



Tailings Storage Facility Policy Statement

BHP's purpose is to bring people and resources together to build a better world. One critical way in which we do this is by focusing on the safety and integrity of tailings storage facilities (**TSF**) across operations and Legacy Assets¹. BHP's aspiration is to have zero harm from tailings and we work with others and share progress in an effort to make this a reality.

Nothing is more important than the health and safety of our people, communities and environment. Since 2015, following the tragic failure of the Fundão dam at Samarco², we have increased the focus on the delivery of a step-change reduction in TSF failure risk. We have a strong resolve to collaborate across the resources industry to reduce these risks, share lessons learned, develop partnerships to improve performance and enhance resilience by sharing and implementation of leading practice.

BHP's commitment to safe management

At BHP, we are on a continuous journey of improvement in TSF management and we welcome the global commitment to raise the industry standard in relation to TSF stewardship. We are committed to the 2020 Global Industry Standard on Tailings Management (**GISTM**) and will implement the requirements outlined within the six key topic areas:

1. Affected communities: We will respect the rights of project-affected people through meaningful engagement with them and their perspectives;
2. Integrated knowledge base: We will maintain a knowledge base to support safe tailings management and inform decision-making;
3. Design, construction, operation and monitoring: We will manage risk for all phases of the lifecycle of TSF, from design through construction, operation, monitoring and closure;
4. Management and governance: We will establish standards, systems and accountabilities to support the safety and integrity of the TSF;
5. Emergency response and long-term recovery: We will make sure there is preparation for emergency response to failures, and long term recovery at all our TSFs;
6. Public disclosure and access to information: We will publicly disclose and provide access to information to support public accountability.

We also commit to the International Council on Mining and Metals (**ICMM**) Position Statements, including the ICMM Tailings Governance Framework. These documents are the basis for BHP's approach to TSF stewardship with respect to new and existing TSF and legacy sites. This commitment includes implementation and conformance of the GISTM across all BHP operated and Legacy Assets and at least meeting the ICMM determined timelines³.

Consistent with the GISTM, this BHP policy applies to BHP operated sites and Legacy Assets (both active and inactive), to new operations or major projects that are operated by BHP, and to any mergers or acquisitions, which have resulted or will result in a site being wholly owned by or operated by BHP.

Where our other policies or local laws or regulation in relation to tailings management require a higher standard than the GISTM, we will apply that higher standard. We commit to provide adequate evidence to stakeholders to illustrate conformance to the GISTM and we welcome continued dialogue on the process of industry regulation.

In addition, while BHP's non-operated joint ventures (**NOJVs**) are independently controlled and have their own operating and management standards, we expect and advocate for the adoption of the GISTM by the NOJVs. We will provide them with support in relation to TSF management (within the limits of the relevant joint venture agreements).

Governance and accountability

BHP's Board oversees the Company material risks, which includes the TSF failure risk. The Board's Sustainability Committee assists with governance and monitoring, and the Board's Risk and Audit Committee assists with oversight of the Group's systems of risk management.

We have appointed Accountable Executives (AEs) who are direct reports of the BHP Chief Executive Officer and answerable to the BHP Board's Sustainability Committee. These AE roles include an AE accountable for the companywide TSF governance framework, and AEs accountable for safety, environmental and social impacts of TSFs within their operational authority. Front line employees are the first line and manage the day-to-day operations and safety at site, while connected via regular communication to relevant AE.

The approach to TSF failure risk management at operated sites and Legacy Assets is aligned with the standard global risk framework. We have key risk indicators, set by senior management, to help monitor performance against that risk appetite. This framework includes the pursuit of ongoing risk reduction actions using a risk informed approach. This is supported by the BHP Tailings Management System (TMS) and TSF mandatory minimum performance requirements and associated guidance. Overseen by BHP AEs, these requirements are regularly reviewed to ensure sufficient resources are allocated to achieve objectives and continuous improvement is maintained in management practices.

Emergency preparedness and response & mechanisms for recovery

We understand and acknowledge the need for transparent and proactive engagement with stakeholders on emergency response and preparedness in relation to TSF failure risk. We commit to partner with local communities and broader stakeholders to establish and maintain TSF Emergency Preparedness and Response Plans (EPRPs).

We will be prepared for long-term recovery in the unlikely event of a catastrophic TSF failure at a BHP operation, and apply the lessons learned from the failure at Samarco in 2015. If a failure were to occur, we commit to collaborate with stakeholders to provide immediate response and aid and will work to minimize the impact to people and the environment. We will engage to assess, plan and respond to medium and long-term social, environmental, and local economic impacts and enable the participation of affected people. We will also facilitate the monitoring and public reporting of outcomes and reconstruction, restoration and recovery plans.

Transparency

We commit to detailed, transparent and integrated disclosure regarding TSF management and will work with industry partners to help ensure effective disclosure standards are consistently applied to inform better TSF stewardship and enhanced resilience of the community and environment.

We support global transparency initiatives around the safety and integrity of TSFs and we actively engage on TSF safety across industry associations and stakeholder led engagements. We also commit to engage with affected and interested stakeholders on TSF related matters and to more detailed disclosure efforts to aid in this process.

Through successful implementation of this policy, BHP aims to demonstrate a continued commitment to safe TSF stewardship. Safety is our top priority aspiring to zero harm from tailings and we will continue to work with others and share the progress in making this a reality.

Originally approved by the Board of BHP Group Limited and BHP Group PLC on: 23 April 2021

¹ Legacy Assets refers to those BHP-operated assets, or part thereof, located in the Americas that are in the closure phase

² Samarco is a non-operated joint venture owned by BHP Billiton Brasil Ltda (BHP Brasil) and Vale S.A. (Vale), with each having a 50 per cent shareholding

³ As part of ICMM membership requirements, implementation of the GISTM across prioritised sites (prioritised BHP operated and Legacy Assets are those facilities classified as 'Extreme' or 'Very high' by the Canadian Dam Association classification guidance) by August 2023 and Implementation of the GISTM across all BHP operated and Legacy Assets by August 2025. These timelines reflect the agreed upon timelines from ICMM, and also apply to conformance or detailed plans towards conformance of the GISTM.