BHP - Climate Change 2021

C0. Introduction

C0.1

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

BHP is a leading global resources company. We extract and process minerals, oil and gas, via a team of >80,000 employees and contractors (in FY2020), 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 interests in oil, gas, energy coal and nickel. Our commodities are sold to a diverse range of customers, with a particular focus on the Asian markets.

Please note:

• 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 undertakings of the Group' in section 5.2 of BHP's Annual Report 2020. Non-operated assets are excluded.

• Our financial year runs from 1 July to 30 June, and this CDP response relates to the financial year ended 30 June 2020 (FY2020) unless otherwise stated. More detailed information is available in our Climate Change Report 2020, Annual Report 2020 and online at bhp.com. Our Annual Report 2021 will also include more recent information on our risk assessment performance and strategic activities in response to climate change.

Important Notice: Forward looking statements; No reliance on third party information; Nature of CDP questions

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.

Additionally, the structure of the CDP questionnaire, the nature of its questions and the limits inherent in the form of responses it requires (designed to assist with comparability across companies) necessitate answers that: (i) may not fully align with BHP's Risk Framework (including our approach to the identification, assessment and treatment of threats and opportunities, and associated outputs); and (ii) require information to be analysed, calculated and/or presented solely to respond to the CDP question. Accordingly, this Response should not be read in isolation and answers should be considered with specific regard to, and treated as confined by, the formulation of the question to which they respond. More detailed information on the topics covered in this Response (with respect to FY2020) is available in our Climate Change Report 2020, Annual Report 2020 and online at 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 2019	June 30 2020	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-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, petroleum and coal)

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	The Board is the highest governing body 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. This includes oversight and monitoring of climate-related issues and risk management. The Directors' responsibilities include consideration of the potential impact of climate-related risks (threats and opportunities), including as part of strategy discussions, portfolio reviews and investment decisions. 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. The Board, Board Sustainability Committee and management (see response to C1.2) also seek input and insight from external experts where required. 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. An example of a climate-related decision made by the Board in CY2020 is the review and approval of BHP's medium term scope 1 and 2 GHG emissions reduction targets and goal and scope 3 goals, announced in September 2020.

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 – some meetings	Reviewing and guiding strategy Reviewing and guiding risk management policies Reviewing and guiding business plans Monitoring and overseeing progress against goals and targets for addressing climate-related issues	<Not Applicable>	The Board reviews major plans, investments annual budgets and setting of performance objectives relating to climate change as scheduled agenda items when they arise. For example, in FY2020, the Board undertook a deep dive relating to climate change and strategy, including new climate change scenarios. Discussions included the relative commodity attractiveness under a 1.5°C scenario. In addition, stakeholder attitudes, including those of investors, were considered in relation to climate change and the direction and momentum of the evolution of those expectations. Discussions were also held on a range of other climate-related topics including the role of industry associations in climate change advocacy, investor and government views on climate change issues (including in the context of shareholder requisitioned resolutions), reviews of supply and demand analysis and portfolio planning. In addition, in CY2020 the Board reviewed and approved our FY2030 operational emissions target, Scope 3 emission goals, and the strengthening of links between executive remuneration and climate-related performance measures (described in our Climate Change Report 2020, available online at bhp.com), and noted the Carbon Offset Strategy.
Scheduled – some meetings	Reviewing and guiding major plans of action Reviewing and guiding annual budgets Setting performance objectives Overseeing major capital expenditures, acquisitions and divestitures	<Not Applicable>	The Board reviews major plans, investments annual budgets and setting of performance objectives relating to climate change as scheduled agenda items when they arise. For example, in FY2020, the Board undertook a deep dive relating to climate change and strategy, including climate change scenarios. In August 2020 the board also reviewed and approved our FY2030 operational emissions target, Scope 3 emission goals and noted the Carbon Offset Strategy.

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
Sustainability committee	<Not Applicable>	Other, please specify (Board committee that assists the Board with governance and monitoring of the assessment and management of climate-related risks and opportunities)	<Not Applicable>	More frequently than quarterly
Risk committee	<Not Applicable>	Other, please specify (Board committee that assists with governance and monitoring of the assessment and management of climate-related risks and opportunities)	<Not Applicable>	More frequently than quarterly
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 Legal, Governance and External Affairs Officer (equivalent to the Chief Sustainability Officer (CSO)))	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Half-yearly
Other, please specify (Climate Change Steering Committee)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly

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).

Sustainability Committee: 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. Committee members have extensive experience with complex workplace health, safety, environmental and community 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.

Following the commitments approved by the Board and announced in July 2019, the Sustainability Committee reviewed a suite of proposed measures to implement those commitments, including steps to reduce our operational emissions and address Scope 3 emissions across the value chain; the deployment of the US$400 million Climate Investment Program; and how the link between executive remuneration and delivery of our climate strategy could best be achieved along with other HSEC objectives.

The papers provided to the Sustainability Committee included work undertaken across Functions and Asset teams and reflected a 'whole of company' response, commensurate with the scale and scope of the climate challenge. The actions outlined were designed to be complementary, mutually reinforcing, commercially sound, achievable and ambitious.

Risk and Audit Committee: 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.

Climate Change Steering Committee: Climate-related activity is 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.

CEO: Below the level of the Board, key management decisions are made by the CEO and management, in accordance with their delegated authority. The CEO leads our Executive Leadership Team (ELT) which drives the delivery of our strategic objectives and is responsible for the day-to-day management of the Group. The ELT hold responsibilities for a range of business activities (including climate change-related performance), which are cascaded further through the organisation. These management responsibilities include the design and implementation of an HSEC Management System, including climate change, and accountability for HSEC performance aligned with Our Charter and sustainability performance targets.

Chief Legal, Governance and External Affairs Officer: The Chief Legal, Governance and External Affairs Officer (CLGEAO) is a member of our ELT (note the role was previously called Chief External Affairs Officer in FY2020), and so part of the team holding the responsibilities described above. During FY2020, the CLGEAO provided functional oversight of our functions with accountabilities and expertise in health, safety, environment and community, corporate affairs, legal, ethics and compliance, and risk and internal audit. This includes climate related risks and opportunities.

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 inventivized	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 cash and deferred plan (CDP) and the long-term incentive plan (LTIP). For FY2021, the climate change weighting within the CDP scorecard that applies to the CEO, and members of the ELT is 10% (i.e. 40% of the overall 25% HSEC component weighting). This will include reductions in Scope 1 and Scope 2 operational emissions, short and medium-term actions to reduce operational emissions on the pathway to net-zero emissions and short and medium-term actions to address value chain (Scope 3) emissions.
Corporate executive team	Monetary reward	Emissions reduction target Supply chain engagement	An individual 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. Progression of GHG emission reduction projects and achievement of GHG emissions reduction targets are included in these HSEC metrics. The aligned cascade of measures in the CDP scorecard, from the CEO down through all levels of the organisation, has long been an important feature of BHP's variable pay plans. This change to the HSEC component of the CDP scorecard, 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, 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 measured against an annual scorecard that includes performance indicators aligned with meeting HSEC targets, including GHG emissions targets. For example BHP's Regional Presidents are responsible for ensuring their Regions' GHG emission forecast is achieved for the operated assets under their control.
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).
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	We regularly 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 our scenarios for portfolio analysis extend to 2050 and in some cases beyond. Given the long term nature of some climate-related threats and opportunities, we qualitatively and quantitatively explore scenarios across a range of climate-related outcomes and assess the impact they could have on our current portfolio and 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?

BHP considers current risks as those that could impact BHP today or in the near future. Current risks are comprised of current operational risks and current strategic risks:

• Current operational risks have their origin inside BHP or occur as a result of our activities.

• Current strategic risks are those that may enhance or impede achievement of our strategic objectives.

Current risks include material and non-material risks (as defined by our Risk Framework). 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.

BHP considers a risk to be material if it has an MFL with a severity rating of four or above, based on our internal severity rating scale (tiered from one to five by increasing severity). The severity rating scale is defined in our mandatory minimum performance requirements for risk management, with a rating of four assigned where one of several financial or non-financial impact criteria (spanning health and safety, environment, community, and legal and reputational impacts) are met. Significant impacts in one or more of these categories may constitute a strategic impact on our business depending on the circumstances of the risk.

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
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
Our Risk Framework requires identification and management of risks to be embedded in business activities through the following process: • risk identification – threats and opportunities are identified and each is assigned an owner, or accountable individual • 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 threats and enable and/or enhance an opportunity • 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) to evaluate performance Our Risk Framework includes requirements and guidance on the tools and process to manage all risk types (current and emerging), including climate-related threats and opportunities. As noted above, current risks are risks that could impact BHP today or in the near future. Current risks are comprised of current operational risks and current strategic risks: • Current operational risks have their origin inside BHP or occur as a result of our activities. • Current strategic risks are those that may enhance or impede achievement of our strategic objectives. Current risks include material and non-material risks (as defined by our Risk Framework). 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. BHP considers a risk to have a potentially substantive impact if it has a severity rating of four or above, based on our internal severity rating scale (tiered from one to five by increasing severity). The severity rating scale is defined in our mandatory minimum requirements for risk management, with a rating of 4 assigned if one of several financial or non-financial impact criteria are met. 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. They also tend to be interconnected and often require solutions that draw upon expertise from across our organisation. BHP maintains an enterprise ‘watch list’ of emerging themes that provides an evolving view of the changing external environment and how it might impact our business. The watch list includes ‘climate change’. Although most climate science presumes a quasilinear relationship between the accumulation of GHG in the atmosphere and global temperature rise , this theme considers the potential nonlinearities in the climate system and biophysical feedback processes, including permafrost thawing, loss of polar ice sheets, and Amazon forest dieback, which could lead to more abrupt changes and severe risks to society. This theme also considers the potential for non-linear policy responses to climate change progression. We use the watch list to support the identification and management of emerging risks through our normal business activities and planning processes under our Risk Framework, as well as to inform and test our corporate strategy. Once identified, our focus for emerging risks is on structured monitoring of the external environment, advocacy efforts to reduce the likelihood of the downside risks manifesting and options to increase our resilience to these risks. Case study for physical risks: In our Petroleum business, severe weather mitigation systems for Floating Production and Storage Offtake vessels (FPSOs) have been specifically designed due to the potentially substantive impact that may occur in the event of a cyclone or other extreme weather event. 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. Case study for transition risks: The risk of a potentially substantive impact was identified at certain assets if the local jurisdiction materially strengthened applicable policies and regulations to meet the goals of the Paris Agreement, with a consequent impact on core operating inputs, e.g. increasing competition for and the regulation of critical resources, such as power and water. This could affect the productivity of and costs associated with our assets. When procuring energy and water, our operated assets seek to maximise secure and sustainable supply to the extent potential impacts of this risk can be anticipated and mitigated.

Value chain stage(s) covered
Direct operations
Upstream
Downstream

Risk management process

A specific climate-related risk management process

Frequency of assessment
Not defined

Time horizon(s) covered
Medium-term
Long-term

Description of process
In FY2020, we applied four energy-system scenarios to test the resilience of our portfolio to different climate change related scenarios. We use analytical tools focused on bottom-up forecast ranges, divergent hypotheses, and scenarios to consider how policy, regulation, technology, markets and society could impact our portfolio. We also regularly monitor a range of data sources to identify climate-related developments that would serve as a call to action for us to reassess our portfolio strategy. More information can be found in the Business Strategy section of this response and in our Climate Change Report 2020, available at bhp.com.

Value chain stage(s) covered
Direct operations
Upstream
Downstream

Risk management process
A specific climate-related risk management process

Frequency of assessment
Not defined

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
In order to strengthen our understanding of the potential risks from climate change to our operations, BHP undertook a series of first-stage assessments and engagements in FY2020. These included a questionnaire for our operated assets, industry benchmarking assessment, internal policy review and extensive engagements across BHP. Based on this engagement with our Functions and Assets teams, a gap analysis identified opportunities to improve consistency and comprehensiveness in how physical climate change risks can be identified, assessed and managed across the business. This work has informed the updating of our Adaptation Strategy and implementation planning for our next steps. We aim to be in a position to report on specific material physical risks and potential financial impacts (including material expenditure on climate change adaptation) by FY2025.

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	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 are therefore impacted in some jurisdictions by policies and regulations that are designed to reduce GHG emissions from the resources, electricity generation, transport and industrial sectors. Some examples of current regulations BHP is subject to include the Safeguard Mechanism in Australia and the Tax Reform Law in Chile.
Emerging regulation	Relevant, always included	In addition to the regulations BHP is currently subject to, we 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 listings 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 United Kingdom and 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	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 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. 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.
Legal	Relevant, always included	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	Market risk can take the form of changing customer behaviour, new product standards or demand for 'green' products, 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. 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	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 detraction 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.
Acute physical	Relevant, always included	Acute risks resulting from increased severity of extreme weather events 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. 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 BHP's business. We are progressively implementing full physical risk assessments (in line with our Risk Framework) under our Adaptation Strategy and aim to be in a position to report on specific material physical risks and potential financial impacts (including material expenditure on climate change adaptation) by FY2025.
Chronic physical	Relevant, always included	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. These risks are relevant to BHP in a number of ways, including storm surges and sea level rise potentially affecting BHP's port facilities, offshore petroleum operations and onshore operations located near coastlines. Changing precipitation patterns may exacerbate water stress, affect the structural integrity of tailings dams and impact availability of water for our operations. Temperature extremes could also affect the performance of our workforce. We are progressively implementing full physical risk assessments (in line with our Risk Framework) under our Adaptation Strategy and aim to be in a position to report on specific material physical risks and potential financial impacts (including material expenditure on climate change adaptation) by FY2025.

C2.3

(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?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Carbon pricing mechanisms

Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

As discussed in the preceding section, BHP may be impacted by emerging policies and regulations that require reduction of GHG emissions, including from the resources, electricity generation, transport and industrial sectors. These may take the form of a carbon price, pricing mechanism or tax, applied across some or all of our operating emissions in one or more jurisdictions. We have operated assets and projects or exploration activities in a number of geographic locations including Australia, Chile, Peru, Canada, the US and Trinidad and Tobago. 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 regulatory landscape varies significantly between jurisdictions, increasing the risks that climate-related emissions limiting regulation may pose for BHP.

Time horizon
Medium-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)
40400000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
For illustrative purposes only for inclusion in this CDP response, an indicative figure has been developed for our Queensland Coal (BMA and BMC) assets using the low-end carbon price included in our Central Energy View scenario (USD10/tonne CO2e). This has been applied to our total Scope 1 emissions reported for these assets in FY2020 (4,040 ktonnes CO2e). Please refer to our Climate Change Report 2020 at bhp.com for a description of our Central Energy View scenario. This figure is provided for general information only - it should be noted that there are high levels of uncertainty in carbon pricing forecasts across the range of jurisdictions we operate in, and actual carbon prices may differ from the figures included in the illustration above. BHP's actual emissions levels if/when widespread carbon pricing emerges will also determine the financial impacts in practice. FY2020 emissions data has been used to generate these figures for illustrative purposes only for inclusion in this CDP response. Please also refer to the Important Notice set out in Section C0.1 in relation to forward looking statements and other matters.

Cost of response to risk
750000000

Description of response and explanation of cost calculation
We manage this risk through reducing GHG emissions at our operated assets as a key component of our climate change strategy. Our current short-term target is, by FY2022, to maintain our total operational GHG emissions (Scope 1 and Scope 2 from our operated assets) at or below FY2017 levels while we continue to grow our business, and we have set a medium-term target to reduce operational GHG emissions by at least 30 per cent from FY2020 levels by FY2030. For each target, the baseline will be adjusted for material acquisitions and divestments and carbon offsets will be used as required. Case study: An example of our management response is the development of decarbonisation plans across our operated assets to support our medium-term target. The medium-term target execution plan comprises two distinct five-year phases. The first phase, spanning the current five-year plan period (FY2021-FY2025), is focused on converting purchased and self-generated electricity from fossil fuel-based supply to renewable sources and progressing feasibility studies for diesel displacement at our operated assets. Electricity decarbonisation represents a relatively low risk, the first step of which can be achieved in a capital efficient manner through leveraging commercial solutions. In the second five-year phase (FY2026-FY2030), we will continue our focus on green electricity as well as investing in diesel displacement associated with material movement, light vehicles and stationary equipment. Spend estimates in the second phase remain uncertain as studies continue to progress, technologies mature and new alternatives emerge. Cost of response calculation: The indicative cost of response (for illustrative purposes only for inclusion in this CDP response) provided above reflects the mid-point of our initial estimates for the potential capital spend over the first of the two five-year periods i.e. in the range of US$100 million to US$200 million per annum (US$500 million to US$1 billion in total, with a mid-point of US $750 million). Note that this is the estimated potential capital spend across all of our operated assets over five years; it therefore exceeds the potential impact figure, which relates only to Queensland Coal in a single year. Please also refer to the Important Notice set out in Section C0.1 in relation to forward looking statements and other matters. Further information is provided in our Annual Report 2020 and Climate Change Report 2020 available at bhp.com.

Comment
Climate change risk information, financial impacts and costs of response provided in this question include high level estimates and demonstrative calculations only for inclusion in this CDP response. Please refer to the Annual Report 2020 and Climate Change Report 2020 available at bhp.com for BHP's climate change threats and opportunities as assessed under our Risk Framework.

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
As discussed in the preceding section, acute risks resulting from increased severity of extreme weather events 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. We have onshore and offshore extractive, processing and logistical operations in many geographic locations and as such a wide variety of potential physical climate change risks are relevant to BHP's business. As an example, an overtopping event of the port facility at Queensland Coal as the result of a cyclone may lead to several days to several weeks of unplanned downtime, affecting revenues from the impacted assets.

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, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
44000000

Potential financial impact figure – maximum (currency)
205000000

Explanation of financial impact figure
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 the effectiveness of our controls. The frequency and severity of the event would determine any long-term financial implication. For illustrative purposes only for inclusion in this CDP response, an example of possible financial impact has been developed for a potential downtime event at our Queensland Coal assets using the following high level assumptions: - A 'minimum' estimate assuming 3 days additional downtime, applied as a pro-rata reduction to average daily revenue in FY2020 (total FY2020 revenue US$5,357 million divided by 365, multiplied by 3) - A 'maximum' estimate assuming 2 weeks (14 days) additional downtime, applied as a pro-rata reduction to our average daily revenue in FY2020 (total FY2020 revenue US$5,357 million divided by 365, multiplied by 14) Queensland Coal comprises the BHP Mitsubishi Alliance (BMA) and BHP Mitsui Coal (BMC) assets in the Bowen Basin in Central Queensland, Australia. BMA is owned 50:50 by BHP and Mitsubishi Development. BMC is owned by BHP (80 per cent) and Mitsui and Co (20 per cent). The revenue figures are aligned with the presentation of revenue in the Consolidated Income Statement in BHP's financial statements (BMA presented at 50%. BMC presented at 100%, with a non-controlling interest). These assumptions and figures are provided for illustrative purposes only - actual impacts of a direct weather event will depend on the operations(s) affected, duration of the shutdown (partial or full), market dynamics and pricing at the time, and the capacity for the asset to manage the interruption to supply through stockpile management, leveraging force majeure provisions and/or other mitigating actions. There may also be impacts on our business and stakeholders other than financial impacts - we have assumed no other impacts other than revenue reduction as a result of downtime in this example for simplicity. Please also refer to the Important Notice set out in Section C0.1 in relation to forward looking statements and other matters.

Cost of response to risk
80000

Description of response and explanation of cost calculation
Our approach to managing this risk is largely through our climate change Adaptation Strategy. To date, this has involved a number of studies, first-stage risk assessments and, in specific instances, engineering design considerations across different areas of the business, with implementation ongoing to support our aim to be able to report on specific material physical risks and potential financial impacts by FY2025. A resulting example of our risk management activities in this area is the construction of higher marine infrastructure, including a replacement trestle and a new, third loading facility, at the Hay Point coal terminal in Queensland due to the identification and assessment of the risk of increasing storm intensity and storm surge levels during design of the facility's 2015 expansion. We also have business continuity plans in place across our business to manage unplanned downtime events, focusing on safety, operational integrity and minimisation of downtime. Case study: BHP undertook a series of first-stage assessments in FY2020 to strengthen our approach to adaptation, including a questionnaire for operated assets, industry benchmarking assessment, internal policy review and extensive engagements. A gap analysis identified opportunities to update our Adaptation Strategy and implementation planning to improve consistency and comprehensiveness in how physical climate change risks can be identified, assessed and managed across the business. Cost of response calculation: Assessing the cost of responding to physical risks is complicated by the scale of integration into broader planning and operating processes, time horizons involved, and other practical complexities. We are considering options to define these costs for future disclosures. For illustrative purposes only for inclusion in this CDP response, we have developed an estimate of the costs involved in preparing for and conducting risk identification workshops across the three BHP operated coal assets (BMA and BMC (comprising Queensland Coal) and New South Wales Energy Coal (Australia)) as described in the case study above. Twenty-five people were involved across the business, including 20 workshop attendees from the Asset teams. In total, the cost of the time invested in this exercise has been estimated to be US$80,000 for the Coal Assets. Please also refer to the Important Notice set out in Section C0.1 in relation to forward looking statements and other matters.

Comment
Climate change risk information, financial impacts and costs of response provided in this question include high level estimates and demonstrative calculations only for inclusion in this CDP response. Please refer to the Annual Report 2020 and Climate Change Report 2020 available at bhp.com for BHP's climate change threats and opportunities as assessed under our Risk Framework.

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Direct operations

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
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.

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)
1600000000

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 risk means we cannot determine the potential financial impact with any precision. As an illustrative figure only for inclusion in this CDP response, a potential financial impact of US$1.6 billion has been provided based on the impairment charge recognised in the half year period ending 31 December 2020 in relation to our energy coal assets (US$1.2 billion relating to New South Wales Energy Coal (Australia) and associated tax losses, and US$0.4 billion relating to Cerrejón (a non-operated energy coal joint venture in Colombia in which BHP held a 33.3 per cent interest as at 31 December 2020)). The impairment charge for New South Wales Energy Coal and associated tax losses reflected current market conditions for thermal coal, the strengthening Australian dollar, changes to the mine plan and updated assessment of the likelihood of recovering tax losses. The impairment charge for Cerrejón reflected current market conditions for thermal coal and the status of the BHP Group's intended exit. This figure is provided for illustrative purposes only for inclusion in this CDP response. As at the date of submission of this Questionnaire, the current carrying value assessment of the Group's assets is ongoing and will be finalised in conjunction with the release of the full year financial results for FY2021. Please also refer to the Important Notice set out in Section C0.1 above in relation to forward looking statements and other matters.

Cost of response to risk
0

Description of response and explanation of cost calculation
Our approach to managing this risk is fundamentally embedded in 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 anticipate that markets will evolve to place an even higher relative value on higher quality hard coking coals that increase blast furnace productivity and reduce emissions intensity of steel production. Consistent with that view, we are moving to concentrate our coal portfolio on higher-quality coking coals. We also intend to pursue options to extend our portfolio of copper and nickel assets. We manage risks by focusing on remaining financially disciplined within the framework of our differentiated and proven strategy, taking 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. Case study: An example of how we are reshaping our portfolio is the divestment of New Mexico Coal in 2015, the announced agreement to divest our 33.3 per cent interest in Cerrejón (a non-operated energy coal joint venture in Colombia), and the potential divestment of our New South Wales Energy Coal (Australia) asset (for which, as at the date of this Questionnaire, we are pursuing divestment options). Cost of response calculation: We have allocated a nominal cost of zero to managing this risk, as we consider it to be part of our 'business as usual' strategic activity and therefore not associated with additional costs. Please also refer to the Important Notice set out in Section C0.1 above in relation to forward looking statements and other matters.

Comment
Climate change risk information, financial impacts and costs of response provided in this question include high level estimates and demonstrative calculations only for inclusion in this CDP response. Please refer to the Annual Report 2020 and Climate Change Report 2020 available at bhp.com for BHP's climate change threats and opportunities as assessed under our Risk Framework

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Identifier
Risk 4

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Reputation	Increased stakeholder concern or negative stakeholder feedback

Primary potential financial impact
Decreased access to capital

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
BHP's reputation and financial performance may be impacted by concerns regarding the contribution of fossil fuels to climate change (for example, some financial institutions and other institutional investors have declared an intention to exit certain commodities that are seen to be associated with climate change, such as energy coal).

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
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. In addition, it should be noted that reputational impacts are inherently difficult to quantify. Potential impacts include an effect on our share price,

reduced investor confidence, constrained ability to access capital from financial markets, and an inability or increase in cost to insure our assets. Potential impact is further dependent on our approach to managing the risk, including our response to stakeholder concerns and the controls (preventative and mitigating) which we have in place. Please also refer to the Important Notice set out in Section C0.1 in relation to forward looking statements and other matters.

Cost of response to risk
0

Description of response and explanation of cost calculation
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 have a Climate Change Position Statement that sets out our views on climate change and our commitments to act in response to climate change. We also respond to our exposure to policy and regulatory risk by advocating for the development of an effective, long-term global response, including policy frameworks to spur rapid transition to a low carbon economy, which are implemented in an equitable manner to address competitiveness concerns and achieve lowest cost abatement. Internally, the Our Requirements for Environment and Climate Change standard establishes mandatory minimum performance requirements for managing climate change threats and opportunities and supports the execution of our climate change strategies and plans through our corporate planning processes. BHP continues to monitor external policy, market and technological changes and community, investor and regulatory standards and expectations as they develop, to inform appropriate management actions. For more information on our climate change risk management strategy, please refer to the BHP Climate Change Report 2020 available at bhp.com/climate. Case study: An example of our activities to ensure we disclose climate change related information that meets stakeholder expectations is the publication of the BHP Climate Change Report 2020, an additional dedicated disclosure containing our latest portfolio analysis, including a 1.5°C Paris Agreement-aligned scenario. Cost of response calculation: We have allocated a nominal cost of zero to managing this risk, as we consider it to be part of our business as usual strategic and engagement activity and therefore not associated with additional costs. Please also refer to the Important Notice set out in Section C0.1 in relation to forward looking statements and other matters.

Comment
Climate change risk information, financial impacts and costs of response provided in this question include high level estimates and demonstrative calculations only for inclusion in this CDP response. Please refer to the Annual Report 2020 and Climate Change Report 2020 available at bhp.com for BHP's climate change threats and opportunities as assessed under our Risk Framework.

Identifier
Risk 5

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Chronic physical	Changes in precipitation patterns and extreme variability in weather patterns

Primary potential financial impact
Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
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. These risks are relevant to BHP in a number of ways, including storm surges and sea level rise potentially affecting BHP's port facilities, offshore petroleum operations and onshore operations located near coastlines. Changing precipitation patterns may exacerbate water stress and affect availability of water for our operation, among other potential impacts. Temperature extremes could also affect the performance of our workforce.

Time horizon
Long-term

Likelihood
More likely than not

Magnitude of impact
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
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. Financial impacts depend on the type of asset, operation or critical infrastructure (e.g. sea level rise at a port) that will be impacted, and may take the form of capital expenditure to replace plant or equipment with a higher design tolerance, increased operational costs to purchase water or invest in desalination plants or other infrastructure in areas of increasing scarcity and/or decreased revenues due to increased downtime events. Please also refer to the Important Notice set out in Section C0.1 in relation to forward looking statements and other matters.

Cost of response to risk
80000

Description of response and explanation of cost calculation
Our approach to managing this risk is through our climate change Adaptation Strategy, originally established in 2014 and progressively updated. This has involved a number of studies, first-stage risk assessments and, in specific instances, engineering design considerations across different areas of the business, with implementation of the strategy ongoing. An example of our risk management activities in this area is our investment in a desalination plant to secure long-term water supply for our copper mines in Chile (Escondida and the Pampa Norte mines). Case study: An example of our ongoing work in this area is the series of first-stage assessments BHP undertook in FY2020 to strengthen our approach, including a questionnaire for operated assets, industry benchmarking assessment, internal policy review and extensive engagements

across BHP. Based on this engagement with our Functions and Assets teams, a gap analysis identified opportunities to improve consistency and comprehensiveness in how physical climate change risks can be identified, assessed and managed across the business. This work has informed the updating of our Adaptation Strategy and implementation planning. We aim to be in a position to report on specific material physical risks and potential financial impacts (including material expenditure on climate change adaptation) by FY2025. Cost of response calculation: Assessing the cost of responding to physical risks is complicated by the scale of integration into broader planning and operating processes, time horizons involved, and other practical complexities. We are considering options to define these costs for future disclosures. For illustrative purposes only for inclusion in this CDP response, we have developed an estimate of the costs involved in preparing for and conducting risk identification workshops across the three BHP operated coal assets (BMA and BMC (comprising Queensland Coal) and New South Wales Energy Coal (Australia)) as described in the case study above. Twenty-five people were involved across the business, including 20 workshop attendees from the Asset teams. In total, the cost of the time invested in this exercise has been estimated to be US$80,000 for the Coal Assets. Please also refer to the Important Notice set out in Section C0.1 in relation to forward looking statements and other matters.

Comment
Climate change risk information, financial impacts and costs of response provided in this question include high level estimates and demonstrative calculations only for inclusion in this CDP response. Please refer to the Annual Report 2020 and Climate Change Report 2020 available at bhp.com for BHP's climate change risk and opportunities as assessed through our Integrated Risk Management System and other tools.

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
Demand for copper products is expected to see significant growth in a world where increasing climate policy ambition is in place and net zero or zero CO2 technologies are emerging. In FY2020, BHP produced 1,724kt of copper, which accounted for 19.7% of Underlying EBITDA (Annual Report 2020, p. 178). BHP's copper products are well placed to support the electrification of transport – with a battery-powered electric car requiring four times as much copper as a conventional car. Our copper portfolio is also well placed to benefit from a 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. This opportunity should be considered in the context of broader trends in the sector. As is the case with many climate-related threats and opportunities, this opportunity may present over short-, medium- and long-term time horizons. Refer to our Climate Change Report 2020, available online at 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 and other matters.

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 under 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 bhp.com, for a description of each of these scenarios. Note that the Central Energy View scenario already includes a significant amount of copper for use in renewables and electrification of transport. Our 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 this 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 and other matters. Refer also to our Climate Change Report 2020, available online at bhp.com, for information about the assumptions and

limitations of our 1.5°C scenario and of scenario analysis more generally. 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.

Cost to realize opportunity
0

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 affected by the value we could create by positioning BHP to benefit from a world that is focused on reducing greenhouse gas emissions. Refer to our Climate Change Report 2020, available online at 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. We have been clear that we intend to pursue 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. Case study: In FY2020, we completed the third phase of drilling at Oak Dam in South Australia, 65 kilometres to the southeast of BHP's operations at Olympic Dam. During FY2020, BHP grew its share 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). Cost of response calculation: This opportunity reflects only an increase in revenues assumed under our 1.5°C scenario resulting from an increase in realised price for sales from our existing assets and therefore the associated capital expenditure and maintenance capital is already captured. Please refer to our Climate Change Report 2020, available online at bhp.com, for a description of our latest portfolio analysis.

Comment
This response reflects the opportunity as at 30 June 2021. Climate change opportunity information and financial impacts and costs to realise opportunity provided in this question include high level estimates and calculations based on scenario analysis only for inclusion in this CDP response. Please refer to the Annual Report 2020 and Climate Change Report 2020 available at bhp.com for BHP's climate change risk and opportunities as assessed through our Integrated Risk Management System and other tools.

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
Nickel is a key raw material for batteries and the majority of BHP's nickel metal is sold into the battery sector. We see the potential for significant growth in electric vehicle sales, with battery producers matching electric vehicle growth rate while responding to growing demand from other areas i.e. stationary storage. The majority of 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. BHP's 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 support the opportunity to add value throughout our nickel supply chain. Our total nickel production in FY2020 was 80 kt (Annual Report 2020, p.108). This opportunity should be considered in the context of broader trends in the sector. As is the case with many climate-related threats and opportunities, this opportunity may present over short-, medium- and long-term time horizons. Refer to our Climate Change Report 2020, available online at 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 and other matters.

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 under 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 bhp.com, for a description of each of these scenarios. Note that the Central Energy View scenario already includes a significant amount of nickel, for use in batteries. Our 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 this 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 and other matters. Refer also to our Climate Change Report 2020, available online at bhp.com, for information about the assumptions and limitations of our 1.5°C scenario and of scenario analysis more generally. 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.

Cost to realize opportunity
0

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 affected by the value we could create by positioning BHP to benefit from a world that is focused on reducing greenhouse gas emissions. Refer to our Climate Change Report 2020, available online at bhp.com, for a description of our latest portfolio analysis. We have been clear that we intend to pursue more options in future facing commodities, including nickel to optimise our opportunities. Case study: 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 continued to make significant progress in FY2020 on its transition to becoming a leading supplier to the battery materials market. In addition, two new mines at Nickel West entered into full production and, also in Australia, we agreed to acquire the Honeymoon Well development project and the remaining 50 per cent interest in the Albion Downs North and Jericho exploration joint ventures from MPI Nickel Pty Ltd, a wholly owned subsidiary of Norilsk Nickel Australian Holdings BV, located 50 kilometres from Mt. Keith. Cost of response calculation: This opportunity reflects only an increase in revenues assumed under our 1.5°C scenario resulting from an increase in realised price for sales from our existing assets and therefore the associated capital expenditure and maintenance capital is already captured. Please refer to the Important Notice set out in Section C0.1 in relation to forward looking statements and other matters.

Comment
This response reflects the opportunity as at 30 June 2021. Climate change opportunity information and financial impacts and costs to realise opportunity provided in this question include high level estimates and calculations based on scenario analysis only for inclusion in this CDP response. Please refer to the Annual Report 2020 and Climate Change Report 2020 available at bhp.com for BHP's climate change risk and opportunities as assessed through our Integrated Risk Management System and other tools.

Identifier
Opp3

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Resilience

Primary climate-related opportunity driver
Other, please specify (Adapt to changing climate and building economic, social and environmental resilience)

Primary potential financial impact
Other, please specify (Preserving value of assets in key regions)

Company-specific description
BHP has a global focus on climate change and an overall commitment to environmental preservation and the protection of community livelihoods. This aligns with a number of strategic priorities for our business to optimise the long term resilience and sustainability of our operations in key regions. An example of BHP's activity in this area is our investment in the Action by Civil society in Trinidad and Tobago to build resilience to climate change' (Climate ACTT) program. Implementation of the program was led by BHP Trinidad and Tobago, in partnership with regional NGO, the Caribbean Natural Resources Institute (CANARI), and globally recognised leader in environmental protection, Conservation International (CI). The primary focus was on building the institutional expertise of five civil society groups over 18 months. The five civil society groups that participated were: the Environmental Research Institute of Charlotteville (ERIC), Environment Tobago, the Turtle Village Trust, the Caribbean Youth Environment Network Trinidad and Tobago Chapter (CYEN T&T) and the Fondes Amandes Community Re-forestation Project.

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)
0

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
BHP's investment in this activity has not been undertaken to deliver financial benefits to the business. Rather, the purpose of the opportunity is to contribute to efforts to ensure that communities in areas where we operate are sufficiently equipped to adapt to the potential impacts of a changing climate. For the purpose of this CDP response, the potential financial impact of the opportunity has therefore been recorded as zero. Please refer to the Important Notice set out in Section C0.1 in relation to forward looking statements and other matters.

Cost to realize opportunity
660000

Strategy to realize opportunity and explanation of cost calculation
BHP's strategy is to take a risk-based approach to adaptation, including consideration of the potential vulnerabilities of our operated assets, investments, portfolio, communities, ecosystems and our suppliers and customers across the value chain through the progressive implementation of our Adaptation Strategy. We assess our risk of exposure to potential climate change impacts to be material, including the potential for more frequent and intense weather events, and increasing sea water levels that may result in disruptions (e.g. to port operations). Left unmanaged, physical climate change risks may threaten our sustainable long-term shareholder return objectives. We aim to be in a position to report on specific material physical risks and potential financial impacts (including material expenditure on climate change adaptation) by FY2025. Case study: BHP, in partnership with CI and CANARI, launched the 'Action by Civil society in Trinidad and Tobago to build resilience to climate change' (Climate ACTT) program. The program's objective is to help address a common challenge in adaptation – building capacity of civil society to access funding and implement adaptation

actions. The goal of the Climate ACTT project is to empower a selection of civil society organisations in Trinidad and Tobago with rigorous and transparent institutional processes and up-to-date technical best practices for climate change adaptation and resilience planning. The program, implemented by CANARI, with support from CI, began with participatory needs assessments and work planning for each individual organisation. In a collective workshop in March 2016, the participating organisations began creating strategies to effectively communicate about climate change and examine how climate change fits within their missions and programming. A follow-up workshop in April 2016 delivered methodologies to assess vulnerability and plan adaptation actions. The five participating groups implemented climate change adaptation projects geared towards communities that are particularly vulnerable to the potential physical impacts of climate change in Trinidad and Tobago. Cost to realise opportunity: BHP's investment in this initiative was US$660,000.

Comment

Please refer to the Annual Report 2020 and Climate Change Report 2020 available at bhp.com for BHP's climate change risk and opportunities as assessed through our Integrated Risk Management System and other tools.

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) Is your organization's low-carbon transition plan a scheduled resolution item at Annual General Meetings (AGMs)?

	Is your low-carbon transition plan a scheduled resolution item at AGMs?	Comment
Row 1	No, but we intend it to become a scheduled resolution item within the next two years	

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative and quantitative

C3.2a

(C3.2a) 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)	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, considering 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. Reasonableness of key assumptions are tested 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 (described below as at the date of publication (10 September 2020) under our Climate Change Report 2020), to examine the impact of different economic, policy and societal changes: •Central Energy View reflects existing policies, trends and commitments, and tracks to approximately 3ºC temperature increase above pre-industrial levels by 2100 •Lower Carbon View tracks to an approximately 2.5ºC 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 (as published in our Climate Change Report 2020) demonstrates that our business can continue to thrive over the next 30 years, as the global community takes action to decarbonise, even under our 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, our 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. 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 and other matters.

C3.3

(C3.3) 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) has a direct impact on our strategy as an input to forecast demand for our products. Time horizons up to 2050 are considered, depending on the nature and intent of the analysis. The substitution of existing technologies with lower emissions options, such as 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. An example of a substantial strategic decision made in this area to date is our investment in the Nickel West resource transition plan, involving the construction of three new mines.
Supply chain and/or value chain	Yes	Climate-related risks have a direct influence on our supply and value chain management strategies, both in the context of transition risk associated with high emissions intensity and physical risk associated with potential supply chain impacts from, for example, extreme weather events. These risks are identified and assessed under our Risk Framework and discussed in more detail in our Annual Report 2020 and Climate Change Report 2020. Time horizons of up to 2030 are considered, depending on the nature and intent of the analysis. We are progressively implementing full physical risk assessments (in line with our Risk Framework) under our Adaptation Strategy and aim to be in a position to report on specific material physical risks and potential financial impacts (including material expenditure on climate change adaptation) by FY2025. An example of a substantial strategic decisions made in this area to date is our set of public Scope 3 emissions goals for 2030 as follows: • 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	Climate change related opportunities form an important input into our R&D investment strategies, recognising that the definition of 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). Time horizons of up to 2050 are considered, depending on the nature and intent of the analysis. Examples of substantive strategic decisions made in this space: - In 2019 we made a US$6 million investment in Carbon Engineering Ltd to progress the development of a ground-breaking technology to reduce GHG emissions by accelerating the development of Direct Air Capture (DAC), which removes carbon dioxide from the atmosphere. - In FY2020, we finalised payment of 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.
Operations	Yes	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 potential physical impacts of climate change. Time horizons covered depend on the expected operational life of the asset being considered and the nature and intent of the analysis. This recognises the importance of integrating physical climate change risks and adaptation assessment and planning into decision-making processes. In order to strengthen our approach to adapting to potential physical impacts of climate change, BHP undertook a series of first-stage assessments and engagements in FY2020. These included a questionnaire for our operated assets, industry benchmarking assessment, internal policy review and extensive engagements across BHP. We are progressively implementing full physical risk assessments (in line with our Risk Framework) under our Adaptation Strategy and aim to be in a position to report on specific material physical risks and potential financial impacts (including material expenditure on climate change adaptation) by FY2025. An example of a substantial strategic decision made in this area to date 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.

C3.4

(C3.4) 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 (both threats and opportunities) 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 threats and opportunities is not always clear or direct, and will be dependent on the strategic approach taken by BHP to managing threats 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 impacts on direct costs are most closely linked to the wide variety of potential physical climate change impacts relevant to our diverse business. Physical threats could disrupt production, increase costs, damage facilities and materially and adversely affect the financial performance of our assets. Through progressive implementation of our Adaptation Strategy, we to aim to be able to report on specific material physical risks and potential financial impacts (including material adaptation expenditure) by FY2025. 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. This includes embedding our understanding of climate change related value drivers in our strategy, planning and investment processes. BHP's Investment Review Committees (IRCs) provide oversight for investment processes across BHP including our social value framework which also incorporates climate change related considerations. 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. EXAMPLE/CASE STUDY: 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 designed to preserve value at our operated assets. This will enable consideration of a risk assessment across qualitative and quantitative criteria relevant to each capital allocation decision. The time horizons considered are short, medium and long (to 2050), with varying degrees of detail and accuracy depending on the intent of the estimate developed. 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 (both threats and opportunities). EXAMPLE/CASE STUDY: 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. During FY2020, we acquired an additional 3.5% and now hold a 13.6% interest. These decisions were supported in part by our commodity markets outlooks which incorporate climate-related views to a time horizon of up 2050 depending on the nature of the analysis. 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 (both threats and opportunities) 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.

C3.4a

(C3.4a) 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 (both 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)
15800000

% 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

Target ambition
<Not Applicable>

Please explain (including target coverage)
Reducing GHG emissions at our operated assets is a key component of our climate change strategy. We have set public GHG emissions reduction targets since the 1990s and regularly review them as our strategy and circumstances change. This current five-year 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, as adjusted), 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. This target covers all Scope 1 and 2 emissions based on an operational control approach in line with World Resources Institute/World Business Council for Sustainable Development guidance. The

FY2017 baseline emissions provided in this CDP disclosure represents total reported emissions from both Continuing and Discontinued operations as at 30 June 2020 (please see Annual Report 2020 for details on Discontinued operations). On this basis we are meeting our target by a margin of approximately 3%. We also calculate an adjusted baseline excluding material divestments - this detail is available in our Annual Report 2020 and Climate Change Report 2020. Our operated asset-level emissions forecasts indicate we are on track to meet our FY2022 target on this basis also, due primarily to implementation of renewable energy contracts in Chile in FY2022. More recent information on progress against this and our other targets will be available in our 2021 reporting suite (including the Annual Report), which will be available at 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)
15800000

% of target achieved [auto-calculated]
3.06748466257669

Target status in reporting year
Underway

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

Target ambition
Well-below 2°C aligned

Please explain (including target coverage)
BHP supports the aim 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. We have been active in addressing climate risks for more than two decades, and in 2017 established our long-term goal of achieving net zero operational emissions by 2050. This goal covers all Scope 1 and 2 emissions based on an operational control approach in line with World Resources Institute/World Business Council for Sustainable Development guidance. More recent information on progress against this and our targets will be available in our FY2021 reporting suite (including the Annual Report) which will be available at bhp.com.

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)
15800000

% of target achieved [auto-calculated]
0

Target status in reporting year
New

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

Target ambition
Well-below 2°C aligned

Please explain (including target coverage)
In July 2019, we publicly committed to establish a medium-term, science-based target in 2020 to support achievement of our long-term goal to achieve net-zero operational emissions by 2050. 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. Based on the scope of these NDCs, we expect decarbonisation trends to accelerate significantly over the next decade. The baseline year of FY2020 represents the most recently completed operating year from which to measure our performance to FY2030, and we consider it to be consistent with a science-based methodology to establish a target. This target covers all scope 1 and 2 emissions based on an operational control approach in line with World Resources Institute/World Business Council for Sustainable Development guidance. 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. More recent information on progress against this and our other targets will be available in our FY2021 reporting suite (including the Annual Report) which will be available at bhp.com.

C4.2

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

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

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	2	
To be implemented*	1	3000000
Implementation commenced*	0	
Implemented*	1	15000
Not to be implemented	0	

C4.3b

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

Initiative category & Initiative type

Other, please specify	Other, please specify (Energy efficiency)

Estimated annual CO2e savings (metric tonnes CO2e)
15000

Scope(s)
Scope 2 (location-based)
Scope 2 (market-based)

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
BHP's operations identify, study and execute energy and emissions efficiency projects as part of our continuous focus on productivity and to contribute to our emissions reduction goals. These activities are not explicitly tracked as emissions reduction initiatives as they are considered to be part of our business-as-usual operational approach. At our Western Australia Iron Ore operations, one example is the introduction of a rubber compound to lower the resistance of conveyor belts. This is estimated to contribute approximately 15,000tCO2e Scope 2 emissions reductions annually.

Initiative category & Initiative type

Low-carbon energy consumption	Low-carbon electricity mix

Estimated annual CO2e savings (metric tonnes CO2e)
3000000

Scope(s)
Scope 2 (location-based)
Scope 2 (market-based)

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
Renewable power agreements to meet power demand for BHP's Chilean copper mines, Escondida and Spence, replacing two coal-based power purchase agreements. These contracts will effectively displace 3Mt of CO2 annually from FY2022, compared with the fossil fuel based contracts they are replacing, equivalent to the annual emissions of around 0.7M combustion engine cars. These operated assets are on track to be 100 per cent powered by renewable energy sources by the mid-2020s.

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, are becoming increasingly important mechanisms to drive decarbonisation. 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 scenario, both of which are inputs to our planning cases. Please refer to our Climate Change Report 2020 at bhp.com for a description of these scenario. See also the Important Notice set out in Section C0.1 above in relation to forward looking statements. 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. In recognition that explicit carbon pricing regimes in many instances do not fully reflect the implicit regulatory risk and value of carbon across our value chain, we are developing additional qualitative and quantitative metrics to better capture the future cost and value of Greenhouse Gas (GHG) emissions to inform corporate strategy and core business decisions. 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 Please refer to our Climate Change Report 2020, available online at bhp.com, for more information.
Dedicated budget for other emissions reduction activities	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 enables us to maximise returns from CIP funds. In FY2021, we intend to 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 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
25

% 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
3

% 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

% 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).

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
The FY2017 baseline emissions provided in this CDP disclosure represents total reported emissions from both Continuing and Discontinued operations (please see Annual Report 2020 for details on Discontinued operations). We also calculate an adjusted baseline excluding material divestments - this detail is available in our Annual Report 2020 and Climate Change Report 2020.

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 FY2017 baseline emissions provided in this CDP disclosure represents total reported emissions from both Continuing and Discontinued operations (please see Annual Report 2020 for details on Discontinued operations). We also calculate an adjusted baseline excluding material divestments - this detail is available in our Annual Report 2020 and Climate Change Report 2020.

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.

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 FY2020 (operational control boundary) noting that a local regulatory program in this context refers to any scheme requiring emissions to be calculated using mandated references or specified emission factors. 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 i.e. 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). Electricity emission factors are sourced directly from the supplier in the first instance. 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. For all remaining grid supplied electricity, electricity emission factors for the relevant grid network, as sourced from local regulations, industry frameworks or publications from the local grid administrator.

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)
9500000

Start date
July 1 2019

End date
June 30 2020

Comment
More recent data for FY2021 will be available in our Annual Report 2021 and online at bhp.com.

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)
9700000

Start date
July 1 2018

End date
June 30 2019

Comment

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
Both location and market based Scope 2 emissions are reported for transparency.

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)
6300000

Start date
July 1 2019

End date
June 30 2020

Comment
More recent data for FY2021 will be available in our Annual Report 2021 and online at bhp.com.

Past year 1

Scope 2, location-based
5100000

Scope 2, market-based (if applicable)
6100000

Start date
July 1 2018

End date
June 30 2019

Comment
N/A

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

16919000

Emissions calculation methodology

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. 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 external spend. Emission factors are sourced from the Quantis Scope 3 Evaluator tool, as recommended by the GHG Protocol. More recent data for FY2021 will be available in our Annual Report 2021 and online at bhp.com.

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

0

Please explain

A high level estimate has been calculated as the emissions 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. More information on the calculation methodologies for 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. More recent data for FY2021 will be available in our Annual Report 2021 and online at 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

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 i.e. the Scope 3 emissions reported under category 1 includes purchased goods and services and purchases of capital goods. More information on the calculation methodologies for 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. More recent data for FY2021 will be available in our Annual Report 2021 and online at bhp.com.

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

Evaluation status
Not relevant, calculated

Metric tonnes CO2e
1317000

Emissions calculation methodology
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. 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. More recent data for FY2021 will be available in our Annual Report 2021 and online at bhp.com.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
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 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. More recent data for FY2021 will be available in our Annual Report 2021 and online at bhp.com.

Upstream transportation and distribution

Evaluation status
Not relevant, calculated

Metric tonnes CO2e
3800000

Emissions calculation methodology
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. 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. More recent data for FY2021 will be available in our Annual Report 2021 and online at bhp.com.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
94

Please explain
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. More recent data for FY2021 will be available in our Annual Report 2021 and online at 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.

Business travel

Evaluation status
Not relevant, calculated

Metric tonnes CO2e
109000

Emissions calculation methodology
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. 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. More recent data for FY2021 will be available in our Annual Report 2021 and online at bhp.com.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
30

Please explain
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 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. More recent data for FY2021 will be available in our Annual Report 2021 and online at bhp.com.

Employee commuting

Evaluation status
Not relevant, calculated

Metric tonnes CO2e
200000

Emissions calculation methodology
Calculation methodology: This estimate uses the 'spend-based' method as described in the calculation methodology for the Purchased goods and services category. 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.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
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 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. More recent data for FY2021 will be available in our Annual Report 2021 and online at 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.

Downstream transportation and distribution

Evaluation status
Not relevant, calculated

Metric tonnes CO2e
4000000

Emissions calculation methodology
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. 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). More recent data for FY2021 will be available in our Annual Report 2021 and online at bhp.com.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Emissions associated with the freight of our products to customers are of increasing interest as a component of our supply chain. 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. More recent data for FY2021 will be available in our Annual Report 2021 and online at bhp.com.

Processing of sold products

Evaluation status
Relevant, calculated

Metric tonnes CO2e
327800000

Emissions calculation methodology
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. Calculation methodology for copper processing: An 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. Calculation methodology for Iron ore processing: All iron ore production is assumed to be processed to steel. A crude steel emission factor is applied to the volume of crude steel produced from BHP's iron ore 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. Note BHP also disclose a lower-end estimate emissions of 205.6 million tCO2e for iron ore processing to steel to account for potential double-counting of the metallurgical input. This is described in detail in the BHP Scope 1, 2 and 3 Emissions Calculation Methodology, available at bhp.com/climate 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'. More recent data for FY2021 will be available in our Annual Report 2021 and online at bhp.com.

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 combined processing and use of our products. More information on the calculation methodologies for 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. More recent data for FY2021 will be available in our Annual Report 2021 and online at bhp.com.

Use of sold products

Evaluation status
Relevant, calculated

Metric tonnes CO2e
205000000

Emissions calculation methodology
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. Assumption: All metallurgical coal, energy coal, natural gas and petroleum products are assumed to be combusted. All crude oil and condensates (23.3 mtCO2e) are assumed to be refined and combusted as diesel (most conservative assumption). Other details of this calculation, including calculation of a lower-end estimate for metallurgical coal use, are detailed in the BHP Scope 1, 2 and 3 Emissions Calculation Methodology, available at bhp.com/climate. More recent data for FY2021 will be available in our Annual Report 2021 and online at bhp.com.

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 combined processing and use of our products. 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. More recent data for FY2021 will be available in our Annual Report 2021 and online at 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.

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.

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.

Investments

Evaluation status
Not relevant, calculated

Metric tonnes CO2e
3900000

Emissions calculation methodology
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 approximately90 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. 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 FY2020 reporting year are described in our Annual Report 2020. 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 operating partners and/or the public domain wherever possible, including government-published data and sustainability reporting 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. More recent data for FY2021 will be available in our Annual Report 2021 and online at bhp.com.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
91

Please explain
Emissions associated with BHP's investments are relevant in that they contribute to the exposure of our business to climate-related risk. More information on the calculation methodologies for 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. More recent data for FY2021 will be available in our Annual Report 2021 and online at 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.

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.

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
0.00036803

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
15800000

Metric denominator
unit total revenue

Metric denominator: Unit total
42931000000

Scope 2 figure used
Market-based

% change from previous year
3

Direction of change
Increased

Reason for change
Total emissions remained steady from 2019 to 2020, however proportional revenue was impacted by lower commodity prices (excluding iron ore). 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. More recent information for FY2021 will be available in our Annual Report 2021 and online at bhp.com.

Intensity figure
2

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
15800000

Metric denominator
Other, please specify (Tonnes of copper equivalent)

Metric denominator: Unit total
7972000

Scope 2 figure used
Market-based

% change from previous year
16

Direction of change
Decreased

Reason for change
Copper equivalent production has been calculated based on FY2020 average realised product prices for FY2020 production with production figures consistent with energy and emissions reporting boundaries (i.e. BHP operational control). The 16% increase in Copper-equivalent intensity was driven largely by an increase in the contribution of iron ore to BHP's copper equivalent production volume in 2020 compared to 2019 (both increased price and volume), while emissions overall remained steady.

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	7716300	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	1757100	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	17700	IPCC Fourth Assessment Report (AR4 - 100 year)
HFCs	2500	IPCC Fourth Assessment Report (AR4 - 100 year)
PFCs	0	IPCC Fourth Assessment Report (AR4 - 100 year)
SF6	400	IPCC Fourth Assessment Report (AR4 - 100 year)
NF3	0	IPCC Fourth Assessment Report (AR4 - 100 year)

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	7850000
North America	420000
South America	1220000

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	4570000
Copper	1450000
Iron Ore	2210000
Nickel	490000
Petroleum	750000
Potash	12500
Other (projects etc)	7500

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)	230000	-30.440514	136.802759
Western Australia Iron Ore (Australia, iron ore)	2210000	-23.531299	117.223958
Queensland Coal (Australia, metallurgical coal)	4040000	-26.402614	149.670159
New South Wales Energy Coal (Australia, energy coal)	530000	-32.532366	150.659224
Nickel West (Australia, nickel)	490000	-28.95385	120.523355
Escondida (Chile, copper)	860000	-27.922911	-72.764376
Pampa Norte (Chile, copper)	360000	-25.099567	-70.987772
Jansen Potash Project (Canada, potash)	12500	51.88665	-104.739435
Gulf of Mexico production (US, conventional oil and gas)	200000	24.358456	-93.972518
Australia production (Australia, conventional oil and gas)	350000	-38.517462	145.556653
Other (Trinidad & Tobago, Petroleum head office, Projects etc)	207500	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	<Not Applicable>	<Not Applicable>	<Not Applicable>
Electric utility activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	4150000	<Not Applicable>	Emissions from our copper, nickel and iron ore assets
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	2566000	2460000	4185200	0
North America	30000	30000	950600	0
South America	2553000	3790000	655700	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	1200000	1200000
Copper	3003000	4240000
Iron Ore	260000	260000
Nickel	656000	550000
Petroleum	20000	20000
Other (Potash, projects etc)	10000	10000

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)	450000	450000
Western Australia Iron Ore (Australia, iron ore)	260000	260000
Queensland Coal (Australia, metallurgical coal)	1120000	1120000
New South Wales Energy Coal (Australia, energy coal)	80000	80000
Nickel West (Australia, nickel)	656000	550000
Escondida (Chile, copper)	2237000	3261000
Pampa Norte (Chile, copper)	317000	531000
Australia production (Australia, conventional oil and gas)	0	0
Other (Potash, Trinidad and Tobago, Projects etc)	30000	30000

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	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	3918000	5050000	Emissions from copper, nickel and iron ore assets
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?

Remained the same overall

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	0	No change	0	
Other emissions reduction activities	0	No change	0	
Divestment	470000	Decreased	3	US Onshore divestment - Calculation based on 470 ktonnes reported for these assets in FY20 before finalisation of ownership transfer. Percentage is calculated as a fraction of the total emissions in FY19.
Acquisitions	0	No change	0	
Mergers	0	No change	0	
Change in output	0		0	
Change in methodology	0	No change	0	
Change in boundary	0	No change	0	
Change in physical operating conditions	0	No change	0	
Unidentified	0	No change	0	
Other	470000	Increased	3	Increase in production and energy use at WAIO, BMC, BMA and Nickel West partially offset by ongoing productivity improvements. Percentage is calculated as a fraction of the total emissions in FY19.

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)	HHV (higher heating value)	0	31420000	31420000
Consumption of purchased or acquired electricity	<Not Applicable>	0	10075800	10075800
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>	0	<Not Applicable>	0
Total energy consumption	<Not Applicable>	0	41495800	41495800

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)	HHV (higher heating value)	17137000
Consumption of purchased or acquired electricity	<Not Applicable>	8565000
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>	0
Total energy consumption	<Not Applicable>	25702000

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	Yes
Consumption of fuel for the generation of steam	Yes
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	Yes

C8.2c

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

Fuels (excluding feedstocks)
Acetylene

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
180

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
0

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
0

Emission factor
51.4

Unit
kg CO2e per GJ

Emissions factor source
National Greenhouse Accounts Factors - August 2019 - Department of Environment and Energy

Comment

Fuels (excluding feedstocks)
Coke

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
185100

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
113300

MWh fuel consumed for self-generation of steam
0

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
0

Emission factor
107

Unit
kg CO2e per GJ

Emissions factor source
National Greenhouse and Energy Reporting (Measurement) Determination 2019

Comment
Australia's National Energy and Greenhouse Reporting (Measurement) Determination is the most commonly used emission factor source, however some facilities outside Australia are subject to local reporting regulations and use factors directly from those. As a result, total emissions from some fuels will vary from the total consumption multiplied by the representative factors provide in this section.

Fuels (excluding feedstocks)
Diesel

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
24801400

MWh fuel consumed for self-generation of electricity
1818600

MWh fuel consumed for self-generation of heat
12845300

MWh fuel consumed for self-generation of steam
0

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
0

Emission factor
70.2

Unit
kg CO2e per GJ

Emissions factor source
National Greenhouse and Energy Reporting (Measurement) Determination 2019

Comment
Australia's National Energy and Greenhouse Reporting (Measurement) Determination is the most commonly used emission factor source, however some facilities outside

Australia are subject to local reporting regulations and use factors directly from those. As a result, total emissions from some fuels will vary from the total consumption multiplied by the representative factors provide in this section.

Fuels (excluding feedstocks)
Fuel Oil Number 1

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
1980000

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
1980000

MWh fuel consumed for self-generation of steam
0

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
0

Emission factor
73.84

Unit
kg CO2e per GJ

Emissions factor source
National Greenhouse and Energy Reporting (Measurement) Determination 2019

Comment
Australia's National Energy and Greenhouse Reporting (Measurement) Determination is the most commonly used emission factor source, however some facilities outside Australia are subject to local reporting regulations and use factors directly from those. As a result, total emissions from some fuels will vary from the total consumption multiplied by the representative factors provide in this section.

Fuels (excluding feedstocks)
Liquefied Petroleum Gas (LPG)

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
194000

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
18700

MWh fuel consumed for self-generation of steam
0

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
0

Emission factor
60.6

Unit
kg CO2e per GJ

Emissions factor source
National Greenhouse and Energy Reporting (Measurement) Determination 2019

Comment
Australia's National Energy and Greenhouse Reporting (Measurement) Determination is the most commonly used emission factor source, however some facilities outside Australia are subject to local reporting regulations and use factors directly from those. As a result, total emissions from some fuels will vary from the total consumption multiplied by the representative factors provide in this section.

Fuels (excluding feedstocks)
Lubricants

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
151400

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat
151400

MWh fuel consumed for self-generation of steam
0

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
0

Emission factor
3.5

Unit
kg CO2e per GJ

Emissions factor source
National Greenhouse and Energy Reporting (Measurement) Determination 2019

Comment
Australia's National Energy and Greenhouse Reporting (Measurement) Determination is the most commonly used emission factor source, however some facilities outside Australia are subject to local reporting regulations and use factors directly from those. As a result, total emissions from some fuels will vary from the total consumption multiplied by the representative factors provide in this section.

Fuels (excluding feedstocks)
Motor Gasoline

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
1300

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
100

MWh fuel consumed for self-generation of steam
0

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
0

Emission factor
2307

Unit
kg CO2e per m3

Emissions factor source
CANADA'S GREENHOUSE QUANTIFICATION REQUIREMENTS, DECEMBER 2020, Table 2-2: CO2 Emission Factors for Diesel, Gasoline, Ethanol and Biodiesel

Comment

Fuels (excluding feedstocks)
Natural Gas

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
5797100

MWh fuel consumed for self-generation of electricity
2983500

MWh fuel consumed for self-generation of heat
461100

MWh fuel consumed for self-generation of steam
595700

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
1756700

Emission factor
51.53

Unit

kg CO2e per GJ

Emissions factor source
National Greenhouse and Energy Reporting (Measurement) Determination 2019

Comment
Australia's National Energy and Greenhouse Reporting (Measurement) Determination is the most commonly used emission factor source, however some facilities outside Australia are subject to local reporting regulations and use factors directly from those. As a result, total emissions from some fuels will vary from the total consumption multiplied by the representative factors provide in this section.

Fuels (excluding feedstocks)
Other, please specify (Combination of other fuels used in small quantities including other fuel oil and petroleum coke)

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
338300

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
4500

MWh fuel consumed for self-generation of steam
0

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
0

Emission factor
70

Unit
kg CO2e per GJ

Emissions factor source
National Greenhouse and Energy Reporting (Measurement) Determination 2019

Comment
Weighted representative emission factor

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	3667000	3580000	0	0
Heat	47000	47000	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

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	737000	650000
Heat	45000	45000
Steam	0	0
Cooling	0	0

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.

Sourcing method
None (no purchases of low-carbon electricity, heat, steam or cooling)

Low-carbon technology type
<Not Applicable>

Country/area of consumption of low-carbon electricity, heat, steam or cooling
<Not Applicable>

MWh consumed accounted for at a zero emission factor
<Not Applicable>

Comment
No low-carbon purchases in FY20 other than those embedded via the existing grid fuel-mix and incorporated into grid factors sued in location-based scope 2 emissions reporting.

C9. Additional metrics

C9.1

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

C-MM9.3a

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

C-MM9.3b

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

Output product
Copper

Capacity (metric tons)

Production (metric tons)
1724000

Annual production in copper-equivalent units (thousand tons)
1724000

Scope 1 emissions (metric tons CO2e)
1450000

Scope 2 emissions (metric tons CO2e)
4240000

Scope 2 emissions approach
Market-based

Pricing methodology for-copper equivalent figure
Copper equivalent production has been calculated based on FY2020 average realised product prices for FY2020 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
N/A

Output product
Nickel

Capacity (metric tons)

Production (metric tons)
80000

Annual production in copper-equivalent units (thousand tons)
202000

Scope 1 emissions (metric tons CO2e)
490000

Scope 2 emissions (metric tons CO2e)
550000

Scope 2 emissions approach
Market-based

Pricing methodology for-copper equivalent figure
Copper equivalent production has been calculated based on FY2020 average realised product prices for FY2020 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
N/A

Output product
Other ferrous metals (Please specify) (Iron ore)

Capacity (metric tons)

Production (metric tons)
248000000

Annual production in copper-equivalent units (thousand tons)
3742000

Scope 1 emissions (metric tons CO2e)
2210000

Scope 2 emissions (metric tons CO2e)
260000

Scope 2 emissions approach
Market-based

Pricing methodology for-copper equivalent figure
Copper equivalent production has been calculated based on FY2020 average realised product prices for FY2020 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
N/A

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	Please see details below

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 (US$400m Climate Investment Program)	Applied research and development	≤20%		US$400 million will be invested over the five-year life of our Climate Investment Program to develop technologies to reduce emissions from our own operations as well as those generated from the use of our products.
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
BHP Annual Report 2020.pdf

Page/ section reference
BHP Annual Report 2020, 1.7.11 Independent limited assurance report, page 74

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
BHP Annual Report 2020.pdf

Page/ section reference
BHP Annual Report 2020, 1.7.11 Independent limited assurance report, page 74

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
BHP Annual Report 2020.pdf

Page/ section reference
BHP Annual Report 2020, 1.7.11 Independent limited assurance report, page 74

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
BHP Annual Report 2020.pdf

Page/section reference
BHP Annual Report 2020, 1.7.11 Independent limited assurance report, page 74

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	ISAE3000	Reasonable assurance over our FY2020 energy consumption data in accordance with ISAE 3000. Please refer to the assurance statement in the 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 sections of our online sustainability disclosures for FY2020 which include: - Progress against emissions target - This assurance process is performed for each 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)	SAE 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; and the assumptions and approach supporting BHP's scenario analysis and portfolio analysis. Please refer to page 41 in 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 2020 Assurance Statement in the Annual Report 2020, page 74.
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.)	ISAE3000, ISAE3450	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 Climate Change Report 2020; and the assumptions and approach supporting BHP's scenario analysis and portfolio analysis. Please refer to page 41 in 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)	ISAE3000,ISAE3450	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 Climate Change Report 2020; and the assumptions and approach supporting BHP's scenario analysis and portfolio analysis. Please refer to page 41 in 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

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
78

% of Scope 2 emissions covered by the ETS
0

Period start date
July 1 2019

Period end date
June 30 2020

Allowances allocated
7440

Allowances purchased
0

Verified Scope 1 emissions in metric tons CO2e
7440

Verified Scope 2 emissions in metric tons CO2e
0

Details of ownership
Facilities we own and operate

Comment
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 per se, however the set baseline emissions total is reflected as allowances above for transparency. No additional credits were required in FY2020 to remain below our baselines.

C11.1c

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

Chile carbon tax

Period start date
January 1 2020

Period end date
December 31 2020

% of total Scope 1 emissions covered by tax
1

Total cost of tax paid
472800

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 threats and opportunities posed by carbon pricing schemes and we continue to review our strategy to optimise our position. We forecast regional carbon prices in ranges to anticipate plausible accelerations in carbon price regulation and assist with compliance. BHP also actively monitors policy, market and technological changes and community, investor and regulatory standards and expectations as they develop to inform appropriate management actions and compliance plans where required.

Our operated assets are required to maintain 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.

A case study of how we comply with our systems is how we take our carbon price forecasts into account in investment decisions and asset valuations, for example in the development of our decarbonisation project evaluation, prioritisation and associated capital allocation planning.

Please refer to our Climate Change Report 2020 for more information, available online at bhp.com.

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.

Credit origination or credit purchase
Credit purchase

Project type
Forests

Project identification
Received 469,984 VCUs from the IFC (Kasigau Corridor REDD Project) under the Forests Bond 'annual volume VCUs'.

Verified to which standard
VCS (Verified Carbon Standard)

Number of credits (metric tonnes CO2e)
469984

Number of credits (metric tonnes CO2e): Risk adjusted volume
469984

Credits cancelled
No

Purpose, e.g. compliance
Voluntary Offsetting

Credit origination or credit purchase
Credit purchase

Project type
Forests

Project identification
Purchased 469,984 VCUs from the IFC (Kasigau Corridor REDD Project) under the Forests Bond 'option volume VCUs'.

Verified to which standard
VCS (Verified Carbon Standard)

Number of credits (metric tonnes CO2e)
469984

Number of credits (metric tonnes CO2e): Risk adjusted volume
469984

Credits cancelled
No

Purpose, e.g. compliance
Voluntary Offsetting

Credit origination or credit purchase
Credit purchase

Project type
Forests

Project identification
Purchased 724,434 VCUs from Wildlife Works (Kasigau Corridor REDD Project) under a Voluntary Emission Reduction Purchase Agreement (VERPA).

Verified to which standard
VCS (Verified Carbon Standard)

Number of credits (metric tonnes CO2e)
724434

Number of credits (metric tonnes CO2e): Risk adjusted volume
724434

Credits cancelled
No

Purpose, e.g. compliance
Voluntary Offsetting

Credit origination or credit purchase
Credit purchase

Project type
Forests

Project identification
Purchased 240,000 VCUs from Conservation International (Alto Mayo REDD+ Project) under a Voluntary Emission Reduction Purchase Agreement (VERPA).

Verified to which standard
VCS (Verified Carbon Standard)

Number of credits (metric tonnes CO2e)
240000

Number of credits (metric tonnes CO2e): Risk adjusted volume
240000

Credits cancelled
No

Purpose, e.g. compliance
Voluntary Offsetting

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 additional qualitative and quantitative metrics to incorporate more implicit regulatory costs to inform corporate strategy and core business decisions by capturing the future cost and value of Greenhouse Gas (GHG) emissions. Refer to our Climate Change Report 2020, available online at 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
We forecast carbon prices to reach between US$10-40/t CO2e in 2030 in our Central Energy View scenario and US$25-110/t CO2e in 2030 in our Lower Carbon View scenario, both of which are inputs to our planning cases (refer to our Climate Change Report 2020, available online at bhp.com, for a description of these scenarios). 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. In recognition that explicit carbon pricing regimes in many instances do not fully reflect the implicit regulatory risk and value of carbon across our value chain, we are developing additional qualitative and quantitative metrics to better capture the future cost and value of Greenhouse Gas (GHG) emissions to inform corporate strategy and core business decisions. Please refer to the Important Notice set out in Section C0.1 above in relation to forward looking statements. Refer to our Climate Change Report 2020, available online at 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 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
64

% 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
By registering through BHP's Global Contract Management System (GCMS), all suppliers are required to abide by BHP's Code of Conduct which includes compliance with Our Requirements for Environment and Climate Change standard (external version). For additional engagement activities, we assess supply categories according to commercial dependency and supplier risk (assessed across a range of criteria, including our environmental requirements where relevant), on a tiered approach. Engagement with each supplier is then determined by the risk level - at this stage we engage with approximately 64% of our suppliers on this basis. 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.

Impact of engagement, including measures of success
Impact of engagement: Where required, we work together with our suppliers to develop a plan to ensure the supplier meets applicable 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. This facilitates increased consistency and quality of performance across our supplier base in critical areas, including climate change where relevant. Measuring success: From the perspective of Scope 3 emissions reduction along our supply chain, our short-term actions will be defined annually in a Scope 3 Action Plan, with successful 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. For other activities, we measure success based on outcomes from engagement with suppliers within high risk supply categories, with a focus on compliance with the mandatory minimum requirements embedded in BHP's standards, including environmental and climate change areas as applicable. Example of successful impact: During FY2020, we set Scope 3 goals for 2030 including a focus working with major suppliers to reduce emissions intensity and 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 energy-efficient vessel chartering choices, alternative fuel requirements, and technology and innovations to optimise vessels and voyages. As an initial action in this area, we issued a world-first tender for LNG-fuelled bulk carrier vessels for iron ore transportation, which was awarded to Eastern Pacific Shipping and Shell in late 2020. This is expected to lead to significantly lower emissions on a per voyage basis when compared to conventionally-fuelled vessels.

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
82

% of customer - related Scope 3 emissions as reported in C6.5
77

Portfolio coverage (total or outstanding)
<Not Applicable>

Please explain the rationale for selecting this group of customers and scope of engagement
Rationale for selection: Our current focus on supporting Scope 3 emissions reduction in our value chain is on the emissions intensive steelmaking sector (processing and use of our iron ore and metallurgical coal) and copper product processing. This group of customers/sources have been selected as 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) has the potential to 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. Scope of engagement: 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. 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.

Impact of engagement, including measures of success
Impact of engagement: 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. We also work in partnership with others to seek 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. Measuring success: From the perspective of Scope 3 emissions reduction along our supply chain, our short-term actions will be defined annually in a Scope 3 Action Plan, with successful 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. For other activities, we measure success based on outcomes of activities undertaken by our technical marketing teams as discussed in the Impact of engagement section above. Example of successful impact: BHP signed a memorandum of understanding (MOU) in November 2020 with world leading steel producer, China Baowu, with the intention to invest up to US$35 million and share technical knowledge to help address the challenge of reducing greenhouse gas emissions facing the global steel industry. The five-year partnership will focus on the development of low carbon technologies and pathways capable of emission intensity reduction in integrated steelmaking. Under the MOU, the deployment of carbon capture, utilisation and storage in the steel sector will also be investigated at one of China Baowu's production bases. For other activities in this area please refer to our Climate Change Report 2020, available at bhp.com, for further information.

C12.1d

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

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'. We also made a submission to the consultation process for the Australian Government's Technology Investment Roadmap. In this submission, we lent our support for a number of priority technologies identified by the Government, including energy storage, hydrogen and carbon capture, utilisation and storage.

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

API climate position: API and its members commit to delivering solutions that reduce the risks of climate change while meeting society's growing energy needs. We support global action that drives greenhouse gas emissions reductions and economic development. The natural gas and oil industry plays a vital role in advancing human and economic prosperity that is essential to extending the benefits of modern life. One way the industry accomplishes this is by developing and deploying technologies and products that continue to reduce GHG emissions. 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 climate policy principles : 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. In August 2020, we published our Global Climate Policy Standards, which outline our expectations for how our policy positions should be reflected in the advocacy of the associations to which we belong. These standards are available on the BHP website, and have been communicated directly to our material association memberships, including the API. Our 2019 industry association review identified two material differences with the API. The first was the API's expressed support for the Trump Administration's decision to remove methane requirements for the oil and gas industry. The second was the API's lack of an articulated position on the Paris Agreement. In response to these identified differences, BHP determined that it would review its membership of the API no later by August 2020. In August 2020, we found that the API had made progress in addressing one of our identified differences. Specifically, the API had expressed support for the 'ambitions of the 2015 Agreement, including global action that reduces emissions and alleviates

poverty around the world'. Based on this, and our broader assessment of the value that we received from our membership, we determined to remain a member of the API, subject to a number of conditions. These included encouraging the API to further embed its position of support for the Paris Agreement, and to change its position on the direct regulation of methane. In January 2021, the API made a number of updates to its climate policy approach. As part of this, the API announced it now supports the direct regulation of methane emissions from new and existing sources; and expressed clear support for the ambitions of the Paris Agreement. Both of these positions are aligned with those held by BHP. We will continue to work with the API to ensure that our Global Climate Policy Standards are reflected in the association's advocacy.

Trade association
Australian Petroleum Production and Exploration Association

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
Australia's oil and gas industry supports a national climate change policy that delivers greenhouse gas emissions reductions, consistent with the objectives of the Paris Agreement at the lowest cost to the economy. The policy approach should achieve emissions reductions consistent with net zero emissions across the Australian economy by 2050 as part of a contribution to a goal of global net zero emissions by 2050. Australia's goal should be an approach to climate policy that is national, consistent with the objectives of the Paris Agreement and which supports the environmental objectives and industries that provide jobs and economic growth. The four principles underpinning the oil and gas sector's climate change policy are designed to assist policymakers in developing efficient and effective responses to climate change. They are: • Net zero emissions by 2050 should be the goal of national and international policy. • Climate policies should be efficient, enduring and integrated with economic, social, technology and energy policies. • Australia's international competitiveness should be enhanced. Government should pursue climate policies that maximise growth in jobs and investment and maintain the competitiveness of Australian trade-exposed industries, such as LNG. • Universal access to affordable, reliable, sustainable and modern energy must be achieved consistent with the UN's Sustainable Development Goal 7. These principles lay the foundation to achieve emission reductions consistent with net zero emissions across the Australian economy by 2050. Australia's policy response should set clear, long-term targets for emissions reduction consistent with this aim while also providing predictability to industry to support future planning, investment and employment growth. The Australian oil and gas industry continues to monitor, report, and reduce its own emissions profile and participates in a range of global initiatives to reduce emissions, including the Oil and Gas Climate Initiative, the World Bank Zero Routine Flaring initiative, the Climate & Clean Air Coalition Oil & Gas Methane Partnership and Methane Guiding Principles.

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. In August 2020, we published our Global Climate Policy Standards, which outline our expectations for how our policy positions should be reflected in the advocacy of the associations to which we belong. These standards are available on the BHP website, and have been communicated directly to our material association memberships, including APPEA. 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 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. 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 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. 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 bhp.com.

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. 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 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. 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 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. 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 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. 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?
In October 2020, the QRC conducted advertising that specifically targeted the overall standing of one political party during the Queensland State election campaign. BHP had expressed to the QRC on several occasions our opposition to this advertising approach, and had formally requests that it be withdrawn. Accordingly, BHP suspended its member of the QRC. This suspension remains in effect.

Trade association
South Australian Chambers of Mines and Energy

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. 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 bhp.com.

Trade association
Mining Association of Canada

Is your position on climate change consistent with theirs?
Consistent

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?
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 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: - acknowledges the costs of action and inaction and the competitiveness of the U.S. economy; - leverages the power of business; - is informed by the best science and observations available; - embraces technology and innovation; - aggressively pursues greater energy efficiency; - promotes climate resilient infrastructure; - supports trade in US technologies and products; and - 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. 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 two 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. In doing so, we will continue to use our position in the Chamber's Task Force on Climate Action to push for the adoption of policies that address the identified differences relating to emissions reduction targets and price on carbon, and reflect BHP's Global Climate Policy Standards. 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 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 CO_2 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 prescribe 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
BHP Annual Report 2020.pdf

Page/Section reference
BHP Annual Report 2020 - Sections 1.7 and 6.6

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Publication
In voluntary sustainability report

Status
Complete

Attach the document
BHP Climate Change Report 2020.pdf

Page/Section reference
BHP Climate Change Report 2020 - Whole document

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Publication
In voluntary communications

Status
Complete

Attach the document
BHP Scope1, 2 and 3 Emissions Calculation Methodology 2020.pdf

Page/Section reference
BHP Scope1, 2 and 3 Emissions Calculation Methodology 2020, Whole document

Content elements
Emissions figures
Other, please specify (Methodologies)

Comment

Publication
In voluntary communications

Status
Complete

Attach the document
bhpclimatechangepositionstatement.pdf

Page/Section reference
Whole document

Content elements
Governance
Strategy

Comment

Publication
In voluntary communications

Status
Complete

Attach the document
200914_Sustainability and ESG Navigators and Databook 2020(3).xlsx

Page/Section reference
Refer to index tab

Content elements
Governance
Strategy
Emissions figures
Emission targets

Comment

Publication
In mainstream reports

Status
Complete

Attach the document
200721_BHPOperationalReviewfortheyearended30June2020.pdf

Page/Section reference
Whole document

Content elements
Other, please specify (Production volumes)

Comment

Publication
In voluntary communications

Status
Complete

Attach the document

Page/Section reference

Content elements
Please select

Comment

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 Legal, Governance and External Affairs Officer	Other C-Suite Officer

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