

# Our GHG emission reduction targets and goals

To support the net zero transition that the world must make, we will continue to pursue sustainable provision of our products, many of which are essential building blocks of decarbonisation.

## Operations<sup>1,2</sup>

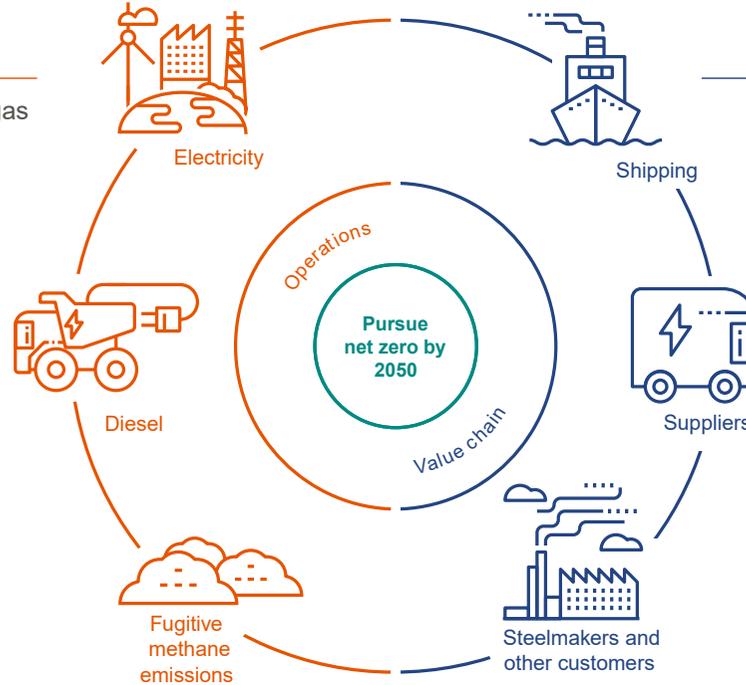
(Scopes 1 and 2 from our operated assets)

FY2030

**Target** Reduce operational greenhouse gas emissions by at least 30% from FY2020 levels.

CY2050

**Goal** Achieve net zero operational greenhouse gas emissions.



## Value chain<sup>2</sup>

(Scope 3)

CY2030

**Goals** **Steelmaking:** Support industry to develop technologies and pathways capable of 30% emissions intensity reduction in integrated steelmaking, with widespread adoption expected post 2030. **Shipping:** Support 40% emissions intensity reduction of BHP-chartered shipping of BHP products.

CY2050

**Goal** Pursue the long-term goal of net zero Scope 3 greenhouse gas emissions. Achievement is uncertain<sup>3</sup> and we cannot ensure the outcome alone.

**Targets** **Shipping:** Net zero greenhouse gas emissions from all shipping of BHP products.<sup>4</sup> **Suppliers:** Net zero for the operational greenhouse gas emissions of our direct suppliers.<sup>4,5</sup>

We will continue to partner with customers and others to try to accelerate the transition to carbon neutral steelmaking and other downstream processes.

## Notes and definitions

Information is valid at August 2023.

**1** The baseline year of our operational GHG emission reduction target and goal will be adjusted for any material acquisitions and divestments, and to reflect progressive refinement of GHG emissions reporting methodologies.

**2** Our targets and goals are referable to a FY2020 baseline year, except that our CY2030 goal for shipping is referable to a CY2008 baseline (which was selected to align with the base year for the International Maritime Organisation's 2030 emissions intensity goal and its corresponding reasoning and strategy). The targets' and goals' boundaries may in some cases differ from required reporting boundaries. The use of carbon credits will be governed by BHP's approach to offsetting described at Carbon credits and offsetting [bhp.com/climate](https://www.bhp.com/climate).

**3** Achievement of this goal is uncertain, particularly given the challenges of a net zero pathway for our customers in steelmaking.

**4** Our ability to achieve the targets is subject to the widespread availability of carbon neutral solutions to meet our requirements, including low/zero-emissions technologies, fuels, goods and services.

**5** Operational greenhouse gas emissions of our direct suppliers means the Scopes 1 and 2 emissions of our direct suppliers included in BHP's Scope 3 reporting categories of purchased goods and services (including capital goods), fuel- and energy-related activities, business travel and employee commuting.

**Carbon credit:** The reduction or removal of carbon dioxide, or the equivalent amount of a different greenhouse gas (GHG), using a process that measures, tracks and captures GHGs to compensate for an entity's GHG emissions exuded elsewhere. Credits may be generated through projects in which GHG emissions are avoided, reduced, removed from the atmosphere or permanently stored (sequestration). Carbon credits are generally created and independently verified in accordance with either a voluntary program or under a regulatory program. The purchaser of a carbon credit can 'retire' or 'surrender' it to claim the underlying reduction towards their own GHG emissions reduction targets or goals or to meet legal obligations, which is also referred to as carbon offsetting or offsetting.

**Carbon neutral:** Carbon neutral includes all those greenhouse gas emissions as defined for BHP reporting purposes.

**GHG (greenhouse gas):** For BHP reporting purposes, these are the aggregate anthropogenic carbon dioxide equivalent emissions of carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF<sub>6</sub>). Nitrogen trifluoride (NF<sub>3</sub>) GHG emissions are currently not relevant for BHP reporting purposes.

**Goal:** An ambition to seek an outcome for which there is no current pathway(s), but for which efforts will be pursued towards addressing that challenge, subject to certain assumptions or conditions.

**Net zero (for a BHP goal, target or pathway, or similar):** Net zero includes the use of carbon credits as governed by BHP's approach to offsetting described by Carbon credits and offsetting at [bhp.com/climate](https://www.bhp.com/climate).

**Net zero (for industry sectors, the global economy, transition or future, or similar):** Net zero refers to a state in which the greenhouse gases going into the atmosphere are balanced by removal out of the atmosphere.

**Offsetting:** The use of carbon credits. Refer to the definition of carbon credit.

**Sustainable:** Our reference to sustainable does not mean we will not have any adverse impact on the economy, the environment or society, and does not imply we will necessarily give primacy to consideration of, or achieve any absolute outcome in relation to, any one economic, environmental or social issue (such as zero GHG emissions or other environmental effects).

**Target:** An intended outcome in relation to which we have identified one or more pathways for delivery of that outcome, subject to certain assumptions or conditions.