strategic choices and the timing of their execution. Planning cases consist of plausible commodity-specific forecast ranges that are developed through in-depth, rigorous bottom-up analysis. To understand the range of plausible outcomes for each commodity, we first develop long-term views on the common assumptions on issues that influence all of our markets. These common assumptions are complemented by long term views on key sectors, developed through scenario analysis, that consider competition between substitutable commodities, services or technologies, and analyses these trade-offs in an integrated way. These assessments are the basis for determining if we view a commodity as attractive. BHP uses the Central Energy View and Lower Carbon View (described below) as inputs to our planning cases. Our investment decisions are judged over the course of decades, so we must plan on equivalent time horizons. However, the further we project into the future, the wider the range of uncertainty we face. We test the reasonableness of key assumptions using multiple foresight tools to assess uncertainty. Our strategic themes and scenarios allow us to examine divergent pathways for the biggest and most durable trends, determine the balance of risks that these external trends pose to the resilience of our portfolio and investment decisions, and identify how well placed we are to act on opportunities they may present. We also identify the signals required to monitor the direction and pace of the progress of these trends. There are inherent limitations with scenario analysis, and it is difficult to predict which, if any, of the scenarios might eventuate. Scenarios do not constitute definitive outcomes for us. Scenario analysis relies on assumptions that may or may not be, or prove to be, correct and may or may not eventuate, and scenarios may be impacted by additional factors to the assumptions disclosed. Given the rapid pace of external change, in FY2020 we conducted portfolio analysis based on four energy system scenarios, to examine the impact of different economic, policy and societal changes: •Central Energy View reflects existing policies trends and commitments, and tracks to approximately 3°C temperature increase above pre-industrial levels by 2100 •Lower Carbon View tracks to an approximately 2.5°C temperature increase by 2100 and accelerates decarbonisation trends and policies, particularly in easier to abate sectors such as power generation and light duty vehicles •Climate Crisis scenario has strong growth with limited climate action for a decade and a half, followed by a climate crisis which precipitates an extremely steep decarbonisation trajectory, societal turmoil and low GDP growth. •1.5°C scenario, which aligns with the goals of the Paris Agreement and requires steep global annual emissions reductions, sustained for decades. Our updated portfolio analysis demonstrates that our business can continue to thrive over the next 30 years, as the global community takes action to decarbonise, even under a Paris-aligned 1.5°C trajectory. The Climate Crisis scenario is not an attractive scenario for BHP, nor our shareholders or the global community. In contrast, the 1.5°C scenario is an attractive scenario for BHP, our shareholders and the global community. However, today's signposts do not indicate that the appropriate measures are in place to drive decarbonisation at the pace or scale required for the 1.5°C scenario. If we see the necessary changes in our signposts, we will adjust our planning cases accordingly. This response should be read in conjunction with the BHP Climate Change Report 2020 available at bhp.com. The information here is an overview and may omit information, analysis and assumptions, and accordingly, BHP cautions readers from relying on the information in isolation. Refer also to the Important Notice set out in Section C0.1 above in relation to forward looking statements.</p>

C3.1d

(C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Consideration of climate-related risks (threats and opportunities) as an input to forecast demand for our products has a direct impact on our strategy. The substitution of existing technologies with lower emissions options, particularly in the electricity and transport sectors, has the potential to reduce demand for our fossil fuel products. For example, switching from coal to gas or renewables in electricity generation may lead to reduced demand for our energy coal products. The development of low emissions technologies also presents opportunity for BHP. Our copper products have application in a variety of low emissions products in energy generation and transport, for example electric vehicles, that are expected to see market growth driven by both technology and policy developments. Likewise nickel is a key raw material for batteries, with battery producers expected to match electric vehicle growth rates. Given demand forecast for our products varies across commodity, we take a portfolio approach as the quality and breadth of our business across geographies, commodity and market helps to reduce earnings volatility and ensure that our portfolio is robust across a range of scenarios.
Supply chain and/or value chain	Yes	At BHP, we recognise the importance of supporting efforts to reduce emissions across our full value chain, as the emissions from our customers' use of our products are significantly higher than those from our operated assets. By definition, Scope 3 emissions occur outside of our operated assets, and are emissions over which we do not have operational control. We therefore seek opportunities to partner with others across our value chain to support the reduction of these emissions. For example: - We are working across our value chain to accelerate the development of carbon capture and storage/ carbon capture, utilisation and storage technology (explained in more detail below). - We seek to influence emissions reductions among our suppliers and customer and have entered two partnerships with customers in the steel-making sector to achieve this. The partnerships work to drive improvements in the efficient utilisation of BHP's products. - In 2020, we set public goals to address Scope 3 emissions: • Support industry to develop technologies and pathways capable of 30 per cent emissions intensity reduction in integrated steelmaking, with widespread adoption expected post-2030 • Support 40 per cent emissions intensity reduction of BHP-chartered shipping of our products
Investment in R&D	Yes	At BHP, we see investment in R&D as a significant opportunity. Defining a pathway to net-zero GHG emissions for our long-life operated assets requires planning for the long term and a deep understanding of the development pathway for low emissions technologies (LETs). Our LET strategy has three elements. First, we work to adapt mature technologies such as light electric vehicles, in order to integrate them safely and effectively into our operations. Second, in preparing for the medium term, we create road maps for development and adoption of LETs that support our goal of net-zero emissions, which may include trials and demonstrations of technology in our production environments. Finally, we look for early stage LETs that hold high potential for future results, and seek opportunities for collaboration, research and other ways to accelerate their development and adoption. We also recognise the importance of supporting efforts to reduce emissions across our value chain, as the emissions from our customers' use of our products are significantly higher than those from our operated assets. By definition, Scope 3 emissions occur outside of our operated assets, and are emissions over which we do not have operational control. We therefore work in partnership across our value chain to accelerate the development of technologies with the potential to reduce emissions from the processing and use of our products. Carbon capture, utilisation and storage is a key LET with the potential to play a pivotal role in reducing emissions from industrial processes. In 2019, we invested US\$6 million in Carbon Engineering Ltd to progress the development of a ground-breaking technology to reduce GHG emissions by accelerating the development of DAC, which removes carbon dioxide from the atmosphere. In FY2020, we also invested approximately US\$4 million in CO2CRC, a research project to develop subsurface storage technologies aimed at reducing the cost and environmental footprint of long-term carbon dioxide storage monitoring. In 2020, we set public goals to address Scope 3 emissions: • Support industry to develop technologies and pathways capable of 30% emissions intensity reduction in integrated steelmaking, with widespread adoption expected post- 2030 • Support 40% emissions intensity reduction of BHP-chartered shipping of our products.
Operations	Yes	We take a risk-based approach to adapting to the physical impacts of climate change. Our operated assets are required to build climate resilience into their activities through compliance with the Our Requirements for Environment and Climate Change standard. We recognise the importance of integrating physical climate change risks and adaptation assessment and planning into decision-making processes. For example, we require proposed new investments to assess and manage risks associated with potential physical impacts of climate change. An example is provided by our Petroleum business, which has specifically designed severe weather mitigation systems for Floating Production and Storage Offtake vessels (FPSOs). Although the FPSOs are connected to subsea oil and gas infrastructure, they have the capability to disconnect from this infrastructure, and can sail away from impending cyclonic or extreme weather events. As well as this ongoing business resilience planning, we continue to look at ways we can contribute to community and ecosystem resilience. We recognise the body of scientific knowledge about the potential impacts of climate change is rapidly expanding and in FY2019, we commenced a review of our adaptation approach in light of the latest climate science. In order to strengthen our approach to adapting to actual or expected physical impacts of climate change, BHP undertook a series of assessments and engagements in FY2020. These included a questionnaire for our operated assets, industry benchmarking assessment, internal policy review and extensive engagements across BHP.

C3.1e

(C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs Capital expenditures Capital allocation Acquisitions and divestments Access to capital Assets Liabilities	Revenues Climate-related physical and transition risks may affect our assets, productivity, the markets in which we sell our products, and the communities in which we operate. Transition risks in particular may affect demand for our products. The substitution of existing technologies with lower emissions options, particularly in the electricity and transport sectors, has the potential to reduce demand for our fossil fuel products. The development of low emissions technologies also presents opportunity for BHP. Our copper products have application in a variety of low emissions products in energy generation and transport that are expected to see market growth driven by both technology and policy developments. We consider the potential impact of such change in demand on revenues and identify potential opportunities for enhancing or developing new revenues. The potential impact on revenue of climate-related risks and opportunities is not always clear or direct, and will be dependent on the strategic approach taken by BHP to managing risk and seizing opportunities, and on the speed and direction of climate change related regulations and changes in the global economy. We manage potential risk to our revenue by seeking to remain financially disciplined within the framework of our differentiated and proven strategy. Direct costs Potential impact on direct costs are most closely linked to potential physical climate change impacts. We have onshore and offshore extractive, processing and logistical operations in many geographic locations and as such a wide variety of potential physical climate impacts are potentially relevant to our business. Physical risks could impact production at our operated assets and materially and adversely affect the financial performance of our assets. The impact of these events could include disruptions in production, increased costs and loss of or damage to facilities. We continue to monitor climate-related developments that could impact the resilience of our portfolio. Indirect costs There are a number of potential indirect costs resulting from climate change. Climate change may increase competition for, and the regulation of, limited resources, such as power and water, which are critical to the operation of our business. Applications for licences, permits and authorisations required to develop our assets and projects may face greater scrutiny and be contested by third parties, which could delay, limit or prevent future development of our assets or affect the productivity of our assets and the costs associated with our assets. We may be subject to or impacted by climate-related litigation (including class actions), which carries associated costs and the risk of reputational damage. Climate policy and regulatory changes may also lead to increased operating costs in the form of higher compliance costs or increased insurance premiums. Capital expenditures We have a number of strategies, processes and frameworks in place designed to grow and protect the strength of our portfolio and to help deliver ongoing returns to shareholders, including embedding the social value framework through strategy, planning and investment processes. BHP's Investment Review Committees (IRCs) provide oversight for investment processes across BHP. The purpose of the IRCs is to support relevant decision-makers in assessing investment decisions using a transparent and rigorous governance process. This is to ensure that investments are aligned with BHP's purpose, strategy and values, as well as with the Group's capital priorities and plans. Capital allocation The Capital Allocation Framework provides an overarching hierarchy for the potential uses of surplus operating cash and is used for short, medium and long-term decision making and planning processes. Capital is prioritised from a portfolio perspective consistent with long-term strategy, to enable maximum value and returns. Our operated assets are developing decarbonisation plans and operational decarbonisation projects will be considered as part of the maintenance capital category within this framework along with other projects that preserve value at our operated assets. This will enable consideration of a full risk assessment across qualitative and quantitative criteria relevant to each capital allocation decision. Acquisitions and divestments Climate change is treated as a Board-level governance issue and is discussed regularly, including as part of Board strategy discussions, portfolio reviews and investment decisions. We regularly review the composition of our asset portfolio and from time-to-time may add assets to, or divest assets from, the portfolio. All capital decisions, including acquisitions and divestments, are informed by our commodity markets outlook which incorporates a range of views on climate-related risks and opportunities. During FY2019, we acquired an 11.2 per cent interest in Solgold Plc, the majority owner and operator of the Cascabel porphyry copper-gold project in Ecuador. Access to capital The Group's reputation and financial performance may be impacted by concerns regarding the contribution of fossil fuels to climate change. Impacts could include a reduction in investor confidence and constraints on our ability to access capital from financial markets. If our key financial ratios and credit ratings were not maintained, our liquidity and cash reserves, interest rate costs on borrowed debt, future access to financial capital markets and the ability to fund current and future major capital projects could be adversely affected. Assets & Liabilities Decreasing or increasing demand for our products or other market dynamics related to climate-related risks could affect the valuation of our assets and liabilities. We may not fully recover our investments in assets, which may require financial write-downs. Long-lived assets may be particularly affected by climate-related issues. There is a potential gap between the current valuation of fossil fuel reserves on the balance sheets of companies and in global equities markets and the reduced value that could result if a significant proportion of reserves were rendered incapable of economical extraction due to technology, regulatory or market responses to climate change. Any stranded reserve assets then held on our balance sheet may need to be impaired or written off and our inability to make productive use of such assets may also negatively impact our financial condition and results.

C3.1f

(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

We recognise the importance of integrating climate-related risks (threats and opportunities) into BHP's decision-making and strategy formulation. Climate-related scenarios, themes and signposts are used to inform our strategy. Climate-related risks are assessed alongside the other threats and opportunities that BHP faces when making capital expenditure decisions or allocating capital through BHP's Capital Allocation Framework and relevant planning processes. BHP's Risk Framework helps identify these risks for input to the prioritisation of capital and to investment approval processes. Climate-related risks, and decisions driven by consideration of these risks, may result in financial reporting implications including the impairment of the Group's asset carrying values. Indicators of impairment may include:

- changes in the Group's operating and economic assumptions, including those arising from changes in reserves or mine planning
- updates to the Group's commodity supply, demand and price forecasts (which include carbon price forecasts)
- possible additional impacts from emerging risks such as those related to climate change and the transition to a low carbon economy.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2017

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Base year

2017

Covered emissions in base year (metric tons CO2e)

16300000

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2022

Targeted reduction from base year (%)

0

Covered emissions in target year (metric tons CO2e) [auto-calculated]

16300000

Covered emissions in reporting year (metric tons CO2e)

15810000

% of target achieved [auto-calculated]

<Not Applicable>

Target status in reporting year

Underway

Is this a science-based target?

No, but we are reporting another target that is science-based

Please explain (including target coverage)

Unless otherwise noted, the FY2019 data includes Continuing operations and Discontinued operations (Onshore US assets) to 31 October 2018. In FY2018, we began working towards a new five-year GHG emissions reduction target. Our new target, which took effect from 1 July 2017, is to maintain our total operational emissions in FY2022 at or below FY2017 levels (16.3 million tonnes CO2e), while we continue to grow our business. The FY2017 baseline will be adjusted for any material acquisitions and divestments based on GHG emissions at the time of the transaction and carbon offsets will be used as required. In FY2019, this included an adjustment of the initial base year emissions of 16.3 million tonnes CO2e to 14.6 million tonnes CO2 to account for the divestment of Discontinued operations (Onshore US assets). Our operational emissions (Scopes 1 and 2 combined) in FY2019 totalled 15.81 million tonnes of CO2e. This is a 3 per cent decrease compared to the FY2017 baseline. Refer to Section C7.9a for further information on the rationale for the year-on-year trends. However, once the adjustment to the target and actual FY2019 emissions are applied as a result the divestment of the Onshore (US shale) assets is applied, total Scope 1 and 2 GHG emissions in FY2019 were 15.3 million tonnes CO2e compared to the adjusted FY2017 baseline of 14.6 million tonnes CO2e. While our annual emissions are currently higher than the adjusted FY2017 levels, our asset-level emissions forecasts show we are on track to meet our FY2022 target, due primarily to implementation of renewable energy contracts in Chile in FY2022. Note that this CDP response relates to FY2019. More recent information on our new medium-term target and progress against our five-year target during FY2020 is available in our Climate Change Report 2020 and Annual Report 2020, available at www.bhp.com

Target reference number

Abs 2

Year target was set

2017

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Base year

2017

Covered emissions in base year (metric tons CO2e)

16300000

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2050

Targeted reduction from base year (%)

100

Covered emissions in target year (metric tons CO2e) [auto-calculated]

0

Covered emissions in reporting year (metric tons CO2e)

15810000

% of target achieved [auto-calculated]

3.00613496932515

Target status in reporting year

Underway

Is this a science-based target?

Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

Please explain (including target coverage)

Unless otherwise noted, the FY2019 data includes Continuing operations and Discontinued operations (Onshore US assets) to 31 October 2018. The IPCC provides a range of scenarios specifying the annual global GHG emissions that can be emitted to the end of the century to meet the Paris Agreement goals. Targets/goals to reduce GHG emissions are considered "science-based" if they are in line with what the latest climate science says is necessary to meet the goals of the Paris Agreement – to limit global warming to "well below" 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C. Using these scenarios, a science-based target for BHP can be developed by applying the same rate of reduction to BHP's emissions as the rate at which the world's emissions would have to contract in order to meet the relevant goal (known as the 'absolute contraction method'). Based on our analysis, our new medium-term target of 30 per cent reduction by 2030 against FY2020 levels (referred to above) falls within the range of emissions reductions required in this timeframe to be considered aligned with the goals of the Paris Agreement. The FY2017 baseline will be adjusted for any material acquisitions and divestments based on GHG emissions at the time of the transaction and carbon offsets will be used as required. The target year of FY2030 provides scope for realising significant decarbonisation opportunities, while establishing a trajectory to meet our 2050 net-zero goal. It aligns with the date of many countries' nationally determined contributions (NDCs) made under the Paris Agreement.

Target reference number

Abs 3

Year target was set

2020

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Base year

2020

Covered emissions in base year (metric tons CO2e)

15800000

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2030

Targeted reduction from base year (%)

30

Covered emissions in target year (metric tons CO2e) [auto-calculated]

11060000

Covered emissions in reporting year (metric tons CO2e)

15810000

% of target achieved [auto-calculated]

-0.210970464135021

Target status in reporting year

New

Is this a science-based target?

Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

Please explain (including target coverage)

The IPCC provides a range of scenarios specifying the annual global GHG emissions that can be emitted to the end of the century to meet the Paris Agreement goals. Targets to reduce GHG emissions are considered "science-based" if they are in line with what the latest climate science says is necessary to meet the goals of the Paris Agreement – to limit global warming to "well below" 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C. Using these scenarios, a science-based target for BHP can be developed by applying the same rate of reduction to BHP's emissions as the rate at which the world's emissions would have to contract in order to meet the relevant goal (known as the 'absolute contraction method'). Based on our analysis, our medium-term target of 30 per cent reduction by 2030 against FY2020 levels falls within the range of emissions reductions required in this timeframe to be considered aligned with the goals of the Paris Agreement. The FY2030 baseline will be adjusted for any material acquisitions and divestments based on GHG emissions at the time of the transaction and carbon offsets will be used as required.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Target(s) to increase low-carbon energy consumption or production

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number

Low 1

Year target was set

2020

Target coverage

Product level

Target type: absolute or intensity

Intensity

Target type: energy carrier

Other, please specify (Fuel)

Target type: activity

Consumption

Target type: energy source

Low-carbon energy source(s)

Metric (target numerator if reporting an intensity target)

Percentage

Target denominator (intensity targets only)

metric ton of steel

Base year

2020

Figure or percentage in base year

Target year

2030

Figure or percentage in target year

Figure or percentage in reporting year

% of target achieved [auto-calculated]

<Calculated field>

Target status in reporting year

New

Is this target part of an emissions target?

Is this target part of an overarching initiative?

Other, please specify (Climate Change Strategy)

Please explain (including target coverage)

This target relates to our goal to support industry to develop technologies and pathways capable of 30 per cent emissions intensity reduction in integrated steelmaking, with widespread adoption expected post-2030.

Target reference number

Low 2

Year target was set

2020

Target coverage

Business activity

Target type: absolute or intensity

Intensity

Target type: energy carrier

Other, please specify (Fuel)

Target type: activity

Consumption

Target type: energy source

Low-carbon energy source(s)

Metric (target numerator if reporting an intensity target)

Percentage

Target denominator (intensity targets only)

Other, please specify (Nautical mile travelled)

Base year

Figure or percentage in base year

Target year

2030

Figure or percentage in target year

Figure or percentage in reporting year

% of target achieved [auto-calculated]

<Calculated field>

Target status in reporting year

New

Is this target part of an emissions target?

Is this target part of an overarching initiative?

Other, please specify (Climate Change Strategy)

Please explain (including target coverage)

This target relates to our goal to support a 40 per cent emissions intensity reduction of BHP-chartered shipping of our products. We support the International Maritime Organisation's (IMO's) goal to reduce average GHG emissions intensity across international shipping by at least 40 per cent by 2030 and 70 per cent by 2050. We are taking tangible actions now to support the IMO's emissions reduction goals, including the LNG tenders mentioned previously.

C-CO4.2c

(C-CO4.2c) Indicate which targets reported in C4.1a/b incorporate methane emissions, or if you do not have a methane-specific emissions reduction target for your coal mining activities, please explain why not and forecast how your methane emissions will change over the next five years.

Our FY2022 target, FY2030 target and FY2050 Net zero goal incorporate methane emissions.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation		
To be implemented*	1	4905
Implementation commenced*	1	39790
Implemented*	1	10480
Not to be implemented		

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in production processes	Other, please specify (Process optimisation)
---	--

Estimated annual CO2e savings (metric tonnes CO2e)

10480

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

0

Payback period

No payback

Estimated lifetime of the initiative

Ongoing

Comment

PAX pumps are run while the platform is operational and producing; this is based on uptime which is typically 85 -90 per cent annually (about 310 days/yr at 85 per cent). Using one pump instead of two reduces fuel usage and GHG emissions. This project was implemented in FY2019.

Initiative category & Initiative type

Energy efficiency in production processes	Other, please specify (Process optimisation)
---	--

Estimated annual CO2e savings (metric tonnes CO2e)

4905

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

0

Payback period

No payback

Estimated lifetime of the initiative

Ongoing

Comment

Enabled by gas buy-back capacity increase and updating of flowline Hydrate Management Plan, resulting in 90 MMscf/yr flaring reduction volume. This project was implemented in FY2020.

Initiative category & Initiative type

Energy efficiency in production processes	Other, please specify (Process optimisation)
---	--

Estimated annual CO2e savings (metric tonnes CO2e)

39790

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

0

Payback period

No payback

Estimated lifetime of the initiative

1-2 years

Comment

HP flared gas is captured and exported via Gas Export Platform (GEP) through well management and process/operation optimisation. GHG reductions are based upon the delta between projected GHG emissions from flaring without the GEP/Well Optimization project, and GHG emissions from flaring with the GEP/Well Optimization project. This project commenced implementation in FY2015 and remains ongoing.

C4.3c**(C4.3c) What methods do you use to drive investment in emissions reduction activities?**

Method	Comment
Internal price on carbon	Regional carbon taxes, levies or allowances, or emissions trading schemes (ETS), are becoming increasingly important mechanisms to drive decarbonisation. We forecast carbon prices to reach between US\$10-40/tCO2e in 2030 in the Central Energy View and US\$25-110/tCO2e in 2030 in the Lower Carbon View. Carbon pricing is typically set in local currencies and therefore pricing is subject to movements in foreign exchange rates and inflation. We revise our forecasts periodically in line with CPI and FX forecast updates. To derive these prices, we segment relevant countries into three tiers depending on their observed and projected level of decarbonisation ambition. We would expect a single global carbon price to hasten decarbonisation across sectors, however, signposts indicate that regional differences are likely to persist at least until 2030. Where we have no internal view on a country, we adopt the International Energy Agency's (IEA) Stated Policy Scenario long run carbon price position. We include our carbon price forecasts in scenario modelling to determine the competitiveness of fuels across sectors. Our forecasts are also taken into account in investment decisions and asset valuations. We are also developing a quantitative investment metric that proposes to weigh our operational emissions medium-term target and long-term goal against an offset price forecast and an internal abatement project cost curve. This would differ from our carbon price forecasts and inform the implied costs and benefits of our decarbonisation initiatives, allowing us to prioritise and rank those initiatives based on an implied price on carbon.
Dedicated budget for low-carbon product R&D	One of our key contributions to driving decarbonisation across our value chain is the Climate Investment Program (CIP), announced in July 2019. BHP will invest at least US\$400 million over the five-year life of the CIP. We will invest to scale up LETs, invest in natural climate solutions and support partnerships to address Scope 3 emissions. The CIP is a demonstration of our commitment to take a product stewardship role in relation to our full value chain and to work with others to unlock GHG emissions reduction through projects, partnerships, R&D and venture investments. Projects will be balanced across our operated assets and value chain, with investment in a range of projects at different stages of technology maturity and risk. In line with our climate change strategy, initial investments will focus on reducing emissions at our Minerals (Australia and Americas) operated assets and addressing Scope 3 emissions in the steelmaking sector, particularly emerging technologies that have the potential to be scaled for widespread application. During FY2020, we developed a framework to identify and prioritise potential investments. Potential CIP projects have to date requested approximately US\$350 million over five years. Establishing a robust pipeline of eligible projects is critical to drive prioritisation of the best projects across our operated assets and value chain, and to ensure that our emissions targets can be met alongside safety, production and cost targets. Some of the currently prioritised CIP project proposals intend to evaluate the implementation of decarbonising technology that may be replicable at other BHP operated assets. These types of projects with replicable features will potentially generate additional investment opportunities and maintain a strong pipeline of investments to enable us to maximise returns from CIP funds. In FY2021, we will identify and implement additional investments to reduce our operational emissions and support reductions in value chain emissions. We plan to allocate a meaningful proportion of capital to early- and growth-stage technologies aligned with the CIP's long-term objectives, which will be managed by BHP Ventures, our newly-formed dedicated venture investment function.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Product

Description of product/Group of products

Copper

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify (Fuel switching)

% revenue from low carbon product(s) in the reporting year

24.5

% of total portfolio value

<Not Applicable>

Asset classes/ product types

<Not Applicable>

Comment

Avoided emissions from the use of our copper products throughout their lifecycle in a variety of low carbon applications. For example, our copper products are ideally placed to support the electrification of energy demand. The production, distribution and transmission of that power is anticipated to require a significant quantity of copper. Copper is particularly well placed to support the electrification of transport – with a battery-powered electric car requiring four times as much copper as a conventional car. Copper is also required to support build out of renewables capacity – both wind and solar. The per megawatt hour demand coefficient associated with offshore wind generation is almost five times that associated with coal generation. For solar, the coefficient is around two and a half.

Level of aggregation

Product

Description of product/Group of products

Nickel

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify (Fuel switching)

% revenue from low carbon product(s) in the reporting year

2.7

% of total portfolio value

<Not Applicable>

Asset classes/ product types

<Not Applicable>

Comment

Avoided emissions from the use of our nickel products throughout their lifecycle in a variety of low carbon applications. In particular, nickel is a key material for batteries, and investments in our Nickel West asset to enable production of downstream battery chemicals like nickel sulphate are supporting our transition to become a globally significant battery materials supplier. We expect significant growth in electric vehicle sales, with battery producers expected to match electric vehicle growth rate while responding to growing demand from other areas i.e. stationary storage. Virtually all battery producers are moving to higher nickel-rich chemistries, which are preferred due to their superior energy density, lighter weight for any given battery size, increased vehicle range, and lower metal cost.

Level of aggregation

Product

Description of product/Group of products

Natural gas

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product and avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify (Fuel switching)

% revenue from low carbon product(s) in the reporting year

2.6

% of total portfolio value

<Not Applicable>

Asset classes/ product types

<Not Applicable>

Comment

Avoided emissions from fuel switching resulting from CO2 emissions from combustion of natural gas being lower than those from other fossil fuels (specific emission

reductions differ from case to case and should consider total value chain emissions of natural gas vs. alternatives, however, implied emission factors from electricity generation given by the IEA ('CO2 Emissions from Fuel Combustion', 2017) are natural gas 400 g CO2/kWh; lignite 1,020 gCO2/kWh, sub-bituminous coal 940 g CO2/kWh; other bituminous coal 870 g CO2/kwh).

Level of aggregation

Product

Description of product/Group of products

Uranium

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product and avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify (Fuel switching)

% revenue from low carbon product(s) in the reporting year

% of total portfolio value

<Not Applicable>

Asset classes/ product types

<Not Applicable>

Comment

Uranium is produced at our Olympic Dam asset, the primary activity being copper production; percent revenue not reported separately. Nuclear energy is a low emission alternative to conventional fossil fuel energy generation. Our annual uranium production (3,565 tonnes in FY2019) is estimated to avoid emissions of almost 85 million tonnes CO2 per annum when compared to base load electricity production generated using the global average mix of energy sources (estimates prepared by Allen Consulting based on global average of emissions from electricity generation (730 tonnes CO2 per GWh); average emissions from nuclear energy generation (40kg CO2 per MWh); approx. 27.7 tonnes uranium (U308) produces 1 TWh electrical energy; all uranium we produce is used for electricity generation).

C-CO4.6

(C-CO4.6) Describe your organization's efforts to reduce methane emissions from your activities.

We consider opportunities and support research and development of technologies for hard-to-abate fugitive emissions. This includes a collaboration with San Diego State University and Manaaki Whenua – Landcare Research (NZ) to assess the viability of using methane-eating bacteria as biofilters for abatement of methane in underground and open cut coal mines.

C-CO4.7

(C-CO4.7) Does your organization conduct leak detection and repair (LDAR) or use other methods to find and fix fugitive methane emissions from coal mining activities?

No, we do not have a program in place

C-CO4.7b

(C-CO4.7b) Explain why not and whether you plan to conduct methane leak detection and repair or adopt other methods to find and fix fugitive methane emissions from your coal mining activities.

C-CO4.8

(C-CO4.8) If flaring is relevant to your coal mining operations, describe your organization's efforts to reduce flaring, including any flaring reduction targets.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

July 1 2016

Base year end

June 30 2017

Base year emissions (metric tons CO2e)

10500000

Comment

Original base year Scope 1 GHG emissions figure of 10,500,000 tCO2e has been adjusted to 8,800,000 tCO2e following divestment of the Onshore US shale assets.

Scope 2 (location-based)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 2 (market-based)

Base year start

July 1 2016

Base year end

June 30 2017

Base year emissions (metric tons CO2e)

5800000

Comment

The base year Scope 2 GHG emissions figure of 5,800,000 tCO2e remains unchanged following the divestment of the Onshore US assets.

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

- Australia - National Greenhouse and Energy Reporting Act
- Environment Canada, Metal Mining, Guidance Manual for Estimating Greenhouse Gas Emission
- IPCC Guidelines for National Greenhouse Gas Inventories, 2006
- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
- US EPA Mandatory Greenhouse Gas Reporting Rule
- Other, please specify (BHP internal requirements)

C5.2a

C5.2a) Provide details of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The emissions figures are calculated using the activity data collected at our operated assets. Activity data is multiplied by an energy content factor and emission factors to derive the energy consumption and GHG emissions associated with a process or an operation.

Energy and Scope 1 emissions for facilities already reporting to mandatory local regulatory programs are required to use the same emission factors and methodologies for reporting under BHP's operational control boundary. This ensures a single emissions and energy inventory is maintained for consistency and efficiency. Local regulatory programs were applicable to the majority of BHP's Scope 1 emissions inventory in FY2019 (operational control boundary). A local regulatory program in this context refers to any scheme requiring emissions to be calculated using mandated references (e.g. the Green Tax legislation in Chile, which requires emissions to be calculated using the Intergovernmental Panel on Climate Change (IPCC) factors) or mandated emission factors (e.g. the Australian National Greenhouse and Energy Reporting (NGER) Scheme or US EPA GHG reporting program, which publish factors specific to the programs). In the absence of local mandatory regulations, the Australian NGER (Measurement) Determination has been set as the default source for emission factors and methodologies for consistency with the majority of the emissions inventory.

Our Scope 2 emissions have been calculated using the market-based method using supplier specific emissions factors, in line with the Greenhouse Gas Protocol Scope 2 Guidance unless otherwise specified. Definitions of location-based and market-based reporting used in BHP's accounting are consistent with the Greenhouse Gas Protocol terminology as follows:

- Market-based reporting: Scope 2 GHG emissions based on the generators (and therefore the generation fuel mix from which the reporter contractually purchases electricity and/or is directly provided electricity via a direct line transfer).
- Location-based reporting: Scope 2 GHG emissions based on average energy generation emission factors for defined geographic locations, including local, subnational or national boundaries (i.e. grid factors). In the case of a direct line transfer, the location-based emissions are equivalent to the market-based emissions.

For facilities where market-based reporting is required, electricity emission factors are sourced directly from the supplier in the first instance. An emission factor in the public domain, which is specific to the generation plant supplying the facility, is considered equivalent to a supplier-specific factor in this context.

Where supplier-specific factors are not available, a default emission factor for off-grid electricity is used, as published in local regulations or industry frameworks (or the default off-grid electricity emission factor from the Australian NGER (Measurement) Determination) in the case where no local default is available.

The location-based method is applied using electricity emission factors for the relevant grid network, as sourced from local regulations, industry frameworks or publications from the local grid administrator. These methodologies have been prepared in accordance with GRI standard 305-1 and GRI standard 305-2. More information on the calculation methodologies for other reported categories, boundaries assumptions and key references used in the preparation of our Scope 1 and Scope 2 emissions data can be found in the BHP Scope 1, 2 and 3 Emissions Calculation Methodology, available at bhp.com/climate.

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

9724000

Start date

July 1 2018

End date

June 30 2019

Comment

Note this CDP response relates to FY2019. More recent data for FY2020 is available in our Climate Change Report 2020 and Annual Report 2020, available at <https://www.bhp.com>. Unless otherwise noted, FY2019 data includes Continuing operations and Discontinued operations (Onshore US assets) to 31 October 2018. Total FY2019 Scope 1 emissions excluding the Discontinued operations (Onshore US assets) were 9,254,000 tCO2e. This is also applicable to Scope 1 emissions disclosed in section C7 Emissions breakdowns and energy consumption in Section C8 Energy.

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)

10564000

Start date

July 1 2017

End date

June 30 2018

Comment

The FY2018 data includes Continuing operations and Discontinued operations (Onshore US assets). Total FY2019 Scope 1 emissions adjusted to exclude the Discontinued operations (Onshore US assets) were 8,885,000 tCO2e.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

Our Scope 2 emissions are calculated using the market-based method using supplier specific emissions factors, in line with the Greenhouse Gas Protocol Scope 2 Guidance unless otherwise specified. A residual mix is currently unavailable to account for voluntary purchases and this may result in double counting between electricity consumers. We also provide our Scope 2 emissions calculated on a location-basis for reference.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

5100000

Scope 2, market-based (if applicable)

6088000

Start date

July 1 2018

End date

June 30 2019

Comment

Note this CDP response relates to FY2019. More recent data for FY2020 is available in our Climate Change Report 2020 and Annual Report 2020, available at <https://www.bhp.com>. The FY2019 Scope 2 GHG emissions have been restated due to a move from a location-based (grid) emission factor to a market-based emission factor (contract specific) at the Escondida and Pampa Norte (which includes Spence and Cerro Colorado) copper operations in Chile. The current electricity supply contracts are with coal and natural gas powered suppliers, and therefore the emissions intensity of the contracted supply is significantly higher than the grid average. The change in emission factors was made to make BHP's reporting more consistent, as the market-based approach is the primary method of reporting when the relevant information is available. Our market-based Scope 2 GHG emissions were 6.1Mt CO2e which compares to 5.1Mt CO2e if calculated using the location-based method. A residual mix is currently unavailable to account for voluntary purchases and this may result in double counting between electricity consumers. Unless otherwise noted, FY2019 data includes Continuing operations and Discontinued operations (Onshore US assets) to 31 October 2018. Total FY2019 Scope 2 (market based) emissions excluding the Discontinued operations (Onshore US assets) were 6,085,000 tCO2e. This is also applicable to Scope 2 emissions disclosed in section C7 Emissions breakdowns.

Past year 1

Scope 2, location-based

5100000

Scope 2, market-based (if applicable)

6356000

Start date

July 1 2017

End date

June 30 2018

Comment

The FY2018 Scope 2 GHG emissions have been restated due to a move from a location-based (grid) emission factor to a market-based emission factor (contract specific) at the Escondida and Pampa Norte (which includes Spence and Cerro Colorado) copper operations in Chile. The current electricity supply contracts are with coal and natural gas powered suppliers, and therefore the emissions intensity of the contracted supply is significantly higher than the grid average. The change in emission factors was made to make BHP's reporting more consistent, as the market-based approach is the primary method of reporting when the relevant information is available. Unless otherwise noted, FY2018 data includes Continuing operations and Discontinued operations (Onshore US assets). Total FY2018 Scope 2 (market based) emissions excluding the Discontinued operations (Onshore US assets) were 6,344,000 tCO2e.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Not relevant, calculated

Metric tonnes CO₂e

17300000

Emissions calculation methodology

Inclusions: Upstream extraction, production and transport of purchased goods and services for the reporting year. Exclusions: Spend associated with activities reported under other Scope 3 categories. These cover fuel consumption, upstream transport, business travel and employee commuting activities. Data used: Annual spend data is extracted from the internal system which tracks all external spend. Emission factors are sourced from the Quantis Scope 3 Evaluator tool, as recommended by the GHG Protocol. Calculation methodology: The 'Spend-based' method from the GHG Protocol Scope 3 Guidance is used. Spend data is broken down by BHP's internal taxonomy codes and allocated to the most appropriate product group category available within the GHG Protocol Scope 3 Evaluator tool (Quantis). The emissions factors from this tool are then used to generate an overall emissions figure for this category. A weighted average emissions factor is applied for any uncategorised spend.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

This is not a material source of Scope 3 emissions in BHP's value chain. Despite this, these emissions are relevant as they may contribute to the exposure of our business to climate-related risk, and because in some instances we may have the ability to influence our suppliers or other service providers to reduce emissions from their activities. A high-level estimate has been calculated for completeness and transparency. Scope 3 emissions have been calculated using methodologies consistent with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Scope 3 Standard). More information on the calculation methodologies for other reported categories, boundaries assumptions and key references used in the preparation of our Scope 3 emissions data can be found in the associated BHP Scope 1, 2 and 3 Emissions Calculation Methodology, available at [bhp.com/climate](https://www.bhp.com/climate). More recent data for FY2020 is available in our Climate Change Report 2020 and Annual Report 2020 and online at <https://www.bhp.com>.

Capital goods

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

As described in the GHG Protocol calculation guidance, this category can be difficult to segregate from the Purchased goods and services category. Given all of our spend data (which would include purchases of capital goods) has been captured in category 1, the Scope 3 emissions from capital goods are not reported out separately. The Scope 3 emissions reported under category 1 includes purchased goods and services and purchases of capital goods. Scope 3 emissions have been calculated using methodologies consistent with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Scope 3 Standard). More information on the calculation methodologies for other reported categories, boundaries assumptions and key references used in the preparation of our Scope 3 emissions data can be found in the associated BHP Scope 1, 2 and 3 Emissions Calculation Methodology, available at [bhp.com/climate](https://www.bhp.com/climate). More recent data for FY2020 is available in our Climate Change Report 2020 and Annual Report 2020 and online at <https://www.bhp.com>.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Not relevant, calculated

Metric tonnes CO₂e

1300000

Emissions calculation methodology

Inclusions: Upstream extraction, production and transportation of fuels and energy consumed on the facilities over which BHP holds operational control. Exclusions: A small quantity of fuel reported internally under a mixed 'other' category (representing less than 2 per cent of total energy). This quantity has been excluded due to the difficulty in assigning a meaningful Scope 3 emissions factor to the variety involved. Data used: For our Australian operations, Scope 3 emissions factors are sourced from the most recent Australian National Greenhouse Accounts Factors published by the Australian Government Department of the Environment and Energy. For our non-Australian operations, regional Scope 3 emission factors for fuels and energy are not readily available at this stage, so the relevant Australian Scope 3 emissions factors are applied as a proxy. Calculation methodology: The 'average-data' method as described in the Scope 3 Guidance is used to calculate these emissions. Industry average Scope 3 emissions factors for each fuel type or natural gas/electricity source (i.e. grid) are applied to the relevant consumption volumes to calculate an overall emissions estimate for this category.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Although this is not a material source of Scope 3 emissions for the business (much less than 1 per cent of total Scope 3 emissions), consumption of fuels and energy represent a material contribution to our Scope 1 and 2 operating emissions; the associated Scope 3 emissions are therefore also of interest. Scope 3 emissions have been calculated using methodologies consistent with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Scope 3 Standard). More information on the calculation methodologies for other reported categories, boundaries assumptions and key references used in the preparation of our Scope 3 emissions data can be found in the associated BHP Scope 1, 2 and 3 Emissions Calculation Methodology, available at [bhp.com/climate](https://www.bhp.com/climate). More recent data for FY2020 is available in our Climate Change Report 2020 and Annual Report 2020 and online at <https://www.bhp.com>.

Upstream transportation and distribution

Evaluation status

Not relevant, calculated

Metric tonnes CO₂e

3600000

Emissions calculation methodology

Inclusions: Purchased third party transportation services. Includes product transport where freight costs are covered by BHP, for example under Cost and Freight (CFR) or similar terms, as well as purchased transport services for process inputs to our operations. Exclusions: The transport of process inputs to BHP's operations where spend data is not available (i.e. transport costs are incorporated into the supplier price). These Scope 3 emissions are likely to be captured under category 1 – purchased goods and services. Data used: Data is sourced from BHP's Freight team, including (for each product cargo) loading and destination ports, tonnage of the cargo, and the size of the vessel if freight was by sea (deadweight in kg). For emissions from transport of inputs to our operated assets, data is sourced from the internal system that tracks all external spend. Scope 3 emission factors are sourced from RightShip methodology (see Calculation Methodology) for all marine freight excluding zinc. For all remaining freight (including road and rail), UK Defra emission factors were used (in tonne.km units). For other purchased transport services, factors are sourced from the Quantis Scope 3 Evaluator tool, as recommended by the GHG Protocol. Calculation methodology: For all marine cargoes other than zinc, the external engineering consultancy RightShip was contracted to develop an accurate Scope 3 emissions estimate based on their certified methodology. For the remaining marine cargoes, the 'Distance-based' method from the GHG Protocol Scope 3 Guidance was used to calculate these emissions. For purchased transport services for process inputs to operated assets, the spend-based method is used to calculate these emissions, as described in the calculation methodology for the Purchased goods and services category.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

94

Please explain

Although this is not a material source of Scope 3 emissions for the business (less than 1 per cent of total Scope 3 emissions), emissions associated with the freight of our products to customers are of increasing interest as a component of our supply chain. Scope 3 emissions have been calculated using methodologies consistent with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Scope 3 Standard). More information on the calculation methodologies for other reported categories, boundaries assumptions and key references used in the preparation of our Scope 3 emissions data can be found in the associated BHP Scope 1, 2 and 3 Emissions Calculation Methodology, available at [bhp.com/climate](https://www.bhp.com/climate). More recent data for FY2020 is available in our Climate Change Report 2020 and Annual Report 2020 and online at <https://www.bhp.com>.

Waste generated in operations

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

This category has been identified as not material to BHP's inventory and an emissions figure is not calculated. BHP operations do not generate waste resulting in GHG emissions other than minimal quantities of domestic waste. This assessment will be periodically reviewed. Scope 3 emissions have been calculated using methodologies consistent with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Scope 3 Standard). More information on the calculation methodologies for other reported categories, boundaries assumptions and key references used in the preparation of our Scope 3 emissions data can be found in the associated BHP Scope 1, 2 and 3 Emissions Calculation Methodology, available at [bhp.com/climate](https://www.bhp.com/climate). More recent data for FY2020 is available in our Climate Change Report 2020 and Annual Report 2020 at <https://www.bhp.com>.

Business travel

Evaluation status

Not relevant, calculated

Metric tonnes CO₂e

100000

Emissions calculation methodology

Inclusions: Covers emissions from all domestic and international flights undertaken by employees for business travel purposes, as well as other purchased business travel services (hotel accommodation and car rental) as identified from annual spend data. Exclusions: Business travel activities for which distance or spend data is not available. Data used: Flight mileage data is sourced from BHP's corporate travel services provider. Hotel and car rental spend data is sourced from the internal system that tracks all external spend. Scope 3 emission factors for flights are referenced from the latest US EPA Centre for Corporate Climate Leadership GHG Emission Factors Hub. Factors for hotel and car rental are sourced from the Quantis Scope 3 Evaluator tool, as recommended by the GHG Protocol. Calculation methodology: For flights, the 'distance-based' method from the GHG Protocol Scope 3 Guidance is used, with industry-average emission factors applied based on whether the flight distance is categorised as a short, medium or long-haul flight. For hotel accommodation and car rental emissions, the 'spend-based' method is used as described in the calculation methodology for the Purchased goods and services category.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

49

Please explain

This is not a material source of Scope 3 emissions for the business (much less than 1 per cent of total Scope 3 emissions), however a high-level estimate has been calculated for completeness and transparency. Scope 3 emissions have been calculated using methodologies consistent with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Scope 3 Standard). More information on the calculation methodologies for other reported categories, boundaries assumptions and key references used in the preparation of our Scope 3 emissions data can be found in the associated BHP Scope 1, 2 and 3 Emissions Calculation Methodology, available at [bhp.com/climate](https://www.bhp.com/climate). More recent data for FY2020 is available in our Climate Change Report 2020 and Annual Report 2020 and online at <https://www.bhp.com>.

Employee commuting

Evaluation status

Not relevant, calculated

Metric tonnes CO2e

100000

Emissions calculation methodology

Inclusions: Emissions from FIFO flights and bus services utilised by employees for commuting purposes. Exclusions: Employee commuting activities for which spend data is unavailable. Data used: FIFO flight and bus service spend data is extracted from the BHP internal system that tracks all external spend. Emissions factors are sourced from the Quantis tool, as described for the Purchased goods and services category. Calculation methodology: This estimate uses the 'spend-based' method as described in the calculation methodology for the Purchased goods and services category.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

This is not a material source of Scope 3 emissions for the business (much less than 1 per cent of total Scope 3 emissions), however a high-level estimate has been calculated for completeness and transparency. Scope 3 emissions have been calculated using methodologies consistent with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Scope 3 Standard). More information on the calculation methodologies for other reported categories, boundaries assumptions and key references used in the preparation of our Scope 3 emissions data can be found in the associated BHP Scope 1, 2 and 3 Emissions Calculation Methodology, available at [bhp.com/climate](https://www.bhp.com/climate). More recent data for FY2020 is available in our Climate Change Report 2020 and Annual Report 2020 and online at <https://www.bhp.com>.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

An emissions figure is not calculated for this category as BHP does not lease upstream assets in our normal operations. This assessment will be periodically reviewed. Scope 3 emissions have been calculated using methodologies consistent with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Scope 3 Standard). More information on the calculation methodologies for other reported categories, boundaries assumptions and key references used in the preparation of our Scope 3 emissions data can be found in the associated BHP Scope 1, 2 and 3 Emissions Calculation Methodology, available at [bhp.com/climate](https://www.bhp.com/climate). More recent data for FY2020 is available in our Climate Change Report 2020 and Annual Report 2020 and online at <https://www.bhp.com>.

Downstream transportation and distribution

Evaluation status

Not relevant, calculated

Metric tonnes CO2e

4000000

Emissions calculation methodology

Inclusions: Emissions from transportation and distribution of products sold by the reporting company in the reporting year between the reporting company's operations and the end consumer (if not paid for by the reporting company), including retail and storage (in vehicles and facilities not owned or controlled by the reporting company). Exclusions: None Data used: Data is sourced from BHP's Freight team, including tonnage, loading and destination ports for each cargo, and the size of the vessel if freight was by sea (deadweight). Factors are sourced from vessel-specific UK Defra Freight emission factors which are the latest available (in tonne.km units) Calculation methodology: Product freight emissions are calculated using the GHG Protocol's 'distance-based' method, as described in the calculation methodology for the Upstream transportation and distribution category. For some FOB cargoes, destination ports are not available and an assumption is used based on known product market locations by customer.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Although this is not a material source of Scope 3 emissions for the business (approximately 1 per cent of total Scope 3 emissions), emissions associated with the freight of our products to customers are of increasing interest as a component of our supply chain. Scope 3 emissions have been calculated using methodologies consistent with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Scope 3 Standard). More information on the calculation methodologies for other reported categories, boundaries assumptions and key references used in the preparation of our Scope 3 emissions data can be found in the associated BHP Scope 1, 2 and 3 Emissions Calculation Methodology, available at [bhp.com/climate](https://www.bhp.com/climate). More recent data for FY2020 is available in our Climate Change Report 2020 and Annual Report 2020 and online at <https://www.bhp.com>.

Processing of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

304700000

Emissions calculation methodology

Note BHP also disclose a lower-end estimate emissions of 197.2 million tCO₂e for iron ore processing to steel. Inclusions: Processing of BHP's produced iron ore to steel and produced copper cathode to copper wire. Exclusions: Processing of BHP's nickel, zinc, gold, silver, ethane and uranium oxide due to a large range of possible end uses. Processing/refining of petroleum products emissions are considered immaterial compared to their end-use combustion reported in the Use of sold products category. Data used: Produced volumes (equity basis) are sourced from BHP's publicly available Operational Review Report. For iron ore processing, factors are sourced from the World Steel Association 'Sustainability Indicators' publication'. For copper processing, factors are sourced from the European Copper Institute - Copper Alliance's 2012 publication 'The Environmental Profile of Copper Products'. Calculation methodology: The average-data method as described in the Greenhouse Gas Protocol Technical Guidance for Calculating Scope 3 Emissions is used to calculate these emissions, with industry-average emission factors applied to production volumes for each commodity to calculate an overall emissions estimate for this category. Assumptions: All iron ore production is assumed to be processed to steel. For higher-end estimate (299.6 mtCO₂e) crude steel emission factor is applied to the volume of crude steel produced from BHP's iron ore. For lower-end estimate the crude steel emission factor is apportioned based on the ratio of iron ore and metallurgical coal input to produce 1,000 kg (World Steel Association) of crude steel to estimate the emissions from iron ore and metallurgical coal. The split factor is applied to the volume of crude steel produced from BHP's iron ore (and metallurgical coal calculated in Use of sold products category). Lower-end estimate does not capture third party metallurgical coal emissions in the steelmaking process. The double counting for higher-end estimate means that the emissions reported under each category should not be added up, as to do so would give an inflated total figure. For this reason, we do not report a total Scope 3 emissions figure. For copper (5.1 mtCO₂e), emission factor for the processing of copper to copper wire is applied, as this is the most emissions-intensive process and therefore the most 'conservative' assumption.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

The most significant contributors to Scope 3 emissions come from the processing and use of our products, which in FY2019 accounted for around 95 per cent of the total. Scope 3 emissions have been calculated using methodologies consistent with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Scope 3 Standard). More information on the calculation methodologies for other reported categories, boundaries assumptions and key references used in the preparation of our Scope 3 emissions data can be found in the associated BHP Scope 1, 2 and 3 Emissions Calculation Methodology, available at [bhp.com/climate](https://www.bhp.com/climate). More recent data for FY2020 is available in our Climate Change Report 2020 and Annual Report 2020 and online at <https://www.bhp.com>.

Use of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

232700000

Emissions calculation methodology

Note BHP also disclose a lower-end estimate emissions of 34.7 million tCO₂e for metallurgical coal. Inclusions: Metallurgical coal, energy coal, natural gas and petroleum products, all of which release GHG emissions when consumed by end users. Exclusions: None Data used: Produced volumes in tonnes, barrels or bcf are sourced from BHP's publicly available Operational Review Report (equity basis). Factors are sourced from the Australian National Greenhouse and Energy Reporting (NGER) Determination; Scope 1 factors for each fuel are applied as the Scope 3 factor to BHP's on-sold products. Calculation methodology: The method recommended in the Scope 3 Guidance for 'direct use-phase' emissions calculations for 'Fuels and feedstocks' is used to calculate these emissions. Industry-average emission factors applied to production volumes (on an equity basis) for each commodity to calculate an overall emissions estimate for this category. For the lower-end estimate emissions from metallurgical coal, the average-data method (Scope 3 Guidance) is used. Assumptions All metallurgical coal (higher-end estimate 111.4 mtCO₂e), energy coal, natural gas and petroleum products are assumed to be combusted. For the lower-end estimate for metallurgical coal (34.7 mtCO₂e) the emissions intensity of steel production is the basis for calculating emissions, rather than from a combustion emissions factor as in the higher-end estimate. See assumptions in Processing of sold products for further detail. All energy coal (67.0 mtCO₂e) is assumed to be bituminous (mid-range energy content among the three sub-categories of black coal, others being sub-bituminous coal and anthracite) listed in the NGER Determination, from which these emission factors are sourced. All crude oil and condensates (23.3 mtCO₂e) are assumed to be refined and combusted as diesel (most conservative assumption). The energy content of the crude oil and condensate volumes is used to estimate the corresponding quantity of diesel that would be produced, assuming that no fuel is 'lost' during the refining process. All natural gas (28.3 mtCO₂e) produced is combusted for stationary energy purposes. Emissions from LPG and ethane volumes are included in emissions reported for 'natural gas liquids' (NGL) production (2.8 mtCO₂e) and are assumed to be combusted with the same NGL emission factors.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

The most significant contributors to Scope 3 emissions associated with our business come from the processing and use of our products, which in FY2019 accounted for around 95 per cent of the total. Scope 3 emissions have been calculated using methodologies consistent with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Scope 3 Standard). More information on the calculation methodologies for other reported categories, boundaries assumptions and key references used in the preparation of our Scope 3 emissions data can be found in the associated BHP Scope 1, 2 and 3 Emissions Calculation Methodology, available at [bhp.com/climate](https://www.bhp.com/climate). More recent data for FY2020 is available in our Climate Change Report 2020 and Annual Report 2020 and online at <https://www.bhp.com>.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

This category has been identified as immaterial to BHP's inventory and an emissions figure is not calculated. BHP's products which are not incorporated into the assessment of Scope 3 emissions from 'Use of sold products' include metals and minerals with minimal emissions at end of life. This assessment will be periodically reviewed. Scope 3 emissions have been calculated using methodologies consistent with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Scope 3 Standard). More information on the calculation methodologies for other reported categories, boundaries assumptions and key references used in the preparation of our Scope 3 emissions data can be found in the associated BHP Scope 1, 2 and 3 Emissions Calculation Methodology, available at [bhp.com/climate](https://www.bhp.com/climate). More recent data for FY2020 is available in our Climate Change Report 2020 and Annual Report 2020 and online at <https://www.bhp.com>.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

An emissions figure is not calculated for this category as BHP does not lease downstream assets in our normal operations. This assessment will be periodically reviewed. Scope 3 emissions have been calculated using methodologies consistent with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Scope 3 Standard). More information on the calculation methodologies for other reported categories, boundaries assumptions and key references used in the preparation of our Scope 3 emissions data can be found in the associated BHP Scope 1, 2 and 3 Emissions Calculation Methodology, available at [bhp.com/climate](https://www.bhp.com/climate). More recent data for FY2020 is available in our Climate Change Report 2020 and Annual Report 2020 and online at <https://www.bhp.com>.

Franchises

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

An emissions figure is not calculated for this category as BHP does not have franchised operations. This assessment will be periodically reviewed. Scope 3 emissions have been calculated using methodologies consistent with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Scope 3 Standard). More information on the calculation methodologies for other reported categories, boundaries assumptions and key references used in the preparation of our Scope 3 emissions data can be found in the associated BHP Scope 1, 2 and 3 Emissions Calculation Methodology, available at [bhp.com/climate](https://www.bhp.com/climate). More recent data for FY2020 is available in our Climate Change Report 2020 and Annual Report 2020 at <https://www.bhp.com>.

Investments

Evaluation status

Not relevant, calculated

Metric tonnes CO2e

3100000

Emissions calculation methodology

Inclusions: Scope 1 and 2 emissions (on an equity basis) from our assets that are owned as a joint venture but not operated by BHP. Our non-operated minerals joint ventures and petroleum non-operated assets relevant to the FY2019 reporting year are described in our Annual Report 2019. Additional investments are added, and divestments removed, each year as appropriate. Exclusions: None Data used: Annual emissions for each of BHP's investments are sourced from the public domain wherever possible, including government-published data and sustainability reporting published by the operating entities. Where required, production volumes from investments in tonnes, barrels or bcf are sourced from BHP's publicly available Operational Review Report. Calculation methodology: The accounting approach for 'Equity investments' in the GHG Protocol Scope 3 Guidance is used. Scope 1 and 2 emissions for each investment (which form the basis for Scope 3 emissions from BHP) are sourced from publicly available information. If the available figure is for a previous reporting year, it is adjusted for the current year's production levels. This approach covered approximately 90 per cent of the emissions reported for this category. For investments which do not have publicly available emissions data, the emissions intensity from a similar operation in BHP's portfolio is applied to the current year's production to generate an estimate.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Although this is not a material source of Scope 3 emissions for the business (less than 1 per cent of total Scope 3 emissions), emissions associated with BHP's investments are relevant in that they contribute to the exposure of our business to climate-related risk. Scope 3 emissions have been calculated using methodologies consistent with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Scope 3 Standard). More information on the calculation methodologies for other reported categories, boundaries assumptions and key references used in the preparation of our Scope 3 emissions data can be found in the associated BHP Scope 1, 2 and 3 Emissions Calculation Methodology, available at [bhp.com/climate](https://www.bhp.com/climate). More recent data for FY2020 is available in our Climate Change Report 2020 and Annual Report 2020 and online at <https://www.bhp.com>.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

An emissions figure has not been calculated for this category; no other upstream Scope 3 emissions sources have been identified. Scope 3 emissions have been calculated using methodologies consistent with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Scope 3 Standard). More information on the calculation methodologies for other reported categories, boundaries assumptions and key references used in the preparation of our Scope 3 emissions data can be found in the associated BHP Scope 1, 2 and 3 Emissions Calculation Methodology, available at [bhp.com/climate](https://www.bhp.com/climate). More recent data for FY2020 is available in our Climate Change Report 2020 and Annual Report 2020 and online at <https://www.bhp.com>.

Other (downstream)

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

An emissions figure has not been calculated for this category; no other downstream Scope 3 emissions sources have been identified. Scope 3 emissions have been calculated using methodologies consistent with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Scope 3 Standard). More information on the calculation methodologies for other reported categories, boundaries assumptions and key references used in the preparation of our Scope 3 emissions data can be found in the associated BHP Scope 1, 2 and 3 Emissions Calculation Methodology, available at [bhp.com/climate](https://www.bhp.com/climate). More recent data for FY2020 is available in our Climate Change Report 2020 and Annual Report 2020 and online at <https://www.bhp.com>.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.00035698

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

15810000

Metric denominator

unit total revenue

Metric denominator: Unit total

44288000000

Scope 2 figure used

Market-based

% change from previous year

9

Direction of change

Decreased

Reason for change

Note this CDP response relates to FY2019. More recent data for FY2020 is available in our Climate Change Report 2020 and Annual Report 2020, available at <https://www.bhp.com>. Unless otherwise noted, the FY2019 data includes Continuing operations and Discontinued operations (Onshore US assets) to 31 October 2018. Refer to Section C7.9a for further information on the rationale for the year-on-year trends. The key reason for the decreased emissions intensity per unit of revenue in FY2019 compared to FY2018 was due to the divestment of Onshore US assets and the inclusion of only four months of data in the FY2019 reporting period. While our annual emissions are currently higher than the adjusted FY2017 levels, our asset-level emissions forecasts show we are on track to meet our FY2022 target, due primarily to implementation of renewable energy contracts in Chile in FY2022. Note that intensity per unit revenue is not an ideal comparative measure for BHP given that our revenue can vary significantly year on year due to the volatility of commodity prices for the products that we sell.

Intensity figure

2.4

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

15810000

Metric denominator

Other, please specify (Tonnes of copper equivalent)

Metric denominator: Unit total

6682000

Scope 2 figure used

Market-based

% change from previous year

0

Direction of change

No change

Reason for change

Unless otherwise noted, the FY2019 data includes Continuing operations and Discontinued operations (Onshore US assets) to 31 October 2018. Copper equivalent production has been calculated based on FY2019 average realised product prices for FY2019 production and FY2018 average realised product prices for FY2018 production. Production figures used are consistent with energy and emissions reporting boundaries, i.e. BHP operational control. Emissions intensity of 2.4 tonnes of CO2 per tonne of copper equivalent production remained steady from FY2018 to FY2019. This is due to a combination of factors in FY2019 including, a small decrease in iron ore production, offset by increase in iron price and decrease in copper price. Section C7.9a for further information on the rationale for the year-on-year trends. While our annual emissions are currently higher than the adjusted FY2017 levels, our asset-level emissions forecasts show we are on track to meet our FY2022 target, due primarily to implementation of renewable energy contracts in Chile in FY2022. Note that intensity per unit of copper equivalent production is not an ideal comparative measure for BHP given that copper equivalent production is calculated using the realised prices for our various commodities, which can vary significantly year on year due to the volatility of commodity prices for the products that we sell.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	7814000	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	1891000	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	17000	IPCC Fourth Assessment Report (AR4 - 100 year)
HFCs	2000	IPCC Fourth Assessment Report (AR4 - 100 year)
PFCs	0	IPCC Fourth Assessment Report (AR4 - 100 year)
SF6	1000	IPCC Fourth Assessment Report (AR4 - 100 year)

C-CO7.1b

(C-CO7.1b) Break down your total gross global Scope 1 emissions from coal mining activities in the reporting year by greenhouse gas type.

	Gross Scope 1 CO2 emissions (metric tons CO2)	Gross Scope 1 methane emissions (metric tons CH4)	Total gross Scope 1 GHG emissions (metric tons CO2e)	Comment
Fugitives (Underground coal mining)				
Fugitives (Surface coal mining)				
Fugitives (Post-mining and abandoned coal mines)	0			
Flaring				
Utilized methane				
Combustion (Underground coal mining, excluding flaring and utilization)				
Combustion (Surface coal mining, excluding flaring and utilization)				
Combustion (Electricity generation)				
Combustion (Other)				
Emissions not elsewhere classified				

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Australasia	7540000
North America <i>Unless otherwise noted, FY2019 data includes Continuing operations and Discontinued operations (Onshore US assets) to 31 October 2018. Total Scope 1 GHG emissions from the Discontinued operations (Onshore US assets) in FY2019 were 469.5 million tCO2e.</i>	750000
South America	1435000

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

- By business division
- By facility

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Coal	4509000
Copper	1465000
Iron Ore	2057000
Nickel	459000
Petroleum	754000
Potash	10000
Other (Onshore (US shale) assets)	470000

C7.3b

(C7.3b) Break down your total gross global Scope 1 emissions by business facility.

Facility	Scope 1 emissions (metric tons CO2e)	Latitude	Longitude
Olympic Dam (Australia, copper)	203000	-30.440514	136.802759
Western Australia Iron Ore (Australia, iron ore)	2057000	-23.531299	117.223958
Queensland Coal (Australia, metallurgical coal)	3989000	-26.402614	149.670159
New South Wales Energy Coal (Australia, energy coal)	520000	-32.532366	150.659224
Nickel West (Australia, nickel)	459000	-28.95385	120.523355
Escondida (Chile, copper)	926000	-27.922911	-72.764376
Pampa Norte (Chile, copper)	336000	-25.099567	-70.987772
Jansen Potash Project (Canada, potash)	10000	51.88665	-104.739435
Gulf of Mexico production (US, conventional oil and gas)	195000	24.358456	-93.972518
Onshore US production (US, unconventional oil and gas)	469500	32.7849	-96.9008
Australia production (Australia, conventional oil and gas)	312000	-38.517462	145.556653
Trinidad and Tobago production (Trinidad and Tobago, conventional oil and gas)	173000	10.550464	-61.512486
Other Petroleum (Petroleum head office)	74000	29.7604	-95.3698

C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4

(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

	Gross Scope 1 emissions, metric tons CO2e	Net Scope 1 emissions , metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Coal production activities	4509000	<Not Applicable>	
Electric utility activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	3991000	<Not Applicable>	
Oil and gas production activities (upstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (midstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (downstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
Australasia	2551000	2446000	3615000	0
North America <i>Unless otherwise noted, FY2019 data includes Continuing operations and Discontinued operations (Onshore US assets) to 31 October 2018. Total Scope 2 GHG emissions from the Discontinued operations (Onshore US assets) in FY2019 were 3 million tCO2e.</i>	47000	47000	70500	0
South America <i>Please note, the FY2019 Scope 2 GHG emissions have been restated due to a move from a location-based (grid) emission factors to a market-based emission factors (contract specific) at the Escondida and Pampa Norte (which includes Spence and Cerro Colorado) copper operations in Chile. The current electricity supply contracts are with coal and natural gas powered suppliers, and therefore the emissions intensity of the contracted supply is significantly higher than the grid average. The update in emission factors was performed to make BHP's reporting more consistent, as the market-based approach is the primary method of reporting when the relevant information is available.</i>	2476000	3596000	5914000	0

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

- By business division
- By facility

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Coal	1180000	1180000
Copper	2945000	4065000
Iron Ore	260000	260000
Nickel	637000	532000
Petroleum	21000	21000
Potash	27000	27000
Other (Onshore (US shale) assets)	3000	3000

C7.6b**(C7.6b) Break down your total gross global Scope 2 emissions by business facility.**

Facility	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Olympic Dam (Australia, copper)	470000	470000
Western Australia Iron Ore (Australia, iron ore)	260000	260000
Queensland Coal (Australia, metallurgical coal)	1090000	1090000
New South Wales Energy Coal (Australia, energy coal)	90000	90000
Nickel West (Australia, nickel)	637000	532000
Escondida (Chile, copper)	2143000	3061000
Pampa Norte (Chile, copper)	333000	534000
Jansen Potash Project (Canada, potash)	27000	27000
Onshore US production (US, unconventional oil and gas)	3000	3000
Australia production (Australia, conventional oil and gas)	4000	4000
Trinidad and Tobago production (Trinidad and Tobago, conventional oil and gas)	1000	1000
Other petroleum (Petroleum had office)	16000	16000

C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7**(C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7) Break down your organization's total gross global Scope 2 emissions by sector production activity in metric tons CO2e.**

	Scope 2, location-based, metric tons CO2e	Scope 2, market-based (if applicable), metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Coal production activities	1180000	1180000	
Metals and mining production activities	3870000	4884000	
Oil and gas production activities (upstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (midstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (downstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

C7.9**(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption		<Not Applicable>		
Other emissions reduction activities		<Not Applicable>		
Divestment	1220000	Decreased	7	US Onshore divestment. Calculation: (1,220,000/16,920,000)*100 = 7%
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output	120000	Decreased	1	Full year production decline at Pyrenees in FY19 (70 day dry-dock maintenance in FY19). Calculation: (120,000/16,920,000)*100 = 1.0%
Change in methodology	280000	Decreased	2	Reduction in electricity emissions factor for Minerals America combined with a decrease in electricity consumption. Calculation: (280,000/16,920,000)*100 = 2%
Change in boundary		<Not Applicable>		
Change in physical operating conditions		<Not Applicable>		
Unidentified		<Not Applicable>		
Other	510000	Increased	3	Numerous changes in productivity and technology, and changes in production profiles, contributed to the remainder of the change in emissions from FY2018 to FY2019. Calculation: 510,000/16,920,000 = 3%

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 10% but less than or equal to 15%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	31590000	31590000
Consumption of purchased or acquired electricity	<Not Applicable>	0	9700000	9700000
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	10000	<Not Applicable>	10000
Total energy consumption	<Not Applicable>	10000	41290000	41300000

C-MM8.2a

(C-MM8.2a) Report your organization's energy consumption totals (excluding feedstocks) for metals and mining production activities in MWh.

	Heating value	Total MWh
Consumption of fuel (excluding feedstocks)	LHV (lower heating value)	16500000
Consumption of purchased or acquired electricity	<Not Applicable>	8056000
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	10000
Total energy consumption	<Not Applicable>	24556000

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Coal

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

200000

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

0.33

Unit

metric tons CO2e per MWh

Emissions factor source

Please note, this is an average emission factor. It is calculated by dividing the total emissions from the stated source by the total energy consumption from the source. 0 is reported for 'MWh fuel consumed for self-generation of heat and electricity' as we do not consider self-generation of heat and electricity a significant source of fuel consumption at Group level. In reality, Scope 1 emissions for facilities already reporting to mandatory local regulatory programs are required to use the same factors and methodologies for reporting under BHP's operational control boundary. This ensures that a single emissions inventory is maintained for consistency and efficiency. A local regulatory program in this context refers to any scheme requiring emissions to be calculated using mandated references (e.g. the Green Tax legislation in Chile, which require emissions to be calculated using the IPCC factors) or mandated factors (e.g. the Australian NGER or US GHGRP which publish factors specific to the programs). In the absence of local mandatory regulations, the Australian NGER (Measurement) Determination has been set as the default source for factors and methodologies for consistency with the majority of the emissions inventory.

Comment

Note this CDP response relates to FY2019. More recent data for FY2020 is available in our Climate Change Report 2020 and Annual Report 2020, available at <https://www.bhp.com>. For latest information on emission factors used please see our Scope 1, 2 and 3 Emissions Calculation Methodology 2020, available at <https://www.bhp.com>.

Fuels (excluding feedstocks)

Natural Gas

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

6600000

MWh fuel consumed for self-generation of electricity

1710000

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

0.19

Unit

metric tons CO2e per MWh

Emissions factor source

Please note, this is an average emission factor. It is calculated by dividing the total emissions from the stated source by the total energy consumption from the source. The figure for 'MWh fuel consumed for self-generation of electricity' from natural gas is from the Yarnima Power Station based on the data reported in the Australian NGER submission. This is the most significant use of natural gas for electricity generation. Other sources where natural gas may be used for electricity generation (e.g. at our Petroleum operated assets) is not reported in this figure. 0 is reported for 'MWh fuel consumed for self-generation of heat' as we do not consider self-generation of heat a significant source of fuel consumption at Group level. In reality, Scope 1 emissions for facilities already reporting to mandatory local regulatory programs are required to use the same factors and methodologies for reporting under BHP's operational control boundary. This ensures that a single emissions inventory is maintained for consistency and efficiency. A local regulatory program in this context refers to any scheme requiring emissions to be calculated using mandated references (e.g. the Green Tax legislation in Chile, which require emissions to be calculated using the IPCC factors) or mandated factors (e.g. the Australian NGER or US GHGRP which publish factors specific to the programs). In the absence of local mandatory regulations, the Australian NGER (Measurement) Determination has been set as the default source for factors and methodologies for consistency with the majority of the emissions inventory.

Comment

Note this CDP response relates to FY2019. More recent data for FY2020 is available in our Climate Change Report 2020 and Annual Report 2020, available at <https://www.bhp.com>. For latest information on emission factors used please see our Scope 1, 2 and 3 Emissions Calculation Methodology 2020, available at <https://www.bhp.com>.

Fuels (excluding feedstocks)

Diesel

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

24100000

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

0.25

Unit

metric tons CO2e per MWh

Emissions factor source

Please note, this is an average emission factor. It is calculated by dividing the total emissions from the stated source by the total energy consumption from the source. 0 is reported for 'MWh fuel consumed for self-generation of heat and electricity' as we do not consider self-generation of heat and electricity a significant source of fuel consumption at Group level. In reality, a portion of Diesel consumption may be used for electricity and heat generation at some of our operated assets. In reality, Scope 1 emissions for facilities already reporting to mandatory local regulatory programs are required to use the same factors and methodologies for reporting under BHP's operational control boundary. This ensures that a single emissions inventory is maintained for consistency and efficiency. A local regulatory program in this context refers to any scheme requiring emissions to be calculated using mandated references (e.g. the Green Tax legislation in Chile, which require emissions to be calculated using the IPCC factors) or mandated factors (e.g. the Australian NGER or US GHGRP which publish factors specific to the programs). In the absence of local mandatory regulations, the Australian NGER (Measurement) Determination has been set as the default source for factors and methodologies for consistency with the majority of the emissions inventory.

Comment

Note this CDP response relates to FY2019. More recent data for FY2020 is available in our Climate Change Report 2020 and Annual Report 2020, available at <https://www.bhp.com>.

Fuels (excluding feedstocks)

Other, please specify (Energy use from sources other than coal, coke, electricity, natural gas, distillate and gasoline (e.g. lubricants))

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

700000

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

0.19

Unit

metric tons CO2e per MWh

Emissions factor source

Please note, this is an average emission factor. It is calculated by dividing the total emissions from the stated source by the total energy consumption from the source. 0 is reported for 'MWh fuel consumed for self-generation of heat and electricity' as we do not consider self-generation of heat and electricity a significant source of fuel consumption at Group level. In reality, Scope 1 emissions for facilities already reporting to mandatory local regulatory programs are required to use the same factors and methodologies for reporting under BHP's operational control boundary. This ensures that a single emissions inventory is maintained for consistency and efficiency. A local regulatory program in this context refers to any scheme requiring emissions to be calculated using mandated references (e.g. the Green Tax legislation in Chile, which require emissions to be calculated using the IPCC factors) or mandated factors (e.g. the Australian NGER or US GHGRP which publish factors specific to the programs). In the absence of local mandatory regulations, the Australian NGER (Measurement) Determination has been set as the default source for factors and methodologies for consistency with the majority of the emissions inventory.

Comment

Note this CDP response relates to FY2019. More recent data for FY2020 is available in our Climate Change Report 2020 and Annual Report 2020, available at <https://www.bhp.com>. For latest information on emission factors used please see our Scope 1, 2 and 3 Emissions Calculation Methodology 2020, available at <https://www.bhp.com>.

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity				
Heat				
Steam				
Cooling				

C-MM8.2d

(C-MM8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed for metals and mining production activities.

	Total gross generation (MWh) inside metals and mining sector boundary	Generation that is consumed (MWh) inside metals and mining sector boundary
Electricity		
Heat		
Steam		
Cooling		

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C-CO9.2a

(C-CO9.2a) Disclose coal reserves and production by coal type attributable to your organization in the reporting year.

Thermal coal

Proven reserves (million metric tons)

Probable reserves (million metric tons)

Production (million metric tons)

Energy content of production (GJ per metric ton)

Heating value

Please select

Emission factor of production (metric tons CO₂e per metric ton)

Comment

Metallurgical coal

Proven reserves (million metric tons)

Probable reserves (million metric tons)

Production (million metric tons)

Energy content of production (GJ per metric ton)

Heating value

Please select

Emission factor of production (metric tons CO₂e per metric ton)

Comment

Other coal

Proven reserves (million metric tons)

Probable reserves (million metric tons)

Production (million metric tons)

Energy content of production (GJ per metric ton)

Heating value

Please select

Emission factor of production (metric tons CO₂e per metric ton)

Comment

Total coal

Proven reserves (million metric tons)

Probable reserves (million metric tons)

Production (million metric tons)

Energy content of production (GJ per metric ton)

Heating value

Please select

Emission factor of production (metric tons CO₂e per metric ton)

Comment

C-CO9.2b

(C-CO9.2b) Disclose coal resources by coal type attributable to your organization in the reporting year.

Thermal coal

Measured resources (million metric tons)

Indicated resources (million metric tons)

Inferred resources (million metric tons)

Total resources (million metric tons)

Comment

Metallurgical coal

Measured resources (million metric tons)

Indicated resources (million metric tons)

Inferred resources (million metric tons)

Total resources (million metric tons)

Comment

Other coal

Measured resources (million metric tons)

Indicated resources (million metric tons)

Inferred resources (million metric tons)

Total resources (million metric tons)

Comment

Total coal

Measured resources (million metric tons)

Indicated resources (million metric tons)

Inferred resources (million metric tons)

Total resources (million metric tons)

Comment

C-CO9.3a

(C-CO9.3a) Break down the coal production attributed to your organization in the reporting year by grade.

	Production (%)	Comment
Lignite		
Subbituminous		
Bituminous		
Anthracite		
Other		

C-MM9.3a

(C-MM9.3a) Provide details on the commodities relevant to the mining production activities of your organization.

Output product

Copper

Capacity, metric tons

Production, metric tons

1542000

Production, copper-equivalent units (metric tons)

1542000

Scope 1 emissions

1465000

Scope 2 emissions

4065000

Scope 2 emissions approach

Market-based

Pricing methodology for copper-equivalent figure

Copper equivalent production has been calculated based on FY2019 average realised product prices for FY2019 production. Production figures used are consistent with energy and emissions reporting boundaries (i.e. BHP operational control) and are taken on 100 per cent basis.

Comment

Please note, the FY2019 Scope 2 GHG emissions have been restated due to a move from a location-based (grid) emission factors to a market-based emission factors (contract specific) at the Escondida and Pampa Norte (which includes Spence and Cerro Colorado) copper operations in Chile. The current electricity supply contracts are with coal and natural gas powered suppliers, and therefore the emissions intensity of the contracted supply is significantly higher than the grid average. The change in emission factors was made to make BHP's reporting more consistent, as the market-based approach is the primary method of reporting when the relevant information is available.

Output product

Iron ore

Capacity, metric tons

0

Production, metric tons

269599000

Production, copper-equivalent units (metric tons)

2233000

Scope 1 emissions

2057000

Scope 2 emissions

260000

Scope 2 emissions approach

Market-based

Pricing methodology for copper-equivalent figure

Copper equivalent production has been calculated based on FY2019 average realised product prices for FY2019 production. Production figures used are consistent with energy and emissions reporting boundaries (i.e. BHP operational control) and are taken on 100 per cent basis.

Comment

Output product

Nickel

Capacity, metric tons

0

Production, metric tons

88300000

Production, copper-equivalent units (metric tons)

160000

Scope 1 emissions

459000

Scope 2 emissions

532000

Scope 2 emissions approach

Market-based

Pricing methodology for copper-equivalent figure

Copper equivalent production has been calculated based on FY2019 average realised product prices for FY2019 production. Production figures used are consistent with energy and emissions reporting boundaries (i.e. BHP operational control) and are taken on 100 per cent basis.

Comment

C-CO9.3b

(C-CO9.3b) Break down the coal production attributed to your organization in the reporting year by mine type.

	Production (%)
Underground	
Surface	

C-MM9.3b

(C-MM9.3b) Provide details on the commodities relevant to the metals production activities of your organization.

C-CO9.4a

(C-CO9.4a) Explain which listing requirements or other methodologies you have used to provide reserves data in C-CO9.2a. If your organization cannot provide data due to legal restrictions on reporting reserves figures in certain countries, please explain this.

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	Yes	

C-CO9.6a/C-EU9.6a/C-OG9.6a

(C-CO9.6a/C-EU9.6a/C-OG9.6a) Provide details of your organization's investments in low-carbon R&D for your sector activities over the last three years.

Technology area	Stage of development in the reporting year	Average % of total R&D investment over the last 3 years	R&D investment figure in the reporting year (optional)	Comment
Monitoring systems to reduce emissions	Applied research and development	≤20%		Experimentation with techniques for measurement of fugitive methane emissions from open-cut coal mines.
Coal bed methane capture	Applied research and development	≤20%		Improving methane capturing via enhanced biofiltration based on living emission abolish filters (LEAFs)
Other, please specify (Decarbonisation planning)	Applied research and development	≤20%		Pathways to net-zero decarbonisation planning

C-MM9.6a

(C-MM9.6a) Provide details of your organization's investments in low-carbon R&D for metals and mining production activities over the last three years.

Technology area	Stage of development in the reporting year	Average % of total R&D investment over the last 3 years	R&D investment figure in the reporting year (optional)	Comment
Other, please specify (Renewable energy)	Applied research and development	≤20%		Development of green hydrogen technology to reduce greenhouse gas emissions from BHP operated assets.
Unable to disaggregate by technology area	<Not Applicable>	≤20%		Development of a method to convert rail fleet locomotives to hybrid/electric in order to reduce CO2 emissions
Green metals	Applied research and development	≤20%		Innovative Ore Extraction Methods – In-Situ Mineral Resource Preconditioning and Extraction

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

bhpsustainabilityreport2019.pdf

Page/ section reference

Refer to the 2019 Assurance Statement in the 2019 Sustainability Report, page 93.

Relevant standard

ISAE 3410

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

bhpsustainabilityreport2019.pdf

Page/ section reference

Refer to the 2019 Assurance Statement in the 2019 Sustainability Report, page 93.

Relevant standard

ISAE 3410

Proportion of reported emissions verified (%)

100

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

bhpsustainabilityreport2019.pdf

Page/ section reference

Refer to the 2019 Assurance Statement in the 2019 Sustainability Report, page 93.

Relevant standard

ISAE 3410

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3 (upstream & downstream)

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

bhpsustainabilityreport2019.pdf

Page/section reference

Refer to the 2019 Assurance Statement in the 2019 Sustainability Report, page 93.

Relevant standard

ISAE 3410

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C8. Energy	Energy consumption	ISAE 3000	Reasonable assurance over our FY2019 energy consumption data in accordance with ISAE 3000. Please refer to the assurance statement in the 2019 Sustainability Report and Annual Report 2020.
C4. Targets and performance	Progress against emissions reduction target	ISAE3410	In addition to reasonable assurance over our Scope 1 and 2 GHG emissions, EY also provided limited assurance over the remaining contents of our FY2019 Sustainability Report which includes: - Progress against emissions target - This assurance process is performed every financial year.
C3. Business strategy	Other, please specify (Qualitative content in the Climate Change Report 2020 describing Business strategy. Refer to Assurance Statement on page 41 in BHP Climate Change Report 2020 for further details.)	ISAE 3000,ISAE3410	Limited assurance over the following information ("subject matter") in Climate Change Report 2020 in accordance with the noted criteria: BHP's disclosures in relation to the TCFD Recommendations, as presented in BHP's Climate Change Report 2020 ('the Report') , The assumptions and approach supporting BHP's scenario analysis and portfolio analysis. Please refer to page 41 in BHP Climate Change Report 2020 for the Assurance Statement.
C7. Emissions breakdown	Year on year change in emissions (Scope 1 and 2)	ISAE3410	Reasonable assurance over our Scope 1 and Scope 2 emissions data Refer to the 2019 Assurance Statement in the 2019 Sustainability Report, page 93.
C2. Risks and opportunities	Other, please specify (Qualitative content in the Climate Change Report 2020 describing Risks and opportunities. Refer to Assurance Statement on page 41 in BHP Climate Change Report 2020 for further details.)	ISAE 3000,ISAE 3450	Limited assurance over the following information ("subject matter") in Climate Change Report 2020 in accordance with the noted criteria: BHP's disclosures in relation to the TCFD Recommendations, as presented in BHP's Climate Change Report 2020 ('the Report') , The assumptions and approach supporting BHP's scenario analysis and portfolio analysis. Please refer to page 41 in BHP Climate Change Report 2020 for the Assurance Statement.
C1. Governance	Other, please specify (Qualitative content in the Climate Change Report 2020 describing Governance. Refer to Assurance Statement on page 41 in BHP Climate Change Report 2020 for further details.)	ISAE 3000,ISAE 3450	Limited assurance over the following information ("subject matter") in Climate Change Report 2020 in accordance with the noted criteria: BHP's disclosures in relation to the TCFD Recommendations, as presented in BHP's Climate Change Report 2020 ('the Report') , The assumptions and approach supporting BHP's scenario analysis and portfolio analysis. Please refer to page 41 in BHP Climate Change Report 2020 for the Assurance Statement.

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

Australia ERF Safeguard Mechanism - ETS
 Canada federal fuel charge
 Chile carbon tax

C11.1b

(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.

Australia ERF Safeguard Mechanism

% of Scope 1 emissions covered by the ETS

74

% of Scope 2 emissions covered by the ETS

0

Period start date

July 1 2018

Period end date

June 30 2019

Allowances allocated

7219

Allowances purchased

5569

Verified Scope 1 emissions in metric tons CO₂e

7160798

Verified Scope 2 emissions in metric tons CO₂e

0

Details of ownership

Facilities we own and operate

Comment

7,219 ACCUs were surrendered in FY19. However, only 5,569 ACCUs were purchased in FY19, as 1,650 ACCUs were available. The verified Scope 1 emissions figure represents total Scope 1 emissions from facilities in Australia, the vast majority of which are captured by the Safeguard Mechanism administered by the Clean Energy Regulator in Australia. Given the nature of the Australian Safeguard Mechanism, facilities covered by this legislation are required to keep their annual Scope 1 GHG emissions below their stated baseline. At present, no allowances are allocated.

C11.1c

(C11.1c) Complete the following table for each of the tax systems you are regulated by.

Canada federal fuel charge

Period start date

Period end date

% of total Scope 1 emissions covered by tax

Total cost of tax paid

Comment

Chile carbon tax

Period start date

January 1 2019

Period end date

December 31 2019

% of total Scope 1 emissions covered by tax

1

Total cost of tax paid

487813

Comment

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

We recognise both the risks and opportunities posed by carbon pricing schemes and we continue to review our strategy to minimise the risks and maximise opportunities. We forecast regional carbon prices in ranges to anticipate plausible accelerations in carbon price regulation and assist with compliance. We include our carbon price forecasts in scenario modelling to determine the competitiveness of fuels across sectors. Our forecasts are also taken into account in investment decisions and asset valuations. Refer to our Climate Change Report 2020, available online at <https://www.bhp.com>, for further information, including a description of use of our carbon price forecasts in our latest portfolio analysis.

Our operated assets are required to maintain an accurate and complete emissions and energy inventories through defined data collection and reporting procedures; provide timely, accurate and detailed data for internal and external reporting and verification; understand the regulatory requirements and the regulator's approach pertaining to emissions; and identify, evaluate and implement suitable projects to reduce GHG emissions, including in project design and procurement.

BHP continues to monitor policy, market and technological changes and community, investor and regulatory standards and expectations as they develop to inform appropriate management actions.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price

Navigate GHG regulations
Stakeholder expectations
Change internal behavior
Drive energy efficiency
Drive low-carbon investment
Stress test investments
Identify and seize low-carbon opportunities
Supplier engagement
Other, please specify (Customer engagement)

GHG Scope

Scope 1
Scope 2
Scope 3

Application

Regional carbon taxes, levies or allowances, or emissions trading schemes, are becoming increasingly important mechanisms to drive decarbonisation. We include our carbon price forecasts in scenario modelling to determine the competitiveness of fuels across sectors. Our forecasts are also taken into account in investment decisions and asset valuations. We are also developing a quantitative investment metric that proposes to weigh our operational emissions medium-term target and long-term goal against an offset price forecast and an internal abatement project cost curve. This would differ from our carbon price forecasts and inform the implied costs and benefits of our decarbonisation initiatives, allowing us to prioritise and rank those initiatives based on an implied price on carbon. Refer to our Climate Change Report 2020, available online at <https://www.bhp.com>, for further information, including a description of use of our carbon price forecasts in our latest portfolio analysis.

Actual price(s) used (Currency /metric ton)

40

Variance of price(s) used

Our highest ambition long run price is US\$40/t CO₂e in 2030 for the mid case. We forecast carbon prices to reach between US\$10-40/t CO₂e in 2030 in the Central Energy View and US\$25-110/t CO₂e in 2030 in the Lower Carbon View (refer to Section 3.1b and our Climate Change Report 2020, available online at <https://www.bhp.com>, for an explanation of these views). To derive these prices, we segment relevant countries into three tiers depending on their observed and projected level of decarbonisation ambition. We would expect a single global carbon price to hasten decarbonisation across sectors, however, signposts indicate that regional differences are likely to persist at least until 2030. Where we have no internal view on a country, we adopt the International Energy Agency's (IEA) Stated Policy Scenario long run carbon price position. Our Carbon Offset strategy (described in our Climate Change Report 2020, available online at <https://www.bhp.com>) does not outline an allowable contribution of offsets toward our emission reduction commitments, for example, limiting the use of offsets to a certain percentage of our emissions footprint. In lieu of this approach, we are developing a quantitative investment metric that proposes to weigh our operational emissions medium-term target and long-term goal against an offset price forecast and an internal abatement project cost curve. This metric would be designed to help decision-makers evaluate the trade-off between reducing emissions internally and offsetting externally. This would differ from our carbon price forecasts (described above), which track regional compliance carbon markets and regulatory pricing schemes to assess observed and projected levels of decarbonisation ambition. Refer to our Climate Change Report 2020, available online at <https://www.bhp.com>, for further information.

Type of internal carbon price

Shadow price

Impact & implication

We include our carbon price forecasts in scenario modelling to determine the competitiveness of fuels across sectors. Our forecasts are also taken into account in investment decisions and asset valuations. Recent examples of how portfolio evaluation has informed investment decisions include, in FY2020, BHP entering into four new renewable power purchase agreements (PPAs) for its Escondida and Spence copper operations in Chile. The contracts will effectively displace 3 million tonnes (Mt) CO₂e per year from FY2022, compared with the fossil fuel-based contracts they are replacing. The new contracts will meet current energy needs, contain flexibility to help manage future demand and offer financial savings compared with existing arrangements Refer to our Climate Change Report 2020, available online at <https://www.bhp.com>, for a description of use of our carbon price forecasts in our latest portfolio analysis.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers
Yes, our customers
Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Compliance & onboarding

Details of engagement

Climate change is integrated into supplier evaluation processes

% of suppliers by number

56

% total procurement spend (direct and indirect)

0

% of supplier-related Scope 3 emissions as reported in C6.5

3

Rationale for the coverage of your engagement

For all our goods and services, we engage our suppliers through a commercial framework aligned with Our Charter values and ethical practices. We assess supply categories according to commercial dependency and supplier risk, on a tiered approach. Engagement with each supplier is determined by the risk level. If required, we work together to develop a plan to ensure the supplier meets Our Requirements standards throughout the relationship. We also support suppliers from host communities to help them meet our standards, build their capabilities and generate local employment. We are currently in the process of designing and implementing a new category management platform that will increase our effectiveness in tracking supplier performance and ongoing supplier monitoring. Suppliers are required to abide by BHP's Code of Conduct. BHP's Code of Conduct requires suppliers to comply with Our requirements for environment and climate change. By registering through BHP's Global Contract Management System (GCMS), suppliers are required to accept BHP's Code of Conduct. BHP tracks the number of suppliers registered through GCMS. In July 2019 we committed to set public goals related to Scope 3 emissions. During FY2020, we investigated BHP's opportunities to influence emissions reductions through an analysis of our value chain and consultation with suppliers, customers, investors and other stakeholders. As a result, we have set Scope 3 GHG emissions goals for 2030. An example, our Scope 3 goals for 2030 includes a focus on opportunities to work with major suppliers to reduce emissions in the maritime industry. As one of the world's largest dry bulk charterers we have the opportunity to influence action in a global industry where emissions are difficult to abate. We expect to achieve our Scope 3 goal through chartering choices, alternative fuel requirements, and technology to optimise voyages. As an initial action, we issued a world-first tender for lower-emissions LNG-fuelled bulk carrier vessels for iron ore transportation in July 2019. This is expected to lead to lower emissions of up to 34 per cent on a per voyage basis when compared to conventional vessels.

Impact of engagement, including measures of success

Measuring success: Environmental and climate change requirements are documented within BHP's Our Requirements internal standards. All suppliers of non-traded goods and services must meet our Minimum requirements for suppliers requirements. Our short-term actions will be defined annually in a Scope 3 Action Plan, with performance against that plan linked to executive remuneration. These actions will be aligned to achievement of our Scope 3 2030 goals, and be guided by our long-term vision for sectoral decarbonisation. Our 2030 goals are: • Support industry to develop technologies and pathways capable of 30 per cent emissions intensity reduction in integrated steelmaking, with widespread adoption expected post-2030 • Support 40 per cent emissions intensity reduction of BHP-chartered shipping of our products Engagement impact: An example of engagement impact is that biofuels must only be sourced from global companies that have policies or standards for the sustainable sourcing of biofuel components; they must demonstrate that biofuels are not sourced in conflict with agricultural, biodiversity or other environmental values and have a positive lifecycle GHG emissions impact. We are also participating in the International Council on Mining and Metals (ICMM)'s Innovation for Cleaner Safer Vehicles (ICSV) program, which brings together 27 of the world's leading mining companies and some of the best-known truck and mining equipment suppliers to accelerate innovation to develop a new generation of mine vehicles, with one of the aims of the program being to introduce greenhouse gas emission-free surface mining vehicles by 2040.

Comment

The Figures for per cent Scope 3 emissions corresponds to emissions reported in the Purchased goods and services, Fuel and energy related activities and Business travel categories. Please note, this is a high level estimate figure and does not directly relate to the suppliers covered by our processes as we do not use supplier provided data to estimate the Scope 3 emissions for these categories (except for Business travel where supplier provided data is used). Furthermore, this is not a material source of Scope 3 emissions for our business, representing approximately 3 per cent of total Scope 3 emissions (whereas over 97 per cent of Scope 3 emissions associated with our value chain are related to our customers' processing and use of our products). The Figure '0' for 'per cent total procurement spend (direct and indirect)' means that our coverage was not calculated based on spend.

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Education/information sharing

Details of engagement

Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

% of customers by number

77

% of customer - related Scope 3 emissions as reported in C6.5

73

Portfolio coverage (total or outstanding)

<Not Applicable>

Please explain the rationale for selecting this group of customers and scope of engagement

Please note, engagement on climate related topics is done through forums, conferences, product stewardship initiatives and directly with customers through our marketing team. The figure for per cent Scope 3 emissions corresponds to emissions emanating from the steelmaking (processing and use of our iron ore and metallurgical coal) and copper production processes. Note: size of engagement figure estimated based on per cent emissions from these sources as a proportion of total emissions from downstream processing and use of our products, rather than number of customers, given our products are traded commodities. Emissions from these processes represent our most significant sources of Scope 3 emissions, therefore present commensurately significant opportunities for achieving emissions reductions. In addition, whereas reducing the Scope 3 emissions from our energy commodities (energy coal, natural gas and petroleum products) could be achieved by diversifying towards lower carbon energy sources (including shifting from oil to gas), reducing the emissions intensity related to the processing of non-energy commodities (such as iron ore and copper) relies on the decarbonisation of the relevant industrial process (such as steelmaking or copper metal production) employed by our customers. Further, the emissions from industrial processes involved are more dependent on process route, raw material quality and eventual end use – and therefore more variable by individual facility – than combustion of fossil fuels for energy production, offering greater scope for customer engagement around the climate change impacts of using our products. Our engagement on climate forms part of our broader approach to product stewardship whereby we encourage the responsible design, use, reuse, recycling and disposal of our products throughout our value chain, in line with the ICMM Sustainable Development Framework. We work with individual customers to design and test raw material blends that optimise environmental performance. We participate in product stewardship initiatives, such as Responsible Steel, and commodity and industry associations that seek to bring together the participants in a product's life cycle to improve sustainability performance. We collaborate on research with customers, industry bodies and academia to identify sustainable product and process improvements.

Impact of engagement, including measures of success

While for some emissions sources we have the ability to influence our suppliers or other service providers to reduce emissions from their activities, the fact that emissions from the downstream processing of our products occur 'outside the gate' makes them more challenging to address. Our technical marketing teams work directly with our customers to help them improve the productivity and environmental performance of their processes based on the quality characteristics of our products. For emissions from steelmaking, for example, we produce premium low volatile (PLV) coking coals that can be processed into high strength metallurgical coke. This has allowed our customers to increase productivity and lower external energy requirements (and hence emissions) in the blast furnace. There is opportunity to build on these relationships to identify strategic opportunities to partner in implementing projects with the potential to achieve more material emissions reductions. We also work in partnership with others to accelerate the development of low emissions technologies such as carbon capture, utilisation and storage (CCUS) with the potential to deliver step-change emissions reductions from the processing and use of our products over a longer time horizon. Our various CCUS investments and partnerships focus on mechanisms to reduce the costs and accelerate deployment of this critical technology, and include activities aimed at knowledge sharing from commercial-scale projects, development of sectoral deployment roadmaps, and funding for R&D at leading universities and research institutes. Measures of success include: establishment of International CCS Knowledge Centre in Saskatchewan, Canada, to share lessons from SaskPower's Boundary Dam CCUS project; establishment of partnership with Peking University and other partners to identify the key policy, technical and economic barriers to CCUS deployment in the industrial sector, with a particular focus on the iron and steel industry in China; and establishment of research collaboration between the University of Melbourne, University of Cambridge and Stanford University to support fundamental research into the long-term storage mechanisms of CO₂ in sub-surface locations. We have set public goals related to Scope 3 emissions. Refer to our Climate Change Report 2020, available at www.bhp.com, for further information.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

At BHP, we recognise the importance of taking action to support efforts to reduce emissions across our full value chain, as the emissions from our customers' use of our products are significantly higher than those from our operated assets. By definition, Scope 3 emissions occur outside of our operated assets and are emissions over which we do not have operational control. We therefore seek opportunities to partner with others across our value chain to enable the reduction of these emissions. The most significant contributions to Scope 3 emissions come from the processing and use of our products, in particular from the use of our iron ore and metallurgical coal in steelmaking.

We have set Scope 3 GHG emissions goals for 2030 to:

- support industry to develop technologies and pathways capable of 30 per cent emissions intensity reduction in integrated steelmaking, with widespread adoption expected post-2030
- support 40 per cent emissions intensity reduction of BHP-chartered shipping of our products

In July 2019, we announced BHP's US\$400 million Climate Investment Program (CIP). Over its five-year life, the program will invest to scale up LETs, invest in natural climate solutions and support partnerships to address Scope 3 emissions. The CIP is a demonstration of our commitment to take a product stewardship role in relation to our full value chain and to work with others to unlock GHG emissions reduction opportunities through projects, partnerships, R&D and venture investments.

Projects will be balanced across our operated assets and BHP's value chain, with investment in a range of projects at different stages of maturity and risk. In line with our climate change strategy, initial investments will focus on reducing emissions at our operated Minerals (Australia and Americas) operated assets and addressing Scope 3 emissions in the steelmaking sector, particularly emerging technologies that have the potential to be scaled for widespread application. For example, in 2019, we invested US\$6M in Carbon Engineering Ltd to progress the development of a ground-breaking technology to reduce GHG emissions by accelerating the development of DAC, which removes carbon dioxide from the atmosphere.

During FY2020, potential CIP projects have requested approximately US\$350M over five years. Establishing a robust pipeline is critical to drive prioritisation of the best projects across our operated assets and value chain, and to ensure that emissions targets can be met alongside safety, production and cost targets.

Leveraging the contributions of others, we expect that addressing emissions across complex value chains will require significant investment from a range of stakeholders, reinforcing the value of partnerships to drive material change.

We support industry association programs and other initiatives that bring together participants in a product's life cycle to improve sustainability performance. For example, we support Responsible Steel and the European Copper Institute's product stewardship initiatives, and participate in the ICMM Materials Stewardship Facility. In FY2020, we developed an implementation plan to conform to the updated ICMM Mining Principles, which now include clearly articulated performance expectations and requirements for asset-level validation. We joined Responsible Steel, participated in the London Metal Exchange's consultation on responsible sourcing standards and participated in the development of the Copper Mark, a new assurance program for responsible copper production established by the International Copper Association. Our participation is aimed at ensuring the standards and thresholds are meaningful. We seek to improve traceability and transparency through piloting blockchain initiatives with industry consortia.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

- Direct engagement with policy makers
- Trade associations
- Funding research organizations
- Other

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Mandatory carbon reporting	Support	Direct and indirect engagement with relevant government officials in the regions where we operate. For example, we undertook detailed review and engagement on the application of and technical amendments to the Australian National Greenhouse and Energy Reporting scheme (NGER).	We believe an effective policy framework should include a complementary set of measures, including a globally consistent price on carbon, support for low emissions and negative emissions technologies and energy efficiency, and measures to build resilience. We support mandatory GHG reporting as an essential component to underpin effective climate change policy design and emissions management. This should balance technical accuracy with the time and investment required to meet expectations.
Carbon tax	Support with minor exceptions	Direct and indirect engagement with relevant government officials and contribution to policy reviews in the regions where we operate. For example, in FY2019, we participated in numerous consultations with the Australian Government on the design of the Emissions Reduction Fund Safeguard Mechanism. Furthermore, our CEO participated in the High Level Commission on Carbon Pricing and Competitiveness, an initiative of the World Bank. The findings of this work were published in September 2019, and included a call for industry and governments to adopt strong carbon pricing policies.	We believe an effective policy framework should include a complementary set of measures, including a globally consistent price on carbon, support for low emissions technology and negative emissions technologies and energy efficiency, and measures to build resilience. We are a signatory to the World Bank's 'Putting a Price on Carbon' statement and a partner in the Carbon Pricing Leadership Coalition, a global initiative that brings together leaders from industry, government, academia and civil society with the goal of putting in place effective carbon pricing policies. We believe carbon pricing should be implemented in a way that addresses competitiveness concerns and achieves lowest cost emissions reductions. We believe that to be effective and efficient, a carbon price should be (i) clear – the objectives and principles should be clearly defined and consistently applied; (ii) predictable – effective planning and investment requires certainty on the parameters, timelines and long term trajectory of policy; and (iii) measured – a measured transition requires a gradual approach in which there is time for preparation and adjustment.
Clean energy generation	Support	Direct and indirect engagement with relevant government officials and contribution to policy reviews in the regions where we operate. For example in FY2019, we publicly advocated in favour of the National Energy Guarantee (NEG), a policy framework that aimed to drive emissions reduction and maintain reliability in Australia's National Electricity Market. Our advocacy included an op-ed published in the Australian Financial Review by our President Operations Australia that called on Australian and State governments to legislate the NEG.	We believe an effective policy framework should include a complementary set of measures, including a globally consistent price on carbon, support for low emissions and negative emissions technologies and energy efficiency, and measures to build resilience. We support policy design that (1) considers energy security, energy affordability and emissions reduction on an integrated basis; (2) includes technology neutral policy frameworks; and (3) supports open and transparent markets in energy. Policymakers should focus on providing clear and stable emissions reduction goals, allowing industry to determine the most effective and least cost means of achieving these goals. Such an approach would likely spur innovation and avoid a scenario where less-efficient technologies are 'locked in' and/or potentially more efficient technologies are 'locked out'.

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

American Petroleum Institute

Is your position on climate change consistent with theirs?

Mixed

Please explain the trade association's position

The API represents the upstream and downstream oil and gas industry in the US. It facilitates the lifting of industry and member performance through information sharing, standards development, guidance development, equipment certification, research, events and training. It has approximately 625 members. API and its members: (1) commit to delivering solutions that reduce the risks of climate change while meeting society's growing energy needs; and (2) support global action that drives greenhouse gas emissions reductions and economic development. API will lead by providing platforms for industry action to: • Reduce greenhouse gas emissions through industry-led solutions. • Actively work on policies that address the risks of climate change while meeting the global need for affordable, reliable and sustainable energy. API and its members advocate for government policies that ensure the availability and continued development of affordable, reliable and sustainable energy, including oil and natural gas supplies and products derived from them, to consumers. The following principles will guide API's perspective on public policies that address the risks of climate change. Sound public policy approaches must be designed to: • Facilitate meaningful GHG emissions reductions and conservation from all sectors of the economy. • Balance economic, environmental and energy security needs. • Promote economy-wide innovation and development of cost-effective technologies to meaningfully reduce GHG emissions. • Optimise solutions by eliminating redundant or contradictory policies. • Support market-based policies to drive innovation. • Maintain the competitive positioning of U.S. businesses in global markets. • Rely upon predictable and economically efficient policy frameworks, such as the use of offsets, that foster competition and utilise economy-wide market forces, to deliver outcomes at the least cost to society. • Ensure that energy producers, manufacturers and suppliers are responsible for their direct emissions. • Recognize and appropriately account for early and/or voluntary actions. • Make the costs and associated climate benefits of any policy fully transparent to the American public. • Continue to advance understanding of global climate change in order to calibrate and adapt future policies appropriately and effectively.

How have you influenced, or are you attempting to influence their position?

BHP is represented in key governance bodies of the API, and our employees also represent BHP on various working groups. BHP recognises the critical importance of responsible and constructive advocacy and has taken a number of steps to address this interest. We published our first industry association review in 2017, which sought to identify any 'material differences' between BHP and our association memberships on climate change policy. We repeated this exercise in 2018 and 2019. For the latter, we broadened our methodology to capture additional organisations and to provide an assessment of the extent of overall alignment between BHP and our association memberships on climate change policy. The 2019 industry association review identified two material differences with the API. The first difference identified was that the API has expressed support for the proposed decision by the United States Environmental Protection Agency to remove existing methane requirements for the oil and gas industry. These requirements were initially introduced by the Obama Administration, and form part of the United States nationally determined contribution (NDC) under the Paris Agreement. We welcomed the Paris Agreement, formalised in December 2015 at the United Nations Framework Convention on Climate Change (UNFCCC) 21st Conference of Parties (COP21). We support efforts by government and industry to set targets for emissions reductions. The second difference identified was that the API did not have an articulated position on the Paris Agreement. Our review also found that BHP derives a high level of benefit from the broader activities of the API. Given this, BHP has determined to remain a member of the API, subject to the following actions: • Formally communicate the identified material difference to the board of the API. • Request that the API refrain from policy activity or advocacy in relation to emissions reduction targets. • Encourage the API to foster a consensus within its membership in relation to the Paris Agreement, with the goal of developing a position on this policy area. • Maintain a register of material differences. • Review its membership of the API if it has not refrained from advocacy in relation to emissions reduction targets and fostered a consensus on the Paris Agreement within a reasonable period (no later than 31 August 2020).

Trade association

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

APPEA represents Australia's oil and gas exploration and production industry. It facilitates the lifting of industry and member performance through information sharing, guidance development, research, events and training. It has approximately 60 full member companies and 140 associate member companies. APPEA believes that Australia should engage the international community in pursuing identified and beneficial environmental outcomes through greenhouse gas emissions reduction action that allows for differentiated national approaches; promotes international participation; minimises the costs and distributes the burden equitably across the international community; is comprehensive in its coverage and allows for the unrestricted flow of credible emissions units between international jurisdictions; and is underpinned by streamlined, efficient and effective administrative, reporting and compliance arrangements.

How have you influenced, or are you attempting to influence their position?

BHP is represented in key governance bodies of APPEA, and our employees also represent BHP on various working groups. We have long held the view that active participation in industry associations provides a leadership opportunity. We believe that by working within associations, we can, with other like-minded members, seek to exert a positive influence on the industry as a whole. This does not mean, however, that we will always agree with every position or approach that every industry association to which we belong adopts on every issue. This is particularly the case where the association's membership is large and the mandate is broad, covering a wide range of issues. BHP recognises the critical importance of responsible and constructive advocacy and has taken a number of steps to address this interest. We published our first industry association review in 2017, which sought to identify any 'material differences' between BHP and our association memberships on climate change policy. We repeated this exercise in 2018 and 2019. For the latter, we broadened our methodology to capture additional organisations and to provide an assessment of the extent of overall alignment between BHP and our association memberships on climate change policy. The 2019 review did not identify any material differences between the climate and energy policy positions held by BHP and those held by APPEA. In assessing the overall alignment between BHP and APPEA on climate and energy policy, the 2019 review found APPEA to be 'aligned'. We recognise that stakeholder expectations on the role and nature of industry associations have continued to evolve, particularly in terms of ensuring associations engage proactively and constructively in climate policy debates. Information on the steps we are taking to change our approach can be found on our website at www.bhp.com.

Trade association

Business Council of Australia

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The BCA provides a forum for Australian business leaders to contribute to public policy debates. It promotes the contribution and social responsibility of the business community, and facilitates the lifting of industry and member performance (through information sharing, research and events). It has approximately 130 members. The BCA advocates for strong action on climate change. It supports: • The science of climate change. • The Paris Agreement and transitioning to net-zero emissions by 2050. • Achieving Australia's emissions reduction targets without carryover credits. • The need for a market-based carbon price to drive the transition and incentivise investment in low and no-emissions technology. The BCA supported the Rudd Government's Carbon Pollution Reduction Scheme (CPRS), called for an Emissions Intensity Scheme, supported a Clean Energy Target (CET) and most recently worked hard to bring industry and the community together to support the National Energy Guarantee.

How have you influenced, or are you attempting to influence their position?

BHP is represented in key governance bodies of the BCA, and our employees also represent BHP on various working groups. We have long held the view that active participation in industry associations provides a leadership opportunity. We believe that by working within associations, we can, with other like-minded members, seek to exert a positive influence on the industry as a whole. This does not mean, however, that we will always agree with every position or approach that every industry association to which we belong adopts on every issue. This is particularly the case where the association's membership is large and the mandate is broad, covering a wide range of issues. BHP recognises the critical importance of responsible and constructive advocacy and has taken a number of steps to address this interest. We published our first industry association review in 2017, which sought to identify any 'material differences' between BHP and our association memberships on climate change policy. We repeated this exercise in 2018 and 2019. For the latter, we broadened our methodology to capture additional organisations and to provide an assessment of the extent of overall alignment between BHP and our association memberships on climate change policy. The 2019 review did not identify any material differences between the climate and energy policy positions held by BHP and those held by the BCA. In assessing the overall alignment between BHP and the BCA on climate and energy policy, the 2019 review found the BCA to be 'mostly aligned'. This finding was based on the BCA not having a formal position on climate science. The BCA subsequently updated its climate change position to include its acknowledgement and support of climate science. We recognise that stakeholder expectations on the role and nature of industry associations have continued to evolve, particularly in terms of ensuring associations engage proactively and constructively in climate policy debates. Information on the steps we are taking to change our approach can be found on our website at www.bhp.com.

Trade association

Chamber of Minerals and Energy of Western Australia

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The CME represents the mineral and energy resources sector in Western Australia. It facilitates the lifting of industry and member performance (through information sharing, research and events). It has approximately 70 ordinary members and 50 associate members. The CME, along with other minerals sector industry associations, published a Statement of Principles on Climate Change Policy in 2011. This document maintains that a measured transition to a low emissions global economy will require the alignment of three key policy pillars: (1) a global agreement for greenhouse gas emission abatement that includes emissions reduction commitments from all major emitting nations; (2) market-based policy measures that promote the abatement of greenhouse gas emissions at the lowest cost, while minimising adverse social and economic impacts, including on the competitiveness of the internationally traded sector; and (3) substantial investment in a broad range of low emissions technologies and adaptation measures.

How have you influenced, or are you attempting to influence their position?

BHP is represented in key governance bodies of the CME, and our employees also represent BHP on various working groups. We have long held the view that active participation in industry associations provides a leadership opportunity. We believe that by working within associations, we can, with other like-minded members, seek to exert a positive influence on the industry as a whole. This does not mean, however, that we will always agree with every position or approach that every industry association to which we belong adopts on every issue. This is particularly the case where the association's membership is large and the mandate is broad, covering a wide range of issues. BHP recognises the critical importance of responsible and constructive advocacy and has taken a number of steps to address this interest. We published our first industry association review in 2017, which sought to identify any 'material differences' between BHP and our association memberships on climate change policy. We repeated this exercise in 2018 and 2019. For the latter, we broadened our methodology to capture additional organisations and to provide an assessment of the extent of overall alignment between BHP and our association memberships on climate change policy. The 2019 review did not identify any material differences between the climate and energy policy positions held by BHP and those held by the CME. In assessing the overall alignment between BHP and the CME on climate and energy policy, the 2019 review found the CME to be 'mostly aligned'. This finding was based on the CME not having formal positions on climate science, balancing the energy trilemma, and price on carbon. We recognise that stakeholder expectations on the role and nature of industry associations have continued to evolve, particularly in terms of ensuring associations engage proactively and constructively in climate policy debates. Information on the steps we are taking to change our approach can be found on our website at

Trade association

Consejo Minero de Chile

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

CM Represents Chile's mineral resources sector. It facilitates the lifting of industry and member performance (through information sharing, research, skills development, events and training). It has approximately 20 members. CM has adopted ten principles on climate change: 1. Recognise that climate change is a global challenge that must be understood and addressed by all society agents - the mining industry among them - as part of the industrial processes responsible of the emission of greenhouse gases. 2. Advocate the implementation of a binding global agreement on climate change; in particular, the ratification of the Paris Agreement subscribed in 2015. 3. Advocate the adoption of cost-effective measures intended to reduce greenhouse gas emissions, free of any prior discrimination between areas or segments within the same sector while considering the impact these measures can have on vulnerable sections of the population. 4. Specifically, endorse the use of market-based instruments designed to reduce greenhouse gas emissions as well as innovation-fostering instruments. 5. Continue to promote the use of renewable resources and other low-emission technologies for energy generation purposes while preserving the economic, safe and continuous supply objectives. 6. Maintain and intensify the efficient use of energy in mining operations, sharing the progress and improvements made and innovations implemented. 7. Disseminate the contributions made to mitigation by the mining activity by producing metals that allow electric power to be efficiently transmitted and used. 8. Continue to include the need to adapt to climate change in the design and operation of mine sites. 9. Endorse the implementation of climate change adaptation measures in the communities located around the operations, as part of the creation of shared-value and relationship processes. 10. Continue to actively participate in the different public and private initiatives seeking measures to mitigate, adapt and strengthen the climate change-related capacities, consistent with the above-mentioned principles.

How have you influenced, or are you attempting to influence their position?

BHP is represented in key governance bodies of CM, and our employees also represent BHP on various working groups. We have long held the view that active participation in industry associations provides a leadership opportunity. We believe that by working within associations, we can, with other like-minded members, seek to exert a positive influence on the industry as a whole. This does not mean, however, that we will always agree with every position or approach that every industry association to which we belong adopts on every issue. This is particularly the case where the association's membership is large and the mandate is broad, covering a wide range of issues. BHP recognises the critical importance of responsible and constructive advocacy and has taken a number of steps to address this interest. We published our first industry association review in 2017, which sought to identify any 'material differences' between BHP and our association memberships on climate change policy. We repeated this exercise in 2018 and 2019. For the latter, we broadened our methodology to capture additional organisations and to provide an assessment of the extent of overall alignment between BHP and our association memberships on climate change policy. The 2019 review did not identify any material differences between the climate and energy policy positions held by BHP and those held by Consejo Minero. In assessing the overall alignment between BHP and Consejo Minero on climate and energy policy, the 2019 review found Consejo Minero to be 'aligned'. We recognise that stakeholder expectations on the role and nature of industry associations have continued to evolve, particularly in terms of ensuring associations engage proactively and constructively in climate policy debates. Information on the steps we are taking to change our approach can be found on our website at www.bhp.com.

Trade association

International Council on Mining and Metals

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The ICMM aims to strengthen the environmental and social performance of the mining industry, with members having to meet specified performance standards and sustainable development commitments to be eligible. It has approximately 25 company members and approximately 35 association members. ICMM advocates an approach to policy and action that will ensure the mining and metals industry plays its full part in contributing to sustainable development while remaining competitive in a low carbon economy. A position that includes the eventual establishment of an integrated and globally effective carbon regime. ICMM in 2011 published its principles for climate change policy design. These principles are: • Provide clear policies for a predictable, measured transition to a long term price on greenhouse gas emissions. • Apply climate change related revenues to manage a transition to a low carbon future. • Facilitate trade competitiveness across sectors. • Seek broad-based application. • Be predictable and gradual. • Be simple and effective. • Support low-emission.

How have you influenced, or are you attempting to influence their position?

BHP is represented in key governance bodies of the ICMM, including the ICMM Council, the Principal Liaison Committee and the Environment and Climate Change Program Committee. Our employees also represent BHP on various working groups related to water, biodiversity and climate change. We have long held the view that active participation in industry associations provides a leadership opportunity. We believe that by working within associations, we can, with other like-minded members, seek to exert a positive influence on the industry as a whole. This does not mean, however, that we will always agree with every position or approach that every industry association to which we belong adopts on every issue. This is particularly the case where the association's membership is large and the mandate is broad, covering a wide range of issues. BHP recognises the critical importance of responsible and constructive advocacy and has taken a number of steps to address this interest. We published our first industry association review in 2017, which sought to identify any 'material differences' between BHP and our association memberships on climate change policy. We repeated this exercise in 2018 and 2019. For the latter, we broadened our methodology to capture additional organisations and to provide an assessment of the extent of overall alignment between BHP and our association memberships on climate change policy. The 2019 review did not identify any material differences between the climate and energy policy positions held by BHP and those held by ICMM. In assessing the overall alignment between BHP and ICMM on climate and energy policy, the 2019 review found ICMM to be 'aligned'. We recognise that stakeholder expectations on the role and nature of industry associations have continued to evolve, particularly in terms of ensuring associations engage proactively and constructively in climate policy debates. Information on the steps we are taking to change our approach can be found on our website at www.bhp.com.

Trade association

Minerals Council of Australia

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The MCA represents and promotes Australia's exploration, mining and minerals processing industry. It facilitates the lifting of industry and member performance (through information sharing, guidance development, research and events). It has approximately 50 member companies and 30 associate members. The MCA acknowledges that sustained global action is required to reduce the risks of human-induced climate change. The Australian minerals sector supports a measured transition to a low emissions global economy. This includes participation in global agreements such as the Paris Agreement, which would hold the increase in the global average temperature to "well below" 2°C above pre-industrial levels. This transition will require a policy framework encompassing: • Australia's participation in global agreements such as the Paris Agreement with greenhouse gas emission reduction commitments from major emitting nations. • A combination of short, medium and long-term market-based policy measures that: - Provide for least cost abatement of greenhouse gas emissions. - Maintain the international competitiveness of Australian industry. - Minimise adverse social and economic impacts on households. - Provide industry with policy certainty to make long term investments. • Substantial investment in a broad range of low emissions technologies and adaptation measures. The MCA recently released its Climate Action Plan. This outlines the tangible steps the sector will take over 2020-2023 to

take action on climate change, consistent with the Paris Agreement and its goal of net-zero emissions. Further information on the Climate Action Plan can be found at: <https://minerals.org.au/news/australia%E2%80%99s-minerals-sector-strengthens-climate-action-commitment>.

How have you influenced, or are you attempting to influence their position?

BHP is represented in key governance bodies of the MCA, including the Board and the Energy and Climate Change Standing Committee. Our employees also represent BHP on various working groups related to water, biodiversity and environmental management. We have long held the view that active participation in industry associations provides a leadership opportunity. We believe that by working within associations, we can, with other like-minded members, seek to exert a positive influence on the industry as a whole. This does not mean, however, that we will always agree with every position or approach that every industry association to which we belong adopts on every issue. This is particularly the case where the association's membership is large and the mandate is broad, covering a wide range of issues. BHP recognises the critical importance of responsible and constructive advocacy and has taken a number of steps to address this interest. We published our first industry association review in 2017, which sought to identify any 'material differences' between BHP and our association memberships on climate change policy. We repeated this exercise in 2018 and 2019. For the latter, we broadened our methodology to capture additional organisations and to provide an assessment of the extent of overall alignment between BHP and our association memberships on climate change policy. The 2019 review did not identify any material differences between the climate and energy policy positions held by BHP and those held by the MCA. In assessing the overall alignment between BHP and the MCA on climate and energy policy, the 2019 review found the MCA to be 'mostly aligned'. This finding was based on the MCA not having a formal position on Price on Carbon. We recognise that stakeholder expectations on the role and nature of industry associations have continued to evolve, particularly in terms of ensuring associations engage proactively and constructively in climate policy debates. Information on the steps we are taking to change our approach can be found on our website at www.bhp.com.

Trade association

New South Wales Minerals Council

Is your position on climate change consistent with theirs?

Mixed

Please explain the trade association's position

The NSWMC represents the minerals industry in New South Wales, Australia. It facilitates the lifting of industry and member performance (through information sharing, research and events). It has approximately 30 full members and 60 associate members. The NSWMC recently released a new position statement on Climate Change, Energy and Emissions Policy. The NSWMC acknowledges that sustained global action is required to reduce the risks of human-induced climate change. The NSWMC supports a measured transition to a low emissions global economy. This includes participation in global agreements such as the Paris Agreement, which would hold an increase in the global average temperature to "well below" 2°C above pre-industrial levels. This will require a policy framework encompassing: • Australia's participation in global agreements such as the Paris Agreement with greenhouse gas emission reduction commitments from major emitting nations. • A combination of short, medium and long-term market-based policy measures that: o Provide for least-cost abatement of greenhouse gas emissions. o Maintain the international competitiveness of Australian industry. o Minimise adverse social and economic impacts on households. o Provide industry with policy certainty to make long-term investments. o Facilitate substantial investment in a broad range of low emissions technologies and adaptation measures.

How have you influenced, or are you attempting to influence their position?

BHP is represented in key governance bodies of the NSWMC, and our employees also represent BHP on various working groups. We have long held the view that active participation in industry associations provides a leadership opportunity. We believe that by working within associations, we can, with other like-minded members, seek to exert a positive influence on the industry as a whole. This does not mean, however, that we will always agree with every position or approach that every industry association to which we belong adopts on every issue. This is particularly the case where the association's membership is large and the mandate is broad, covering a wide range of issues. BHP recognises the critical importance of responsible and constructive advocacy and has taken a number of steps to address this interest. We published our first industry association review in 2017, which sought to identify any 'material differences' between BHP and our association memberships on climate change policy. We repeated this exercise in 2018 and 2019. For the latter, we broadened our methodology to capture additional organisations and to provide an assessment of the extent of overall alignment between BHP and our association memberships on climate change policy. The 2019 review identified one material difference between the climate and energy policy positions held by BHP and those held by the NSWMC. This material difference related to balancing the energy trilemma. The review also found that BHP derives a moderate level of benefit from the broader activities of the NSWMC. During the course of the review, the NSWMC published a new position statement on Climate Change, Energy and Emissions Policy. Due to the positive nature of this statement, and the broader benefits we receive from our membership of the NSWMC, BHP determined to remain a member of the NSWMC. However, we committed to review our membership of the NSWMC no later than 30 April 2020. BHP completed this review in late-April 2020 and we determined to remain a member of the NSWMC, based on: •Our conclusion, that the NSWMC had adhered to its new climate change statement and not undertaken advocacy that is inconsistent with BHP's core climate and energy policy positions. •Our assessment of the benefits that the NSWMC had provided BHP in helping the Australian resources sector respond to the COVID-19 pandemic.

Trade association

Queensland Resources Council

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The QRC represents the mineral and energy resources sector in Queensland, Australia. It facilitates the lifting of industry and member performance (through information sharing, guidance development, research and events). It has approximately 75 full members and 100 service members. The QRC, along with other minerals sector industry associations, published a Statement of Principles on Climate Change Policy in 2011. This document maintains that a measured transition to a low emissions global economy will require the alignment of three key policy pillars: (1) a global agreement for greenhouse gas emission abatement that includes emissions reduction commitments from all major emitting nations; (2) market-based policy measures that promote the abatement of greenhouse gas emissions at the lowest cost, while minimising adverse social and economic impacts, including on the competitiveness of the internationally traded sector; and (3) substantial investment in a broad range of low emissions technologies and adaptation measures.

How have you influenced, or are you attempting to influence their position?

BHP is represented in key governance bodies of the QRC, and our employees also represent BHP on various working groups. We have long held the view that active participation in industry associations provides a leadership opportunity. We believe that by working within associations, we can, with other like-minded members, seek to exert a positive influence on the industry as a whole. This does not mean, however, that we will always agree with every position or approach that every industry association to which we belong adopts on every issue. This is particularly the case where the association's membership is large and the mandate is broad, covering a wide range of issues. BHP recognises the critical importance of responsible and constructive advocacy and has taken a number of steps to address this interest. We published our first industry association review in 2017, which sought to identify any 'material differences' between BHP and our association memberships on climate change policy. We repeated this exercise in 2018 and 2019. For the latter, we broadened our methodology to capture additional organisations and to provide an assessment of the extent of overall alignment between BHP and our association memberships on climate change policy. The 2019 review did not identify any material differences between the climate and energy policy positions held by BHP and those held by the QRC. In assessing the overall alignment between BHP and the QRC on climate and energy policy, the 2019 review found the QRC to be 'mostly aligned'. This finding was based on the QRC not having a formal position on a price on carbon. We recognise that stakeholder expectations on the role and nature of industry associations have continued to evolve, particularly in terms of ensuring associations engage proactively and constructively in climate policy debates. Information on the steps we are taking to change our approach can be found on our website at www.bhp.com.

Trade association

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

SACOME represents the minerals, energy, extractive and oil and gas sectors in South Australia through advocacy, research and industry events. It has approximately 200 members. The South Australian resources sector, through SACOME, recognises that climate change will have potentially significant although uncertain implications and accepts that the resources sector has an obligation to reduce its carbon footprint through adopting less carbon-intensive energy, encouraging innovation and investigating new and more efficient technologies. SACOME maintains that climate change is a global issue requiring a strategic global response. Australia should continue to work towards reducing greenhouse gas emissions, however, policy arrangements must be consistent with international arrangements, and align with jurisdictions that Australia has or may have partnerships with in future years.

How have you influenced, or are you attempting to influence their position?

BHP is represented in key governance bodies of the SACOME, and our employees also represent BHP on various working groups. We have long held the view that active participation in industry associations provides a leadership opportunity. We believe that by working within associations, we can, with other like-minded members, seek to exert a positive influence on the industry as a whole. This does not mean, however, that we will always agree with every position or approach that every industry association to which we belong adopts on every issue. This is particularly the case where the association's membership is large and the mandate is broad, covering a wide range of issues. BHP recognises the critical importance of responsible and constructive advocacy and has taken a number of steps to address this interest. We published our first industry association review in 2017, which sought to identify any 'material differences' between BHP and our association memberships on climate change policy. We repeated this exercise in 2018 and 2019. For the latter, we broadened our methodology to capture additional organisations and to provide an assessment of the extent of overall alignment between BHP and our association memberships on climate change policy. The 2019 review did not identify any material differences between the climate and energy policy positions held by BHP and those held by SACOME. In assessing the overall alignment between BHP and SACOME on climate and energy policy, the 2019 review found SACOME to be 'mostly aligned'. This finding was based on SACOME not having a formal position on adaptation infrastructure. We recognise that stakeholder expectations on the role and nature of industry associations have continued to evolve, particularly in terms of ensuring associations engage proactively and constructively in climate policy debates. Information on the steps we are taking to change our approach can be found on our website at www.bhp.com.

Trade association

Mining Association of Canada

Is your position on climate change consistent with theirs?

Mixed

Please explain the trade association's position

MAC and its members are committed to supporting an orderly transition toward a lower carbon future, and to being a constructive partner in the fight against climate change. Over the past two decades, MAC's member companies have improved energy efficiency and reduced emissions at their operations through measures such as MAC's mandatory Towards Sustainable Mining (TSM) initiative and through innovations at the mine-site level. In response to the Kyoto Protocol, and in support of a credible response to climate change, MAC released its first climate change statement in March 2000. In the years that followed, MAC undertook several measures to improve its membership's performance in energy and greenhouse gas (GHG) emissions management. In 2004, MAC and its members launched the TSM initiative, which requires facilities to report their energy use and GHG emissions management performance and to set targets. In 2009, MAC also adopted the International Council on Mining and Metals' Climate Change Policy. These industry-wide actions have been complemented by a host of individual member company actions to improve energy and fuel efficiency, reduce GHG emissions, and improve environmental performance. They also underscore the mining industry's long-held recognition that we need to be part of the solution. In 2016, MAC and its members released Principles for Climate Change Policy Design, notable for its inclusion of support for a broad-based price on carbon. The Principles were developed to inform the federal government as it drafted the pan-Canadian climate change framework. The document outlines elements of a successful carbon price regime: one that leads to meaningful emissions reductions while simultaneously protecting emissions-intensive and trade-exposed sectors, like the mining industry, and being sensitive to the unique circumstances faced by Canada's remote and northern regions.

How have you influenced, or are you attempting to influence their position?

We have long held the view that active participation in industry associations provides a leadership opportunity. We believe that by working within associations, we can, with other like-minded members, seek to exert a positive influence on the industry as a whole. This does not mean, however, that we will always agree with every position or approach that every industry association to which we belong adopts on every issue. This is particularly the case where the association's membership is large and the mandate is broad, covering a wide range of issues. BHP recognises the critical importance of responsible and constructive advocacy and has taken a number of steps to address this interest. We published our first industry association review in 2017, which sought to identify any 'material differences' between BHP and our association memberships on climate change policy. We repeated this exercise in 2018 and 2019. For the latter, we broadened our methodology to capture additional organisations and to provide an assessment of the extent of overall alignment between BHP and our association memberships on climate change policy. The 2019 review identified one material difference between the climate and energy policy positions held by BHP and those held by MAC. This difference related to MAC not having a formal position on the Paris Agreement. Following engagement with BHP, the Board of MAC agreed in June 2020 to adopt a formal position on the Paris Agreement. This position is now public on the MAC website. We recognise that stakeholder expectations on the role and nature of industry associations have continued to evolve, particularly in terms of ensuring associations engage proactively and constructively in climate policy debates. Information on the steps we are taking to change our approach can be found on our website at www.bhp.com.

Trade association

United States Chamber of Commerce

Is your position on climate change consistent with theirs?

Mixed

Please explain the trade association's position

The US Chamber published a new position statement on climate change in 2018. In this statement, the US Chamber • Acknowledges the climate is changing and humans are contributing to these changes. • Supports the Paris Agreement as a comprehensive framework for international action, and US participation in the Paris Agreement. • Calls for a policy approach that: o acknowledges the costs of action and inaction and the competitiveness of the U.S. economy; o leverages the power of business; o is informed by the best science and observations available; o embraces technology and innovation; o aggressively pursues greater energy efficiency; o promotes climate resilient infrastructure; o supports trade in US technologies and products; and o encourages international cooperation.

How have you influenced, or are you attempting to influence their position?

BHP participates in the Energy and Environment Committee of the US Chamber, as well as its newly formed Climate Change Taskforce. We have long held the view that active participation in industry associations provides a leadership opportunity. We believe that by working within associations, we can, with other like-minded members, seek to exert a positive influence on the industry as a whole. This does not mean, however, that we will always agree with every position or approach that every industry association to which we belong adopts on every issue. This is particularly the case where the association's membership is large and the mandate is broad, covering a wide range of issues. BHP recognises the critical importance of responsible and constructive advocacy and has taken a number of steps to address this interest. We published our first industry association review in 2017, which sought to identify any 'material differences' between BHP and our association memberships on climate change policy. We repeated this exercise in 2018 and 2019. For the latter, we broadened our methodology to capture additional organisations and to provide an assessment of the extent of overall alignment between BHP and our association memberships on climate change policy. The 2019 review identified 2 material differences between the climate and energy policy positions held by BHP and those held by the US Chamber. These differences relate to Emissions Reduction Targets and Price on Carbon. In light of the

benefits we receive from the broader activities of the US Chamber, and our judgement of the progress the US Chamber has made in enhancing its overarching position on climate change, we determined to remain a member of the association, subject to a number of conditions, including monitoring the Chamber's ongoing advocacy on climate and energy; engaging further with the Chamber to encourage a member consensus that would close the remaining material differences; and reviewing our membership of the Chamber within a reasonable period (no later than 31 August 2020). We recognise that stakeholder expectations on the role and nature of industry associations have continued to evolve, particularly in terms of ensuring associations engage proactively and constructively in climate policy debates. Information on the steps we are taking to change our approach can be found at www.bhp.com.

C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?

No

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

Industry has a key role to play in supporting policy development, and we engage with governments and other stakeholders to inform the development of an effective, long-term policy framework that can deliver a measured transition to a low carbon economy.

While we plan for a range of climate scenarios, we continue to advocate for a less than 2°C outcome. We are signatories to the UNFCCC 'Paris Pledge' which brings together cities, regions, companies and investors in support of the Paris Agreement. We believe an effective policy framework should include a complementary set of measures, including a globally consistent price on carbon, support for low emissions and negative emissions technologies and measures to build resilience. We are a signatory to the World Bank's 'Putting a Price on Carbon' statement and a partner in the Carbon Pricing Leadership Coalition. We also advocate for a framework of policy settings that will accelerate the deployment of CCUS, and are a member of the Global CCS Institute and the UK Government's Council on Carbon Capture Usage and Storage. Our CEO has also been appointed to the World Bank's High-Level Commission on Carbon Pricing and Competitiveness.

We engage directly with policy makers, participate in industry associations, and contribute to policy reviews throughout our global operating regions, as described separately. We recognise there is increasing stakeholder interest in the nature and role of industry associations and the extent to which the positions of industry associations on key issues are aligned with those of member companies.

Over the past five years, there has been increasing stakeholder interest in the role played by industry associations in public policy debates, particularly in the context of climate and energy policy. BHP has taken a number of steps to address this stakeholder interest. We published our first industry association review in 2017, which sought to identify 'material differences' between BHP and our member associations on climate change policy. Outcomes from our 2019 review are set out in our 2019 Industry Association Review Report available online at bhp.com.

We also engage in a number of other activities that could either directly or indirectly influence public policy on climate-related topics. These activities include participating in public forums on climate change-related topics, and publishing our views on climate change-related issues on BHP's blog, Prospects.

We fund research into climate mitigation efforts. For example, BHP is a member of Low Emissions Technology Australia (LETA, formerly COAL21), which is focused on reducing GHG emissions from coal mining and use. We also partner with the Cooperative Research Centre for Greenhouse Gas Technologies (CO2CRC), a research project to develop subsurface storage technologies aimed at reducing the cost and environmental footprint of long-term carbon dioxide storage monitoring. Our CCUS investments and partnerships focus on mechanisms to reduce costs and accelerate development timeframes. Our investments include activities aimed at knowledge sharing from commercial-scale projects, development of sectoral deployment roadmaps and funding for research and development at leading universities and research institutes. For example, we established the International CCUS Knowledge Centre to share lessons from SaskPower's Boundary Dam CCUS project in Saskatchewan, Canada. We are working with Peking University and other partners to identify the key policy, technical and economic barriers to CCUS deployment in the industrial sector, with a particular focus on the iron and steel industry in China. We have also established a research collaboration between the University of Melbourne, University of Cambridge and Stanford University to support fundamental research into the long-term storage mechanisms of CO₂ in sub-surface locations.

In addition to our public policy engagement, our climate change strategy is supported by active engagement with a wide variety of stakeholders, including investors, peer companies and non-governmental organisations. We regularly hold one-on-one and group meetings with investors and their advisers. We also seek input and insight from external experts, such as the BHP Forum on Corporate Responsibility (FCR), which is composed of civil society leaders and BHP executives and has played a critical role in the development of our position on climate change.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Our Code of Conduct (Our Code) is based on Our Charter values. Our Code sets the minimum expectations on how we engage with both internal and external stakeholders, including governments. Our position on climate change is directly supported by Our Charter value of Sustainability and supporting Our Requirements standards (which define mandatory minimum performance requirements for all our operated assets). In particular, we prescribes standards of engagement with government, media, employees, equity analysts, investors and host communities. We recognise that engaging with our stakeholders in a consistent way is essential to build, protect and enhance our reputation and contribution to social value.

BHP is a member of industry associations around the world. We believe associations can perform a number of functions that can lead to better outcomes on policy, practice and standards.

Over the past five years, there has been increasing stakeholder interest in the role played by industry associations in public policy debates, particularly in the context of climate change policy. We published our first industry association review in 2017, which sought to identify 'material differences' between BHP and our member associations on climate change policy. We repeated this exercise in 2018 and 2019. For the latter, we broadened our methodology to capture additional organisations and to provide an assessment of the extent of overall alignment between BHP and our association memberships on climate change policy. Outcomes from our 2019 review are set out in our 2019 Industry Association Review Report available online at bhp.com.

Following our 2019 review, we commenced a process to understand how we could further enhance our overall approach to industry associations to ensure we maximise the value of our memberships. We have also taken further steps to address investor expectations around climate change advocacy by industry associations by engaging with a broad range of stakeholders from around the world, including investors, civil society groups, community groups and industry associations. As a result of that feedback, we decided to make the following key changes to our approach to industry associations:

- We developed and published our Global Climate Policy Standards, which are intended to provide greater clarity on how our climate change policy positions should be reflected in our own advocacy and that of associations to which we belong.
- We announced our intention to work with the various associations that represent the minerals sector in Australia to develop and agree a protocol for the allocation of advocacy accountabilities at national and state levels, the purpose of which would be to define the policy areas on which the associations advocate, having regard to their jurisdictional responsibilities.
- We announced our intention to work with key associations in Australia to develop and publish an annual advocacy plan, the purpose of which would be to provide stakeholders with greater transparency on the policy priorities and activities of the associations.
- We made a number of enhancements to our own disclosure of our industry association memberships, to provide more information on our material association memberships, disclose in 'real time' if a relevant association substantially departs from our climate change policy standards, and update our industry association review process.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports, incorporating the TCFD recommendations

Status

Complete

Attach the document

[bhpannualreport2019.pdf](#)

Page/Section reference

Refer to TCFD navigator on Page 65 of the Annual Report 2019.

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

BHP - Annual Report 2019.pdf

Publication

In voluntary sustainability report

Status

Complete

Attach the document

[bhpsustainabilityreport2019.pdf](#)

Page/Section reference

Pages 8-17, Pages 37-43, Pages 80-82, Page 93

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

BHP - Sustainability Report 2019.pdf

Publication

In voluntary communications

Status

Complete

Attach the document

200910_BHPClimateChangeReport2020.pdf

Page/Section reference

Whole document.

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

BHP - Climate Change Report 2020.pdf

Publication

In voluntary communications

Status

Complete

Attach the document

bhpcclimatechangeositionstatement.pdf

Page/Section reference

Whole document.

Content elements

Governance
Strategy

Comment

BHP - Climate Change Position Statement.pdf

Publication

In voluntary communications

Status

Complete

Attach the document

200908_BHPScope12and3EmissionsCalculationMethodology2020.pdf

Page/Section reference

Whole document.

Content elements

Emissions figures
Other, please specify (Methodology)

Comment

BHP - Scope 1 2 and 3 Emissions Calculation Methodology 2020.pdf

Publication

In voluntary communications

Status

Please select

Attach the document

bhpscope3emissionscalculationmethodology2019.pdf

Page/Section reference

Whole document.

Content elements

Emissions figures
Other, please specify (Methodology)

Comment

BHP - Scope 3 Emissions Calculation Methodology 2019.pdf

Publication

In voluntary communications

Status

Complete

Attach the document

190917_bhclimatechangedatafy13-19 (1).xlsx

Page/Section reference

Whole document.

Content elements

Emissions figures

Comment

BHP - Climate change data FY13-19.xlsx

Publication

In mainstream reports

Status

Complete

Attach the document

Page/Section reference

Whole document.

Content elements

Other metrics

Comment

BHP - Operational Review for the year ended 30June 2019.pdf

Publication

In voluntary communications

Status

Complete

Attach the document

191212_BHPIndustryassociationreview2019.pdf

Page/Section reference

Whole document.

Content elements

Governance

Comment

BHP - Industry Association Review 2019.pdf

Publication

In voluntary communications

Status

Complete

Attach the document

171219_BHPIndustryAssociationReview.pdf

Page/Section reference

Whole document.

Content elements

Governance

Comment

BHP - Industry Association Review 2017.pdf

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief External Affairs Officer	Chief Operating Officer (COO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below

I have read and accept the applicable Terms