BHP - Climate Change 2022

C0. Introduction

C0.1

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

BHP is a leading global resources company with around 80,000 employees and contractors, primarily in Australia and the Americas. In FY2021, we were among the world's top producers of major commodities, including iron ore, metallurgical coal and copper and held interests in oil, gas, energy coal and nickel. Our commodities are sold to a diverse range of customers, with a focus on the Asian markets.

• The terms 'BHP', the 'Group', 'our business', 'organisation', 'we', 'us' and 'our' 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 3.2 of BHP's Annual Report 2021. Non-operated assets are excluded.

• Our financial year runs from 1 July to 30 June, and this CDP response ('Response') relates to the financial year ended 30 June 2021 (FY2021) unless otherwise stated.

• Since 30 June 2021, BHP has unified its corporate structure from two parent companies into one under BHP Group Limited and completed a number of portfolio changes as follows: on 11 January 2022, the sale to Glencore of BHP's 33.3 per cent interest in Cerrejón, a non-operated energy coal joint venture in Colombia; on 3 May 2022, the sale of BHP's 80 per cent interest in BHP Mitsui Coal, an operated metallurgical coal joint venture in Queensland, Australia to Stanmore; and on 1 June 2022, the merger of BHP's oil and gas portfolio with Woodside.

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

This 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. 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 CDP questionnaire's structure 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, answers should not be read in isolation and 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 FY2021) is available in our Annual Report 2021, Climate Transition Action Plan 2021 and online at bhp.com. Our Annual Report 2022 will also include more recent information on our risk assessment and strategic activities in response to climate change and our Climate Change Report 2020 describes our most recently published climate-related portfolio analysis.

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, 2020	June 30, 2021	Yes	1 year

C0.3

(C0.3) Select the countries/areas in which you operate.

Algeria
Australia
Brazil
Canada
Chile
Colombia
Mexico
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

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	AU000000BHP4

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. Climate change is a material governance and strategic issue; as such it is routinely on the BHP Board's agenda, including as part of strategy discussions, portfolio reviews and investment (including capital allocation) decisions, risk management oversight and monitoring, and performance against our commitments. Directors are supported in their responsibilities by the Sustainability Committee and the Risk and Audit Committee (see response to C1.2). The Board specifically approves the Group's Risk Appetite Statement, which provides guidance to management on the amount and type of risk we seek to take in pursuing our objectives. Our Risk Appetite Statement includes a qualitative statement for the 'Environment, Climate Change & Community' Group Risk Category, which specifically covers climate risk management. Board members bring experience from a range of sectors, including resources, energy, finance, technology and the public sector. The Board also seeks the input of suitably skilled members of management and independent advisers. This equips them to consider potential implications of climate change for BHP and our operational capacity, as well as to understand the nature of climate-related developments in market and domestic and international policy responses as they develop. In addition, there is an ongoing focus on understanding systemic risk and the potential impacts on our portfolio. The Board has taken measures designed to ensure its decisions are informed by climate change science and expert advisers. In addition, our Forum on Corporate Responsibility advises operational management teams and engages with the Sustainability Committee and the Board as appropriate (see response to C1.2). An example of a climate-related decision made by the Board is the review and

	approval of BHP's Climate Transition Action Plan 2021, released in September 2021.

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	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	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 FY2021, the Board approved an amendment to the Group's Risk Appetite Statement to enhance guidance to management on the amount and type of climate-related risk we seek to take in pursuing our objectives.
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	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, the Board reviewed and approved BHP's Climate Transition Action Plan 2021 including operational capital planning.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues
Row 1	Yes	Executive Director's experience in setting climate strategy, assessing climate-related threats and opportunities and leading the organisation to deliver on climate plans and strategy as measured by reference to performance measures set in the cash and deferred plan (CDP) scorecard that determines a component of the Executive Director's remuneration as Chief Executive Officer (see Section C.1.3a).

		The Board skills matrix (described in the BHP Annual Report 2021) identifies the skills and experience the Board needs for the next period of BHP's development, considering BHP's circumstances and the changing external environment, and the Board collectively possesses all the skills and experience set out in the skills matrix. Board members bring experience from a range of sectors, including resources, energy, finance, technology and public policy. The Board also seeks the input of management and other independent advisers. This 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. In addition, there is a deep understanding of systemic risk and the potential impacts on our portfolio. The Board has taken measures designed to ensure its decisions are informed by climate change science and expert advisers. The Board seeks the input of management (including Dr Fiona Wild, our Vice President Sustainability and Climate Change) and other independent advisers. In addition, our Forum on Corporate Responsibility (which includes Don Henry, former CEO of the Australian Conservation Foundation and Changhua Wu, former Greater China Director, the Climate Group) advises operational management teams and engages with the Sustainability Committee and the Board as appropriate.

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)	Responsibility	Frequency of reporting to the board on climate-related issues
Sustainability committee	Other, please specify Board Sustainability Committee that assists the Board with governance and monitoring of the assessment and management of climate-related threats and opportunities	More frequently than quarterly
Risk committee	Other, please specify Board Risk and Audit Committee (RAC) that assists with governance and monitoring of the assessment and management of climate-related threats and opportunities	More frequently than quarterly
Chief Executive Officer (CEO)	Both assessing and managing climate-related risks and opportunities	More frequently than quarterly

Other C-Suite Officer, please specify Chief Legal, Governance and External Affairs Officer (equivalent to the Chief Sustainability Officer (CSO))	Both assessing and managing climate-related risks and opportunities	More frequently than quarterly
Other, please specify Climate Change Steering Committee	Both assessing and managing climate-related risks and opportunities	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. More information on the role and responsibilities of the Sustainability Committee can be found in its terms of reference, which are available at bhp.com/governance.

Risk and Audit Committee: The Risk and Audit Committee (RAC) assists the Board with the oversight of risk management (including climate-related risks), 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. More information on the role and responsibilities of the RAC can be found in its terms of reference, which are available at bhp.com/governance.

Climate Change Steering Committee: Climate-related activity is overseen by the Climate Change Steering Committee, which is made up of Executive Leadership team members and other senior management representing operated assets and Finance, Legal, External Affairs, Commercial, Portfolio Strategy and Development and Technical 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, and so part of the team holding the responsibilities described above. During FY2021, the CLGEAO provided oversight of our functions with accountabilities and expertise in environment, human rights and community, corporate affairs, legal, ethics and compliance, and internal audit. This includes climate related threats 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 incentivized	Comment
Chief Executive Officer (CEO)	Monetary reward	Emissions reduction target Supply chain engagement	The Remuneration Committee develops and agrees with the Board the remuneration policy for the CEO based on a number of strategic drivers, including sustainability. Components of the CEO's remuneration are base salary, pension contributions, benefits, the cash and deferred plan (CDP) and the long-term incentive plan (LTIP). For FY2021, the climate change weighting within the CDP scorecard that applied to the CEO was 10% (i.e. 40% of the overall 25% HSEC component weighting). This included the following scorecard targets: steps in place to achieve reported Scope 1 and Scope 2 GHG emissions in FY2022 at the FY2017 level; decarbonisation plans developed in line with pathways to net zero and incorporated into the capital allocation plan process; and two partnerships formalised with strategic customers in the steel sector. Performance against these scorecard targets in FY2021 was assessed as slightly above target.
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. The 10% climate change weighting within the CDP scorecard that applies to the CEO (i.e. 40% of the overall 25% HSEC component weighting) also applies to the other members of the ELT, and is 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	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.

		Efficiency target Behavior change related indicator Environmental criteria included in purchases Supply chain engagement	

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 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 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.

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. Given the dynamics associated with climate change, the watch list includes ‘climate change’. Although historically climate science largely has presumed 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. (Refer to the note in Section C0.1 for a description of BHP's portfolio changes following FY2021, including with respect to our Petroleum business.)

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

To test the resilience of our portfolio to different climate change related scenarios, we applied four energy-system scenarios in a dedicated analysis last conducted in FY2020.

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

BHP's vision for adapting to the physical risks of climate change is to take a proactive and collaborative approach to building the climate resilience of our operated assets, investments, portfolio, supply chain, communities and ecosystems, to achieve mutually beneficial outcomes for our stakeholders.

In FY2021, following external benchmarking and internal engagement, we finalised our updated Adaptation Strategy. The focus in FY2021 was on enhancing governance structures, developing a more consistent and comprehensive approach to the use of climate data, and improving how we integrate physical climate risk within our risk profile in order to identify and resource priority actions. 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. Further information is provided in our Annual Report 2021, available online at bhp.com

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 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 and fossil fuels are used in the transport of our products. 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, the Tax Reform Law in Chile and, from FY2023, mandatory TCFD-aligned reporting in the United Kingdom for standard issuers listed on the London Stock Exchange. Please note, several changes have been made to BHP's fossil fuel and metallurgical coal producing assets since the FY2021 reporting period, as stated in section (C0.1).
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 or price 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. As of 31 January 2022, we operate under a primary listing on the ASX in Australia, a standard listing on the London Stock Exchange (UK), a secondary listing on the Johannesburg Stock Exchange (JSE), and a Level II American Depository Receipt (ADR) program on the New York Stock Exchange (NYSE). The regulatory landscape varies significantly between jurisdictions, resulting in a heightened level of exposure to risks associated with climate-related regulation. Some examples of emerging regulation BHP may become subject to (if implemented in domestic regulation in relevant jurisdictions) include mandatory climate-related reporting in the United Kingdom and United States, mandatory sustainability-related financial disclosure reporting (based on the International Sustainability Standards Board standard) in the UK and Australia 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 and measures including emission targets, restrictive licencing, carbon taxes, border adjustments or the addition or removal of subsidies.
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, transport and industrial sectors, has the potential to reduce demand for our 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 and selection 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 an escalation of climate-related litigation involving companies, particularly in the US and Australia.
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, transport and industrial sectors, has the potential to reduce demand for our products. For example, switching from coal to gas or renewables for electricity generation may lead to reduced demand for our energy coal products. The development of low emissions technologies also presents an opportunity for BHP. 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 increased frequency and severity of 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 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

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, or border adjustments into the markets in which we or our customers sell products. 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.

As of 31 January 2022, we operate under a primary listing on the ASX in Australia, a standard listing on the LSE (UK), a secondary listing on the Johannesburg Stock Exchange (JSE, South Africa), and a Level II American Depository Receipt (ADR) program on the New York Stock Exchange (NYSE). The regulatory landscape varies significantly between jurisdictions, resulting in a heightened level of exposure to risks associated with climate-related regulation.

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)

39,500,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

For illustrative purposes only for inclusion in this CDP response, an indicative figure has been developed for our BHP Mitsubishi Alliance (BMA) assets in the Bowen Basin in Central Queensland, Australia 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 this asset in FY2021 (3,950 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. FY2021 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

750,000,000

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 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 BMA 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 2021 and Climate Transition Action Plan 2021 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 2021, Climate Transition Action Plan 2021 and Climate Change Report 2020 available at bhp.com for more information.

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical

Other, please specify

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

Primary potential financial impact

Decreased revenues due to reduced production capacity

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.

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 was owned by BHP (80 per cent) and Mitsui and Co (20 per cent) prior to divestment.

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)

Potential financial impact figure – minimum (currency)

35,000,000

Potential financial impact figure – maximum (currency)

166,000,000

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 (for the FY2021 reporting year) 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 FY2021 (total FY2021 revenue US$4,315 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 FY2021 (total FY2021 revenue US$4,315 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 was owned by BHP (80 per cent) and Mitsui and Co (20 per cent) prior to divestment. The revenue figures are aligned with the

presentation of revenue in the Consolidated Income Statement in BHP's financial statements for FY2021 (BMA presented at 50%. BMC presented at 100%, with a non-controlling interest). This example pertains to the FY2021 reporting year only, as BHP divested its 80 per cent interest in BMC in May 2022.

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

291,000

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 and FY2021 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 six BHP operated assets completed across FY2020 and FY2021 as described above (Queensland Coal i.e. BMA

and BMC, New South Wales Energy Coal, Western Australia Iron Ore, Olympic Dam and Nickel West). Ninety-two people were involved, including 18-22 Asset representatives per workshop. The cost of the time invested in this exercise has been estimated to be US$291,000 over FY2020 and FY2021.

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 2021, Climate Transition Action Plan 2021 and Climate Change Report 2020 available at bhp.com for more information.

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

Company-specific description

The substitution of existing technologies with lower emissions options, particularly in the electricity generation, transport and industrial sectors, has the potential to reduce demand for our 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)

1,600,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The high degree of uncertainty around the likelihood of occurrence, timing and magnitude of the risk (as assessed for this FY2021 CDP response) means we cannot determine the potential financial impact with any precision. As an illustrative figure only for inclusion in this CDP response with respect to potential reduced demand for our energy coal products, a potential financial impact of US$1.6 billion has been provided based on the impairment charge recognised in FY2021 in relation to our energy coal assets (US$1.1 billion relating to New South Wales Energy Coal (Australia) and associated tax losses, and US$0.5 billion relating to Cerrejón (a non-operated energy coal joint venture in Colombia in which BHP had a 33.3% interest, which has since been divested (sale completed in 11 January 2022).

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 FY2021 CDP response (and, as noted above, based on the impairment charge recognised in FY2021 in relation to our energy coal assets). On 15 June 2022, BHP announced that it will retain New South Wales Energy Coal in its portfolio, seek the relevant approvals to continue mining beyond its current mining consent that expires in 2026 and proceed with a managed process to cease mining at the asset by the end of FY2030.

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 these 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 our

33.3 per cent interest in Cerrejón (a non-operated energy coal joint venture in Colombia) completed on 11 January 2022), and divestment of our 80 per cent interest in BMC (an operated metallurgical coal joint venture in Queensland, Australia) completed on 3 May 2022.

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 2021, Climate Transition Action Plan 2021 and Climate Change Report 2020 available at bhp.com for more information.

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

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)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

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 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 Annual Report 2021, Climate Transition Action Plan 2021, and 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 Transition Action Plan in 2021, an additional dedicated disclosure describing our approach to reducing operational and value chain emissions across the material

segments in our emissions inventory.

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 2021, Climate Transition Action Plan 2021 and Climate Change Report 2020 available at bhp.com for more information.

Identifier

Risk 5

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Chronic physical

Other, please specify

Changes in precipitation patterns and extreme variability in weather patterns

Primary potential financial impact

Increased direct costs

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 increased frequency and severity of 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 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)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

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. 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

291,000

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 and FY2021 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 six BHP operated assets completed across FY2020 and FY2021 as described above (Queensland Coal i.e. BMA and BMC, New South Wales Energy Coal, Western Australia Iron Ore, Olympic Dam and Nickel West). Ninety-two people were involved, including 18-22 Asset representatives per workshop. The cost of the time invested in this exercise has been estimated to be US$291,000 over FY2020 and FY2021.

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 2021, Climate Transition Action Plan 2021 and Climate Change Report 2020 available at bhp.com for more information.

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 FY2021, BHP produced 1,636kt of copper, which accounted for 22.7% of Underlying EBITDA.

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 mostly recently published climate-related 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)

8,000,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

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 and their use in our mostly recently published climate-related portfolio analysis. 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 our development and implementation of a strategy to realise the opportunity (if arising). 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 is 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. This strategy 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 mostly recently published climate-related portfolio analysis. Our Olympic Dam asset in Australia is one of the world's most significant deposits of copper, gold, and uranium.

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 to realise opportunity 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 mostly recently published climate-related portfolio analysis.

Comment

This response reflects the opportunity as at 30 June 2021.

Climate change opportunity information and financial impacts and costs to realise the 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 2021, Climate Transition Action Plan 2021 and Climate Change Report 2020 available at bhp.com for more information.

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 FY2021 was 89 kt

(Annual Report 2021, p.68).

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 mostly recently published climate-related 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)

1,000,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

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 and their use in our mostly recently published climate-related portfolio analysis. 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 was to occur. Potential financial impact is further dependent on our development and implementation of a strategy to realise the opportunity (if arising).

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 is 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. This strategy 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 mostly recently published climate-related 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 FY2021 on its transition to becoming a leading supplier to the battery materials market. In Australia, we completed the acquisition of the Honeymoon Well development project and the remaining 50 per cent interest in the Albion Downs North and Jericho exploration joint ventures, located about 50 kilometres from Mt Keith.

Cost to realise opportunity 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 2021, Climate Transition Action Plan 2021 and Climate Change Report 2020 available at bhp.com for more information.

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)

Potential financial impact figure – maximum (currency)

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

660,000

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 2021, Climate Transition Action Plan 2021 and Climate Change Report 2020 available at bhp.com for more information.

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a transition plan that aligns with a 1.5°C world?

Row 1

Transition plan

No, our strategy has been influenced by climate-related risks and opportunities, but we do not plan to develop a transition plan within two years

Explain why your organization does not have a transition plan that aligns with a 1.5°C world and any plans to develop one in the future

In September 2021, BHP released a Climate Transition Action Plan (CTAP) that outlines our updated approach to reducing greenhouse gas (GHG) emissions and managing climate risks across its global value chain. BHP's climate change approach, as detailed in the CTAP, focuses on reducing operational GHG emissions, investing in low emissions technologies, supporting emission reductions in our value chain, promoting product stewardship, managing climate-related threats and opportunities, and partnering with others to enhance the global policy and market response. The CTAP is available online at https://www.bhp.com/-/media/documents/investors/annual-reports/2021/210914_bhpclimatetransitionactionplan2021.pdf?sc_lang=en.

This CTAP was presented to the 2021 AGMs because we recognise the global importance of the climate transition and the significance of this issue to our shareholders. The vote was advisory only and non-binding, and was intended to provide a forum to discuss and provide feedback, in addition to the other avenues of engagement we provide on climate-related issues and other areas of investor interest and concern. In this context, the vote secured 84.90 per cent support for the CTAP.

BHP recognises the role we must play in helping the world achieve its decarbonisation ambitions and our CTAP sets out our strategic approach to reduce emissions to net zero within our operations by 2050 and to work with customers and suppliers to support their own emissions reductions, consistent with the ambition of pursuing net zero in our value chain. We do not currently consider our Plan to be fully aligned with a 1.5°C world as, despite a general alignment among stakeholders as to the urgency of, and the key changes required for, the transition, we remain concerned that collective action is not yet at a level required to achieve it. Current barriers to society achieving a net zero emissions future include the pace of technology development, new infrastructure,

consumer behaviour change, policy settings and the investment required to fund the transition. In our CTAP and Annual Report 2021, we announced our intention to systematically integrate one or more Paris-aligned scenarios (including 1.5°C scenarios) into our strategy and capital prioritisation processes beginning in FY2022. Further information on this process will be available in our Annual Report 2022 at bhp.com.

C3.2

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

	Use of climate-related scenario analysis to inform strategy
Row 1	Yes, qualitative and quantitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios Bespoke transition scenario	Company-wide	1.5ºC	BHP 1.5°C scenario: Unprecedented sectoral and regional transitions to reduce emissions. Our analysis using this scenario was partly quantitative and partly qualitative. 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. This scenario represents a major departure from today's global trajectory. The model therefore assumes urgent action with major global shifts in the 2020s and 2030s. By 2050, the energy system would need to have undergone unprecedented sectoral and regional transitions to reduce emissions sufficiently to meet the 1.5°C target. Selected parameters, Assumptions, Analytical choices: • Population in 2050: Population based on SSP2 (a 'Middle of the Road' Shared Socio-economic Pathways scenario for projected socioeconomic global changes up to 2100. • Total primary energy demand (TPED): Shrinks at -

			0.2% Compound annual growth rate (CAGR) to 2050 • Energy intensity of GDP: ~97% improvement in energy intensity • Rate of energy-related emissions reductions: -3.8% CAGR to 2050 • Carbon prices (US$/tCO2e): Effective global carbon price of $160/t in 2030 and $280 in 2050 • Fossil fuel share of primary energy by 2050: ~50% • Peak year for coal (energy and metallurgical) and oil demand: Coal and oil already peaked • Uptake of EVs in light duty vehicle segment: 100% of sales in 2040 Limitations: Limitations of the 1.5°C scenario analysis include a lack of regional disaggregation; optimisation of the energy mix based on expected costs of different technologies, which reduces the reliability of outlooks for less mature technologies; no account for the potential for localised policies to help accelerate technology learning curves or adoption rates; and the impact of changing prices of resources on technology competitiveness is not factored in.
Transition scenarios Bespoke transition scenario	Company-wide	2.1ºC - 3ºC	BHP Lower Carbon View (~2.5°C) 2020 – 2050 scenario: Reflects faster and deeper decarbonisation trends and policies, particularly in easier to abate sectors. Our analysis using this scenario was partly quantitative and partly qualitative. 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. Our Lower Carbon View scenario is based on equivalent energy services to the Central Energy View, but assumes more efficient primary energy input and GHG emissions output based on aggressive policies and more rapid technological diffusion. In particular, renewables, EVs, and energy efficiency are pushed to the plausible boundary. Overall trends are dictated by lowest-cost energy solutions, subject to the prevailing policy environment, rather than large-scale shifts in societal preferences.

			Selected parameters, Assumptions, Analytical choices: • Population in 2050: Based on UN forecast 9.8 billion • Total primary energy demand (TPED): Grows at ~0.5% CAGR to 2050 • Energy intensity of GDP: ~60% improvement in energy intensity • Rate of energy-related emissions reductions: -0.6% CAGR to 2050 • Carbon prices (US$/tCO2e): Regional carbon prices range from ~$25-110/t in 2030 • Fossil fuel share of primary energy by 2050: ~60% • Peak year for coal (energy and metallurgical) and oil demand: Coal already peaked; oil (liquids) peaks in mid to late 2020s • Uptake of EVs in light duty vehicle segment: 100% of sales in 2050
Transition scenarios Bespoke transition scenario	Company-wide	2.1ºC - 3ºC	BHP Central Energy View (~3°C) 2020 – 2050: Reflects our views on the most likely pathway for policy, technology, and consumer choice. Our analysis using this scenario was partly quantitative and partly qualitative. 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. The Central Energy View is driven by the current and announced policy environment, and overlaid by current and prospective technological options available to decarbonise. Under this view, total primary energy demand (TPED) grows slightly faster than population, while the energy intensity of GDP declines steadily. The demands of a growing, wealthier population, with an additional 2.5 billion people flowing into urban areas, are only partially offset by efficiency gains. As a result, TPED is ~30 per cent higher in 2050 than today. Cumulative TPED over the next 30 years is 60 per cent higher than in the last 30 years. Selected parameters, Assumptions, Analytical choices: • Population in 2050: Based on UN forecast 9.8 billion • Total primary energy demand (TPED): Grows at

			~0.1% CAGR to 2050 • Energy intensity of GDP: ~50% improvement in energy intensity • Rate of energy-related emissions reductions: +0.3% CAGR to 2050 • Carbon prices (US$/tCO2e): Regional carbon prices range from ~$10-40/t in 2030 • Fossil fuel share of primary energy by 2050: ~70% • Peak year for coal (energy and metallurgical) and oil demand: Coal peaks in the late 2030s; oil (liquids) peaks in the mid-2030s • Uptake of EVs in light duty vehicle segment: 75% of sales in 2050
Transition scenarios Bespoke transition scenario	Company-wide		BHP Climate Crisis scenario 2020 – 2050: Climate shock leads to environmental and societal turmoil. Our analysis using this scenario was partly quantitative and partly qualitative. This response should be read in conjunction with the BHP Climate Change Report 2020 available at bhp.com. The information here is an overview and may omit information, analysis and assumptions, and accordingly, BHP cautions readers from relying on the information in isolation. Refer also to the Important Notice set out in Section C0.1 above in relation to forward looking statements and other matters. Climate Crisis is a non-linear scenario that describes a period of strong growth without climate action for a decade and a half, followed by a period of societal turmoil once a climate crisis hits (around 2035). The shock leads to a massive economic contraction. This provokes a dramatic reorientation of the global energy system, and forceful global collective action to attempt to achieve incredible levels of decarbonisation in the remainder of the period. As a result, emissions reduce on a steep trajectory in the latter period to 2050. Selected parameters, Assumptions, Analytical choices: • Population in 2050: Based on UN forecast 9.8 billion • Total primary energy demand (TPED): Pre-crisis +1.7% CAGR, Post-crisis -1.7% CAGR • Energy intensity of GDP: ~50% improvement in energy intensity by 2050 • Rate of energy-related emissions reductions: +Pre-crisis +1.2% CAGR, Post-crisis -4.1% CAGR • Carbon prices (US$/tCO2e): Pre-crisis <$10/t, Post-crisis $160/t by 2050

			• Fossil fuel share of primary energy by 2050: Pre-crisis 76%, Post-crisis 56% • Peak year for coal (energy and metallurgical) and oil demand: Coal and oil (liquids) peak around 2035, pre-climate crisis • Uptake of EVs in light duty vehicle segment: Pre-crisis ~10% of sales, Post-crisis 100% by late 2030s Limitations: The Climate Crisis scenario does not consider the compound impacts of the events or physical climate change effects described on commodity markets or the potential secondary social, economic and political impacts, which could amplify the impact.

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

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. Note also that, BHP has completed a number of portfolio changes, as described in Section C0.1, subsequent to the most recent climate scenario analysis published in 2020 and reflected in this response. In addition, in our CTAP and Annual Report 2021, we announced our intention to systematically integrate one or more Paris-aligned scenarios (including 1.5°C scenarios) into our strategy and capital prioritisation processes beginning in FY2022. This will enhance our pre-FY2022 approach, in which our 1.5°C scenario has been used to inform and test strategic portfolio decisions. More up to date information on these matters will be available in our Annual Report 2022 at bhp.com.

BHP develops planning cases to inform our strategic choices and the timing of their execution. In this context, the focal questions we seek to address by using climate-related scenario analysis include (but are not limited to) the following:

1. What may be the potential demand implications for each of our commodities if the future described in the scenario came to pass?
2. What may be the potential implications for our strategic choices if the future described in the scenario came to pass?
3. What may be the potential implications for the timing of the execution of our strategies if the future described in the scenario came to pass?

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.

Results of the climate-related scenario analysis with respect to the focal questions

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.

Our updated climate-related 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. Selected results directly linked to the focal questions are provided below for each scenario, noting that character limitations in the CDP questionnaire required findings to be truncated to high level descriptions only. .

Implications of the Central Energy View scenario for BHP's commodities:
• Copper and nickel benefit from electrification, equivalent to our mid planning case.
• Oil (liquids) demand slowly increases, hitting a plateau in the early 2030s; natural gas demand does not reach a peak pre-2050
• Coal's losses in the OECD power mix are partially offset by affordability in lower ambition climate regions, and on-going needs from harder-to-abate processes.

Implications of the Lower Carbon View scenario for BHP's commodities:
• Copper and nickel are advantaged by the acceleration in electrification of end use sectors.
• Oil (liquids) demand peaks in the mid to late 2020s, natural gas demand declines post-2040.
• Uranium demand peaks in the mid-2030s as plant lifetimes are extended.

Implications of the Climate Crisis scenario for BHP's commodities:
• Pre-shock period: High economic growth advantages almost all our commodities through demand growth, though copper and nickel have reduced green-growth opportunities.

• Post-shock period: Assumed low economic growth has significant adverse effect on all commodities. While copper and nickel benefit from rapid rates of electrification in the transport and power sectors, primary demand would be partially offset by the likely significant increases in recycling.
• Energy coal, oil, gas and steelmaking raw materials would be affected by permanently lower demand, as a result of the lower absolute GDP post the shock.
• Supply disruptions from assumed physical climate change effects across this scenario could place additional upward pressure on costs and cause significant market volatility.

Implications of the 1.5°C scenario for BHP's commodities:
• Significant amplification in copper and nickel demand
• Construction of renewables, particularly wind power, benefits steel demand, supporting growth in iron ore.
• Energy coal demand reduced to nil and the nuclear industry benefits, while oil faces strong headwinds.
• Gas demand is resilient, though would need to be paired with CCUS.

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, transport and industrial sectors, has the potential to reduce demand for our 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 2021, Climate Transition Action Plan 2021 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 and targets announced in 2020 and 2021: • Goal for 2030: Support industry to develop technologies and pathways capable of 30 per cent emissions intensity reduction in integrated steelmaking, with widespread adoption expected post-2030. • BHP will also support the value chain by pursuing carbon neutral production of our future facing commodities, such as copper, nickel and potash to provide the essential building blocks of a net zero transition. • Goal for 2030: Support 40 per cent emissions intensity reduction of BHP-chartered shipping of our products and target net zero by 2050 for GHG emissions from all shipping of our products, subject to some conditions • Target net zero by 2050 for the operational GHG emissions of our direct suppliers (their Scope 1 and Scope 2 emissions included in our relevant Scope 3 reporting categories), subject to the conditions described in our Climate Transition Action Plan 2021.

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. Additionally, BHP Ventures is strategically investing in a range of emerging companies, including some focused on low- or no-carbon steelmaking. 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. - In FY2021 we made an investment in US based Boston Metal to progress the company's molten oxide electrolysis technology which is an important step in the production of zero-emissions steel. - In FY2021, we announced memorandums of understanding for partnerships with steelmaking customers China Baowu, JFE and HBIS to invest up to a total of US$65 million in research and development of steel decarbonisation pathways.
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 and FY2021. 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. (Refer to the note in Section C0.1 for a description of BHP's portfolio changes following FY2021, including with respect to our Petroleum business.)

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, transport and industrial sectors, has the potential to reduce demand for our 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, carbon border adjustment mechanisms 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: Our 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 have each developed decarbonisation plans out to FY2050 containing a pipeline of emissions reduction projects and initiatives. We assess and rank each

		decarbonisation project through our Capital Allocation Framework, where our decarbonisation commitments rank alongside maintenance capital in the hierarchy of our capital allocation. This means that they are considered for funding ahead of other capital for improvement and growth, and ahead of further returns to shareholders. Through our studies and investment governance process, we seek to optimise the risk and reward proposition for these projects to allocate capital and optimise decarbonisation at a portfolio level. 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). Access to capital The Group's reputation and financial performance may be impacted by concerns regarding our operational decarbonisation and/or 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.

C4. Targets and performance

C4.1

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

Absolute target

Intensity 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)

Scope 1

Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

Base year

2017

Base year Scope 1 emissions covered by target (metric tons CO2e)

10,500,000

Base year Scope 2 emissions covered by target (metric tons CO2e)

5,800,000

Base year Scope 3 emissions covered by target (metric tons CO2e)

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

16,300,000

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2022

Targeted reduction from base year (%)

0

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

16,300,000

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

10,000,000

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

6,200,000

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

16,200,000

% of target achieved relative to base year [auto-calculated]

Target status in reporting year

Underway

Is this a science-based target?

No, and we do not anticipate setting one in the next 2 years

Target ambition

Please explain target coverage and identify any exclusions

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, excluding adjustments), 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.

Note: The FY2017 baseline emissions provided in this CDP response represents total reported emissions from both Continuing and Discontinued operations as at 30 June 2021 (please see Annual Report 2021 for details on Discontinued operations). We also calculate an adjusted baseline excluding material divestments - this detail is available in our Annual Report 2021. More recent information on progress against this and our other targets and goals will be available in our 2022 reporting suite (including the Annual Report), which will be available at bhp.com.

There are technical conditions of the Science Based Targets initiative (SBTi) validation, not necessarily related to the trajectory of emissions reductions, that are challenging for companies in our sector to meet. Unlike the Transition Pathway Initiative (TPI), SBTi currently does not have a specific decarbonisation pathway for the diversified mining sector, making it more difficult to reflect the nuances specific to our sector in the current target setting methodologies available from SBTi. Nonetheless, we continue to seek to engage with SBTi to find a pathway for our targets to be considered for validation.

Plan for achieving target, and progress made to the end of the reporting year

For more information on our pathway to net zero operational emissions by 2050, see the Climate Transition Action Plan 2021 and Climate Change Report 2020 available at bhp.com. More recent information on progress against this and our other targets and goals will also be available in our FY2022 reporting suite (including the Annual Report) which will be available at bhp.com. Due to character limits in the CDP questionnaire, only selected highlights are included below.

Progress made to the end of the reporting year: The FY2017 baseline emissions provided in this CDP response represents total reported emissions from both Continuing and Discontinued operations as at 30 June 2021 (please see Annual Report 2021 for details on Discontinued operations). On this basis we are meeting our target by a margin of approximately 0.6%. We also calculate an adjusted baseline excluding material divestments - this detail is available in our Annual Report 2021.

In FY2021, each of our operated assets developed decarbonisation plans out to FY2050, containing a pipeline of emissions reduction projects and initiatives that collectively support our medium-term target and long-term goal for operational emissions. We have progressed early-stage projects designed to reduce operational emissions at a number of our operated assets, entered several renewable power purchase agreements (PPAs) and started to tackle the technical challenge of reducing emissions from the use of diesel for trucks. We have also progressed plans to reduce future emissions associated with the use of electricity.

Plans for achieving target: As a result of actions taken in FY2020 and FY2021,

particularly securing the supply of renewable energy for some of our operated assets, our forecast operational GHG emissions are currently tracking in line with our FY2022 target.

List the emissions reduction initiatives which contributed most to achieving this target

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Target reference number

Abs 2

Year target was set

2017

Target coverage

Company-wide

Scope(s)

Scope 1
Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

Base year

Base year Scope 1 emissions covered by target (metric tons CO2e)

Base year Scope 2 emissions covered by target (metric tons CO2e)

Base year Scope 3 emissions covered by target (metric tons CO2e)

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

Target year

2050

Targeted reduction from base year (%)

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

10,000,000

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

6,200,000

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

16,200,000

% of target achieved relative to base year [auto-calculated]

Target status in reporting year

Underway

Is this a science-based target?

No, and we do not anticipate setting one in the next 2 years

Target ambition

Please explain target coverage and identify any exclusions

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 other goals and targets will be available in our FY2022 reporting suite (including the Annual Report)

which will be available at bhp.com.

Note: For completeness and transparency, this is also reported as a net zero target under C4.2b.

There are technical conditions of the Science Based Targets initiative (SBTi) validation, not necessarily related to the trajectory of emissions reductions, that are challenging for companies in our sector to meet. Unlike the Transition Pathway Initiative (TPI), SBTi currently does not have a specific decarbonisation pathway for the diversified mining sector, making it more difficult to reflect the nuances specific to our sector in the current target setting methodologies available from SBTi. Nonetheless, we continue to seek to engage with SBTi to find a pathway for our targets to be considered for validation.

Plan for achieving target, and progress made to the end of the reporting year

For more information on our pathway to net zero operational emissions by 2050, see the Climate Transition Action Plan 2021 and Climate Change Report 2020 available at bhp.com. More recent information on progress against this and our other goals and targets will also be available in our FY2022 reporting suite (including the Annual Report) which will be available at bhp.com. Due to character limits in the CDP questionnaire, only selected highlights are included below.

Progress made to the end of the reporting year: In FY2021, each of our operated assets developed decarbonisation plans out to FY2050, containing a pipeline of emissions reduction projects and initiatives that collectively support our medium-term target and long-term goal for operational emissions. We have progressed early-stage projects designed to reduce operational emissions at a number of our operated assets, entered several renewable power purchase agreements (PPAs) and started to tackle the technical challenge of reducing emissions from the use of diesel for trucks. We have also progressed plans to reduce future emissions associated with the use of electricity.

Plans for achieving goal: Our medium-term decarbonisation activities comprise of 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, first step that 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 greening electricity as well as investing in diesel displacement associated with material movement, light vehicles and stationary equipment. Beyond these medium-term plans, we are exploring other enablers to reach our net zero goal, including R&D to reduce fugitive emissions, alternative heating sources including hydrogen, CCUS and use of high quality carbon offsets.

List the emissions reduction initiatives which contributed most to achieving this target

Target reference number

Abs 3

Year target was set

2020

Target coverage

Company-wide

Scope(s)

Scope 1
Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

Base year

2020

Base year Scope 1 emissions covered by target (metric tons CO2e)

9,600,000

Base year Scope 2 emissions covered by target (metric tons CO2e)

6,300,000

Base year Scope 3 emissions covered by target (metric tons CO2e)

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

15,900,000

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2030

Targeted reduction from base year (%)

30

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

11,130,000

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

10,000,000

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

6,200,000

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

16,200,000

% of target achieved relative to base year [auto-calculated]

-6.2893081761

Target status in reporting year

Underway

Is this a science-based target?

No, and we do not anticipate setting one in the next 2 years

Target ambition

Please explain target coverage and identify any exclusions

In July 2019, we publicly committed to establish a medium-term target in 2020 to support achievement of our long-term goal to achieve net-zero operational emissions by 2050 and announced that medium-term target in BHP's Climate Change Report 2020. 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. The FY2020 baseline emissions provided in this CDP response represents total reported emissions from both Continuing and Discontinued operations as at 30 June 2021 (please see Annual Report 2021 for details on Discontinued operations).

This target covers all Scopes 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 and goals will be available in our FY2022 reporting suite (including the Annual Report) which will be available at bhp.com.

There are technical conditions of the Science Based Targets initiative (SBTi) validation, not necessarily related to the trajectory of emissions reductions, that are challenging for companies in our sector to meet. Unlike the Transition Pathway Initiative (TPI), SBTi currently does not have a specific decarbonisation pathway for the diversified mining sector, making it more difficult to reflect the nuances specific to our sector in the current target setting methodologies available from SBTi. Nonetheless, we continue to seek to engage with SBTi to find a pathway for our targets to be considered for validation.

Plan for achieving target, and progress made to the end of the reporting year

For more information on our pathway to net zero operational emissions by 2050, see the Climate Transition Action Plan 2021 and Climate Change Report 2020 available at bhp.com. More recent information on progress against this and our other targets and goals will also be available in our FY2022 reporting suite (including the Annual Report) which will be available at bhp.com. Due to character limits in the CDP questionnaire, only selected highlights are included below.

Progress made to the end of the reporting year: In FY2021, each of our operated assets developed decarbonisation plans out to FY2050, containing a pipeline of emissions reduction projects and initiatives that collectively support our medium-term target and long-term goal for operational emissions. We have progressed early-stage projects designed to reduce operational emissions at a number of our operated assets, entered several renewable power purchase agreements (PPAs) and started to tackle the technical challenge of reducing emissions from the use of diesel for trucks. We have also progressed plans to reduce future emissions associated with the use of electricity.

Plans for achieving target: Our medium-term decarbonisation activities comprise of 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, first step that 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 greening electricity as well as investing in diesel displacement associated with material movement, light vehicles and stationary equipment.

As a result of actions taken in FY2020 and FY2021, particularly securing the supply of renewable energy for some of our operated assets, our forecasted operational GHG emissions are currently tracking in line with achievement of our FY2030 target.

List the emissions reduction initiatives which contributed most to achieving this target

Target reference number

Abs 4

Year target was set

2021

Target coverage

Other, please specify

Procurement (Upstream supply chain activity)

Scope(s)

Scope 3

Scope 2 accounting method

Scope 3 category(ies)

Category 1: Purchased goods and services
Category 2: Capital goods
Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)
Category 6: Business travel
Category 7: Employee commuting

Base year

2020

Base year Scope 1 emissions covered by target (metric tons CO2e)

Base year Scope 2 emissions covered by target (metric tons CO2e)

Base year Scope 3 emissions covered by target (metric tons CO2e)

10,400,000

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

415,700,000

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

2.5

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

2.5

Target year

2050

Targeted reduction from base year (%)

100

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

0

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

10,400,000

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

402,500,000

% of target achieved relative to base year [auto-calculated]

3.1753668511

Target status in reporting year

New

Is this a science-based target?

No, and we do not anticipate setting one in the next 2 years

Target ambition

Please explain target coverage and identify any exclusions

We will target net zero (see Note 1 below) by 2050 for the operational GHG emissions (see Note 2 below) of our direct suppliers, subject to the widespread availability of carbon neutral (see Note 3 below) goods and services to meet our requirements.

Procurement-related categories included in this target include purchased goods and services (including capital goods), fuel and energy related activities, business travel, and employee commuting. Reported emissions in these categories include emissions from production of equipment used in our operations; construction materials used in our capital projects; professional services; and the upstream emissions related to the production of fuels used in our operations.

The baseline figure provided is the reported emissions for this Scope 3 category in

FY2020 based on the calculation boundaries, methodologies, assumptions and key references described in the BHP Scope 1, 2 and 3 Emissions Calculation Methodology 2020, available at bhp.com. This figure is provided for illustrative purposes for our CDP response only, noting that BHP is progressively working to improve data quality and completeness for Scope 3 emissions and may refine this baseline emissions number in future, if required.

This target refers to a FY2020 baseline year, which will be adjusted for any material acquisitions and divestments based on emissions at the time of the transaction, and to reflect progressive refinement of the Scope 3 emissions reporting methodology. The target's boundaries may in some cases differ from required reporting boundaries. Carbon offsets will be used as required.

Note 1: Net zero includes the use of carbon offsets as required.
Note 2: 'Operational GHG emissions of our direct suppliers' means the Scope 1 and Scope 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.
Note 3: Carbon neutral includes all those greenhouse gas emissions as defined for BHP reporting purposes.

Please see comments on SBTi validation provided in Abs1, Abs2 and Abs3 target explanations above.

Plan for achieving target, and progress made to the end of the reporting year

For more information, see the Climate Transition Action Plan 2021 available at bhp.com. More recent information on progress against this and our other targets and goals will also be available in our FY2022 reporting suite (including the Annual Report) which will be available at bhp.com. Due to character limits in the CDP questionnaire, only selected highlights are included below.

Progress made to the end of the reporting year: This is a new target announced in September 2021. The focus in FY2021 was to start to engage with our major strategic suppliers to understand their emissions, climate roadmap, targets and risks.

Plan for achieving target: In order to take targeted measures to support reduction and management of emissions from the highest emitting supplier categories, we will take further steps to improve the recording of the carbon footprint of our supplier value chain. Our FY2022 plan is a review of our procurement-related emissions methodology, seeking to incorporate accounting and intensity factors more tailored to a BHP-specific, rather than industry-wide, position. We will continue to engage with our major strategic suppliers to understand their emissions, climate roadmap, targets and risks. In the short term, we plan to actively monitor and track our key suppliers' public commitments to decarbonisation. In coming years, we will systemise the integration of our climate target into our supplier selection criteria, onboarding of new suppliers, existing contract management practices and contract renewals.

Progressive improvement in the emissions intensity of inbound goods and services is expected, in line with country-level targets and corporate commitments. We will seek to

partner in the development and commercialisation of carbon neutral goods and services targeting the needs of our business. We acknowledge the challenges that some of our suppliers may face in reducing hard-to-abate emissions, and we plan to work with them through knowledge sharing and research and development initiatives to support the pursuit of solutions.

List the emissions reduction initiatives which contributed most to achieving this target

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Target reference number

Abs 5

Year target was set

2021

Target coverage

Other, please specify

Maritime transport of our products (Upstream and downstream supply chain activities)

Scope(s)

Scope 3

Scope 2 accounting method

Scope 3 category(ies)

Category 4: Upstream transportation and distribution
Category 9: Downstream transportation and distribution

Base year

2020

Base year Scope 1 emissions covered by target (metric tons CO2e)

Base year Scope 2 emissions covered by target (metric tons CO2e)

Base year Scope 3 emissions covered by target (metric tons CO2e)

7,500,000

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

415,700,000

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

1.8

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

1.8

Target year

2050

Targeted reduction from base year (%)

100

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

0

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

7,400,000

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

402,500,000

% of target achieved relative to base year [auto-calculated]

3.1753668511

Target status in reporting year

New

Is this a science-based target?

No, and we do not anticipate setting one in the next 2 years

Target ambition

Please explain target coverage and identify any exclusions

We will target net zero (see Note 1 below) by 2050 for GHG emissions from all shipping (see Note 2 below) of our products (see Note 3 below), subject to the widespread availability of carbon neutral (see Note 4 below) solutions including low/zero-emission technology on board suitable ships and low/zero-emission marine fuels.

The baseline figure provided is the reported emissions for this Scope 3 category in FY2020 based on the calculation boundaries, methodologies, assumptions and key references described in the BHP Scope 1, 2 and 3 Emissions Calculation Methodology 2020, available at bhp.com. This figure is provided for illustrative purposes for our CDP response only, noting that BHP is progressively working to improve data quality and completeness for Scope 3 emissions and may refine this baseline emissions number in future, if required.

This target refers to a FY2020 baseline year, which will be adjusted for any material acquisitions and divestments based on emissions at the time of the transaction, and to reflect progressive refinement of the Scope 3 emissions reporting methodology. The target's boundaries may in some cases differ from required reporting boundaries. Carbon offsets will be used as required.

For completeness and transparency, this target is also reported as a net zero target under C4.2b.

Note 1: Net zero includes the use of carbon offsets as required.
Note 2: BHP-chartered and third party-chartered shipping.
Note 3: Target excludes maritime transportation of products purchased by BHP.
Note 4: Carbon neutral includes all those greenhouse gas emissions as defined for BHP reporting purposes.

There are technical conditions of the Science Based Targets initiative (SBTi) validation, not necessarily related to the trajectory of emissions reductions, that are challenging for companies in our sector to meet. Unlike the Transition Pathway Initiative (TPI), SBTi currently does not have a specific decarbonisation pathway for the diversified mining sector, making it more difficult to reflect the nuances specific to our sector in the current target setting methodologies available from SBTi. Nonetheless, we continue to seek to engage with SBTi to find a pathway for our targets to be considered for validation.

Plan for achieving target, and progress made to the end of the reporting year

For more information, see the Climate Transition Action Plan 2021 available at bhp.com. More recent information on progress against this and our other targets and goals will also be available in our FY2022 reporting suite (including the Annual Report) which will be available at bhp.com. Due to character limits in the CDP questionnaire, only selected highlights are included below.

Progress made to the end of the reporting year: This is a new target announced in September 2021, building on the emissions intensity goal for 2030 set for maritime emissions in 2020. During FY2021, BHP issued and awarded a world-first tender for lower-emissions LNG-fuelled bulk carrier vessels for iron ore transportation to Eastern Pacific Shipping and the LNG supply agreement to Shell. This will significantly reduce GHG emissions per voyage and virtually eliminate nitrogen oxides (NOx) and sulfur oxides (SOx) emissions. We also signed a Memorandum of Cooperation to become one of the founding members of the Global Centre for Maritime Decarbonisation to be set up in Singapore (with an initial pledge of S$10M) and participated in the first marine biofuel trial involving an ocean-going vessel bunkering in Singapore in collaboration with

Oldendorff and GoodFuels.

Plans for achieving target: Our FY2022 plan begins to integrate the use of LNG-fuelled bulk carriers into our maritime operations, while also assessing the suitability of other routes for LNG or bio-fuelled bulk carriers. We will also explore additional ecosystem partnerships focused on wind-assisted propulsion and renewably produced future fuels. We expect that, in the long term, new fuels such as renewably produced diesel or LNG, or green/blue ammonia or methanol-fuelled dry bulk vessels, will be required to fully decarbonise the industry.

We are seeking further opportunities to collaborate with ship owners and fuel suppliers on projects to test and adopt low/zero-emission fuels and energy-efficient technology on board ships, and commit to chartering and fuelling low/zero-emission vessels in line with the rate they become available on the market.

List the emissions reduction initiatives which contributed most to achieving this target

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Target reference number

Abs 6

Year target was set

2021

Target coverage

Company-wide

Scope(s)

Scope 3

Scope 2 accounting method

Scope 3 category(ies)

Category 1: Purchased goods and services
Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)
Category 4: Upstream transportation and distribution
Category 6: Business travel
Category 7: Employee commuting
Category 9: Downstream transportation and distribution
Category 10: Processing of sold products
Category 11: Use of sold products
Category 15: Investments

Base year

Base year Scope 1 emissions covered by target (metric tons CO2e)

Base year Scope 2 emissions covered by target (metric tons CO2e)

Base year Scope 3 emissions covered by target (metric tons CO2e)

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

Target year

2050

Targeted reduction from base year (%)

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

402,500

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

402,500

% of target achieved relative to base year [auto-calculated]

Target status in reporting year

New

Is this a science-based target?

No, and we do not anticipate setting one in the next 2 years

Target ambition

Please explain target coverage and identify any exclusions

While we cannot ensure the outcome alone, for our reshaped portfolio (see Note 1 below) we are pursuing the long-term goal (see Note 2 below) of net zero (see Note 3 below) Scope 3 greenhouse gas (GHG) emissions by 2050 to support the transition that the world must make.

Note: For completeness and transparency, this is also reported as a net zero target under C4.2b.

Note 1: Which was subject to the completion of the divestment of our oil and gas business and the sale of our interest in Cerrejón, both of which have now completed (on 1 June 2022 and 11 January 2022, respectively).
Note 2: Goal means 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.
Note 3: Net zero includes the use of carbon offsets as required.

There are technical conditions of the Science Based Targets initiative (SBTi) validation, not necessarily related to the trajectory of emissions reductions, that are challenging for companies in our sector to meet. Unlike the Transition Pathway Initiative (TPI), SBTi currently does not have a specific decarbonisation pathway for the diversified mining sector, making it more difficult to reflect the nuances specific to our sector in the current target setting methodologies available from SBTi. Nonetheless, we continue to seek to engage with SBTi to find a pathway for our targets to be considered for validation.

Plan for achieving target, and progress made to the end of the reporting year

For more information, see the Climate Transition Action Plan 2021 available at bhp.com. More recent information on progress against this and our goals and targets will also be available in our FY2022 reporting suite (including the Annual Report) which will be available at bhp.com. Due to character limits in the CDP questionnaire, only selected highlights are included below.

Progress made to the end of the reporting year: This is a new goal announced in September 2021. Our actions so far towards net-zero Scope 3 emissions are provided in responses to Abs4 and Abs5 targets above.

Plan for achieving goal: We are targeting net zero for the operational GHG emissions of our direct suppliers (see Abs 4 target) and the emissions from maritime transport of our products (see Abs 5 target). Recognising the particular challenge of a net zero pathway for customers' processing of our products (see Note 1 below), which is dependent on the development and downstream deployment of solutions and supportive policy, we

cannot set a target, but will continue to partner with customers and others to accelerate the transition to carbon neutral (see Note 2 below, and Int2 target details in C4.1b) steelmaking and other downstream processes. We will also support the value chain by pursuing carbon neutral production of our future facing commodities, such as copper, nickel and potash to provide the essential building blocks of a net zero transition.

Note 1: In line with our reporting methodology for Scope 3 emissions, we define 'processing of our products' as emissions resulting from our customers' processing of our products comprising iron ore and metallurgical coal (steelmaking materials) and copper (assumed to be processed into copper wire for end use).
Note 2: Carbon neutral includes all those greenhouse gas emissions as defined for BHP reporting purposes.

List the emissions reduction initiatives which contributed most to achieving this target

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number

Int 1

Year target was set

2020

Target coverage

Other, please specify

Maritime transport of our products (Upstream and downstream supply chain activities)

Scope(s)

Scope 3

Scope 2 accounting method

Scope 3 category(ies)

Category 4: Upstream transportation and distribution
Category 9: Downstream transportation and distribution

Intensity metric

Other, please specify

Metric tonnes CO2e per tonne-kilometre

Base year

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3 (metric tons CO2e per unit of activity)

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure

% of total base year emissions in all selected Scopes covered by this intensity figure

Target year

2030

Targeted reduction from base year (%)

40

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]

% change anticipated in absolute Scope 1+2 emissions

% change anticipated in absolute Scope 3 emissions

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

% of target achieved relative to base year [auto-calculated]

Target status in reporting year

Underway

Is this a science-based target?

No, and we do not anticipate setting one in the next 2 years

Target ambition

Please explain target coverage and identify any exclusions

The IMO has set goals to reduce average GHG emissions intensity across international shipping by at least 40 per cent by 2030 and 70 per cent by 2050. In alignment with the industry, we have set a 2030 maritime goal to support 40 per cent emissions intensity reduction of BHP-chartered shipping of our products.

The intensity metric baseline is under development.

Plan for achieving target, and progress made to the end of the reporting year

For more information, see the Climate Transition Action Plan 2021 available at bhp.com. More recent information on progress against this and our goals and targets will also be available in our FY2022 reporting suite (including the Annual Report) which will be available at bhp.com. Due to character limits in the CDP questionnaire, only selected highlights are included below.

Progress made to the end of the reporting year: During FY2021, BHP issued and awarded a world-first tender for lower-emissions LNG-fuelled bulk carrier vessels for iron ore transportation to Eastern Pacific Shipping and the LNG supply agreement to Shell. This will significantly reduce GHG emissions per voyage and virtually eliminate nitrogen oxides (NOx) and sulfur oxides (SOx) emissions. We also signed a Memorandum of Cooperation to become one of the founding members of the Global Centre for Maritime Decarbonisation to be set up in Singapore (with an initial pledge of S$10M) and participated in the first marine biofuel trial involving an ocean-going vessel bunkering in Singapore in collaboration with Oldendorff and GoodFuels.

Plans for achieving goal: Our FY2022 plan begins to integrate the use of LNG-fuelled bulk carriers into our maritime operations, while also assessing the suitability of other routes for LNG or bio-fuelled bulk carriers. We will also explore additional ecosystem partnerships focused on wind-assisted propulsion and renewably produced future fuels. We expect that, in the long term, new fuels such as renewably produced diesel or LNG,

or green/blue ammonia or methanol-fuelled dry bulk vessels, will be required to fully decarbonise the industry.

We are seeking further opportunities to collaborate with ship owners and fuel suppliers on projects to test and adopt low/zero-emission fuels and energy-efficient technology on board ships, and commit to chartering and fuelling low/zero-emission vessels in line with the rate they become available on the market.

List the emissions reduction initiatives which contributed most to achieving this target

---

Target reference number

Int 2

Year target was set

2020

Target coverage

Other, please specify

Processing and use of products for steel-making

Scope(s)

Scope 3

Scope 2 accounting method

Scope 3 category(ies)

Category 10: Processing of sold products
Category 11: Use of sold products

Intensity metric

Metric tons CO2e per metric ton of steel

Base year

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3 (metric tons CO2e per unit of activity)

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure

% of total base year emissions in all selected Scopes covered by this intensity figure

Target year

2030

Targeted reduction from base year (%)

30

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]

% change anticipated in absolute Scope 1+2 emissions

% change anticipated in absolute Scope 3 emissions

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

% of target achieved relative to base year [auto-calculated]

Target status in reporting year

Underway

Is this a science-based target?

No, and we do not anticipate setting one in the next 2 years

Target ambition

Please explain target coverage and identify any exclusions

Support industry to develop technologies and pathways capable of 30% emissions intensity reduction in integrated steelmaking, with widespread adoption expected post-2030.

The intensity metric baseline is under development.

Plan for achieving target, and progress made to the end of the reporting year

For more information, see the Climate Transition Action Plan 2021 available at bhp.com. More recent information on progress against this and our goals and targets will also be available in our FY2022 reporting suite (including the Annual Report) which will be available at bhp.com. Due to character limits in the CDP questionnaire, only selected highlights are included below.

Progress made to end of reporting year: In FY2021, we announced memorandum of understanding for partnerships with steelmaking customers China Baowu, JFE and HBIS to invest up to a total of US$65 million in research and development of steel decarbonisation pathways. We also established a research program with University of Newcastle in Australia to study raw material properties in low carbon iron and steel making. We have subsequently announced a memoranda of understanding for another partnership with our steelmaking customer POSCO, for up to a further US$10 million investment in addition to the US$65 million announced in FY2021.

Additionally, BHP Ventures is strategically investing in a range of emerging companies, including some focused on low- or no-carbon steelmaking. Our portfolio includes various investments in electrochemical technologies that are particularly amenable to processing our Pilbara iron ores, potentially providing BHP and our customers with added optionality to complement other more readily available technologies, such as hydrogen-based DRI.

We are currently assessing the opportunity to implement beneficiation at our Jimblebar operation. By improving our product quality, we can support emissions reduction in the short- to medium-term within the integrated BF-BOF steelmaking process. Longer-term, advancements in beneficiation and or EAF technology may see a greater proportion of BHP’s ores used in DRI-EAF steelmaking.

Plan for achieving goal: We will continue to seek opportunities to form partnerships with our customers and others in the industry to advance the development of key technologies and products. Our FY2022 plan progresses research and development and develop plans for operational testing and trials under the three steelmaking partnerships described above. In the long-term, we expect significant advancements in CCUS for the blast furnace and green hydrogen DRI-EAF will also be needed.

List the emissions reduction initiatives which contributed most to achieving this target

C4.2

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

Net-zero target(s)

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number

NZ1

Target coverage

Company-wide

Absolute/intensity emission target(s) linked to this net-zero target

Abs1
Abs2
Abs3
Abs4
Abs5
Abs6
Int1
Int2

Target year for achieving net zero

2050

Is this a science-based target?

No, and we do not anticipate setting one in the next 2 years

Please explain target coverage and identify any exclusions

Please also see details provided for the above Abs 1 to Abs 6 targets and goals as well as Int1 and Int2 goals for the range of supporting actions and plans underpinning this net zero goal. For more information on our pathway to net zero operational emissions by 2050, see the Climate Transition Action Plan 2021 and Climate Change Report 2020 available at bhp.com. More recent information on progress against this and our other goals and targets will also be available in our FY2022 reporting suite (including the Annual Report) which will be available at bhp.com.

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 Scopes 1 and 2 emissions based on an operational control approach in line with World Resources Institute/World Business Council for Sustainable Development guidance.

The above operational emissions goal was supplemented in 2021 with the long-term goal (see Note 1) of net zero (see Note 2 below) Scope 3 greenhouse gas (GHG) emissions by 2050 for our reshaped portfolio (see Note 3 below), to support the transition that the world must make, noting we cannot ensure the outcome alone.

Note 1: Goal means 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.
Note 2: Net zero includes the use of carbon offsets as required.
Note 3: Which was subject to completion of the divestment of our oil and gas business and the sale of our interest in Cerrejón, both of which have now completed (on 1 June 2022 and 11 January 2022, respectively).

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?

Yes

Planned milestones and/or near-term investments for neutralization at target year

While we plan to prioritise emissions reductions within our operated assets to meet our medium-term target, we expect to have a requirement for offsets in order to deliver our net zero goal, particularly to address 'hard to abate' emissions such as fugitive methane from coal production. By including offsets as an element of our climate change strategy, we can also continue to support a range of projects that offer sustainability co-benefits, including support for local communities and biodiversity conservation.
Our offset strategy focuses on:
- Directly investing in offset-generating projects that deliver sustainability co-benefits and that can provide a long-term supply of offsets
- Working with others to support the move toward mature international and sub-national carbon market mechanisms
- Developing a clear approach to both the voluntary and regulatory use of offsets to meet emission reduction commitments, as well as for structured product offerings to our customer base.

BHP applies quality criteria in the purchase of voluntary carbon offsets based on principles of Additionality; Environmental and social integrity; and Permanence as described at bhp.com/climate.

In FY2021, we retired 300,000 carbon offsets in the form of verified carbon units equivalent to the net increase in our FY2021 operational emissions from FY2020 of 0.3Mt CO2-e. The offsets were sourced from high quality projects such as the Cordillera Azul National Park REDD+ Project and the Kasigau Corridor REDD Project, representing additional, permanent and otherwise unclaimed emission reductions from activities designed to avoid contributing to social or environmental harms. For more

information on our approach to progressive offsetting, see the BHP Climate Transition Action Plan 2021 and BHP Climate Change Report 2020 available at bhp.com/climate.

Planned actions to mitigate emissions beyond your value chain (optional)

For more information on our pathway to net zero operational emissions by 2050, see the Climate Transition Action Plan 2021 and Climate Change Report 2020 available at bhp.com. More recent information on progress against this and our other goals and targets will also be available in our FY2022 reporting suite (including the Annual Report) which will be available at bhp.com.

C4.3

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

Yes

C4.3a

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

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation		
To be implemented*	1	175,000
Implementation commenced*	4	1,780,000
Implemented*	2	1,840,000
Not to be implemented		

C4.3b

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

Initiative category & Initiative type

Low-carbon energy consumption

Low-carbon electricity mix

Estimated annual CO2e savings (metric tonnes CO2e)

1,500,000

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Scope 2 (market-based)

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

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

11-15 years

Comment

In 2019, Escondida and Spence launched a tender for 100% renewable energy leading to the adjudication of 3 TWh/year to ENEL Generación Chile for 15 years, and 3 TWh/year to Colbún, for 10 years. ENEL Generación's contracts came into effect in August 2021 (the Colbún contract commences from 2022 and has therefore been reflected as 'Implementation commenced" in the table above. These renewable power agreements are intended to meet power demand for BHP's Chilean copper mines, Escondida and Spence, replacing two coal-based power purchase agreements.

Nominal values of 0 have been entered for Annual monetary savings, Investment required and Payback period due to the commercial sensitivity of this information.

Initiative category & Initiative type

Low-carbon energy consumption
Low-carbon electricity mix

Estimated annual CO2e savings (metric tonnes CO2e)

340,000

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)
Scope 2 (market-based)
Scope 3 category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

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

3-5 years

Comment

In September 2020, BHP signed a firm renewable power purchasing agreement to meet half of its electricity needs across its Queensland Coal mines from low emissions sources, including solar and wind. The agreement, with Queensland's state-owned clean energy generator and retailer CleanCo, commenced on 1 January 2021 and will run for five years.

The agreement will help BHP reduce emissions from electricity use in its Queensland operations by 50 per cent by 2025, based on FY2020 levels and will also support the development of new solar and wind farms in Queensland – the Western Downs Green Power Hub due for completion in late 2022, and Karara Wind Farm due for completion in early 2023. Please note that these figures (including the estimated annual CO2e savings) include BMC; the sale of BHP's 80 per cent interest in BMC was completed on 3 May 2022.

Nominal values of 0 have been entered for Annual monetary savings, Investment required and Payback period due to the commercial sensitivity of this information.

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 assessment of all projects in our Capital Allocation Framework (regional

	carbon prices) Our forecasts are also taken into account in broader 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 Transition Action Plan 2021 and Climate Change Report 2020, available online at bhp.com, for more information.
Dedicated budget for other emissions reduction activities	In FY2020, we announced a commitment of at least US$400 million in emissions reduction initiatives across our operated assets (as described above) and value chain over the five-year life of the Climate Investment Program (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. We remain on track to exceed this commitment. In FY2021, we spent US$29 million under this program, and we have committed to spend significantly more, including up to US$75 million over coming years towards partnerships with our customers in the steel sector.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation

Product or service

Taxonomy used to classify product(s) or service(s) as low-carbon

Other, please specify

Fuel switching

Type of product(s) or service(s)

Other

Other, please specify

Use of copper products in a variety of low carbon applications.

Description of product(s) or service(s)

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 demand coefficient associated with offshore wind capacity is almost four times that associated with coal capacity. For solar, the coefficient is around one and a half.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

No

Methodology used to calculate avoided emissions

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Functional unit used

Reference product/service or baseline scenario used

Life cycle stage(s) covered for the reference product/service or baseline scenario

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

Explain your calculation of avoided emissions, including any assumptions

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

26

Level of aggregation

Product or service

Taxonomy used to classify product(s) or service(s) as low-carbon

Other, please specify

Fuel switching

Type of product(s) or service(s)

Other

Other, please specify

Use of nickel products in a variety of low carbon applications.

Description of product(s) or service(s)

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.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

No

Methodology used to calculate avoided emissions

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Functional unit used

Reference product/service or baseline scenario used

Life cycle stage(s) covered for the reference product/service or baseline scenario

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

Explain your calculation of avoided emissions, including any assumptions

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

3

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

No

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	Yes, a change in methodology	We made a number of improvements to how we calculate Scope 3 emissions in FY2021 across several categories as follows - Purchased goods and services, Fuel and energy related activities, Downstream transportation and distribution, Business travel, Processing of sold products, and Use of sold products. Due to the character limit on the response to this question, the two categories with the most material changes are summarised below. More detail, as well as information on changes to the calculation methodologies for other reported Scope 3 categories, can be found in the 2021 BHP Scope 1, 2 and 3 Emissions Calculation Methodology, available at bhp.com/climate. Scope 3 'Processing of sold products': In FY2021, we have

		addressed some key limitations associated with estimating Scope 3 GHG emissions. We have worked to eliminate double counting in our reported inventory in relation to GHG emissions from the processing of iron ore and metallurgical coal in steelmaking, by allocating GHG emissions between the two and reporting a single total Scope 3 GHG emissions figure for GHG emissions from steelmaking. Allocation of steelmaking GHG emissions to BHP's metallurgical coal is based on the global average input mass ratio of metallurgical vs iron ore to the blast furnace-basic oxygen furnace (BF-BOF) steelmaking route. This approach to improving accuracy is consistent with the Scope 3 Standard. We have also improved the accuracy of the emission factor used to estimate Scope 3 GHG emissions by reflecting the blast furnace integrated steelmaking route into which the majority of BHP's steelmaking raw materials portfolio is sold. The improved estimation also considers BHP iron ore product quality and its impact on the amount of ore required to produce steel. As our product evolves in its quality and flow through to other pathways (such as direct reduced iron electric arc furnace (DRI-EAF)), we will adjust the balance of intensity factors to reflect these changes. Scope 3 'Use of sold products': In FY2021, GHG emissions from the use of metallurgical coal were removed from this category and integrated into the Scope 3 emissions from processing of sold products category, as described above. This change was intended to eliminate the potential double counting of GHG emissions across the two categories and also report it together with iron ore as both commodities serve as inputs into the steelmaking process.

C5.1c

(C5.1c) Have your organization's base year emissions been recalculated as result of the changes or errors reported in C5.1a and C5.1b?

	Base year recalculation	Base year emissions recalculation policy, including significance threshold
Row 1	No, because we have not evaluated whether the changes should trigger a base year recalculation	Our baselines for FY2022 and FY2030 Scope 1 and 2 Operational GHG emissions targets are reviewed annually and adjusted for any material acquisitions and divestments based on the Scope 1 and Scope 2 GHG emissions for the acquired or divested operation in the baseline year. This is required to retain comparability between the baseline year's GHG emissions and future years' GHG emissions. We have not yet developed a specific methodology for Scope 3 adjustments, however we update and restate Scope 3 emissions where any significant change in calculation methodology has occurred and comparable historic data is available, or where a material error has been identified in the data. We are in the process of reviewing and updating our target baseline and emissions adjustment approach. We have updated the FY2020

		GHG emissions for Scopes 1, 2 and 3 in Section C5.2 where a restatement has occurred in FY2021. For details on restatements in FY2020 and prior periods, please refer to the BHP ESG Standards and Databook 2021 available at bhp.com/climate.

C5.2

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

Scope 1

Base year start

July 1, 2019

Base year end

June 30, 2020

Base year emissions (metric tons CO2e)

9,600,000

Comment

The FY2020 baseline emissions provided in this CDP response represents total reported emissions from both Continuing and Discontinued operations (please see Annual Report 2021 for details on Discontinued operations).

Scope 2 (location-based)

Base year start

July 1, 2019

Base year end

June 30, 2020

Base year emissions (metric tons CO2e)

5,100,000

Comment

The FY2020 baseline emissions provided in this CDP response 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 latest Annual Report.

Scope 2 (market-based)

Base year start

July 1, 2019

Base year end

June 30, 2020

Base year emissions (metric tons CO2e)

6,300,000

Comment

The FY2020 baseline emissions provided in this CDP response 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 latest Annual Report.

Scope 3 category 1: Purchased goods and services

Base year start

July 1, 2019

Base year end

June 30, 2020

Base year emissions (metric tons CO2e)

8,800,000

Comment

Scope 3 category 2: Capital goods

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Included in Purchased goods and services category

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

July 1, 2019

Base year end

June 30, 2020

Base year emissions (metric tons CO2e)

1,200,000

Comment

Scope 3 category 4: Upstream transportation and distribution

Base year start

July 1, 2019

Base year end

June 30, 2020

Base year emissions (metric tons CO2e)

3,800,000

Comment

Scope 3 category 5: Waste generated in operations

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

N/A

Scope 3 category 6: Business travel

Base year start

July 1, 2019

Base year end

June 30, 2020

Base year emissions (metric tons CO2e)

100,000

Comment

Scope 3 category 7: Employee commuting

Base year start

July 1, 2019

Base year end

June 30, 2020

Base year emissions (metric tons CO2e)

200,000

Comment

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

N/A

Scope 3 category 9: Downstream transportation and distribution

Base year start

July 1, 2019

Base year end

June 30, 2020

Base year emissions (metric tons CO2e)

4,000,000

Comment

Scope 3 category 10: Processing of sold products

Base year start

July 1, 2019

Base year end

June 30, 2020

Base year emissions (metric tons CO2e)

298,100,000

Comment

Scope 3 category 11: Use of sold products

Base year start

July 1, 2019

Base year end

June 30, 2020

Base year emissions (metric tons CO2e)

96,800,000

Comment

N/A

Scope 3 category 12: End of life treatment of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

N/A

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

N/A

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

N/A

Scope 3 category 15: Investments

Base year start

July 1, 2019

Base year end

June 30, 2020

Base year emissions (metric tons CO2e)

2,600,000

Comment

N/A

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

N/A

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

N/A

C5.3

(C5.3) 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)
The Greenhouse Gas Protocol: Scope 2 Guidance
US EPA Mandatory Greenhouse Gas Reporting Rule
Other, please specify
BHP internal requirements, GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Scope 3 Standard) and GHG Protocol Technical Guidance for Calculating Scope 3 Emissions (Scope 3 Guidance)

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)

10,000,000

Start date

July 1, 2020

End date

June 30, 2021

Comment

Data for FY2022 will be available in our Annual Report 2022 and online at bhp.com.

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)

9,600,000

Start date

July 1, 2019

End date

June 30, 2020

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

5,000,000

Scope 2, market-based (if applicable)

6,200,000

Start date

July 1, 2020

End date

June 30, 2021

Comment

Data for FY2022 will be available in our Annual Report 2022 and online at bhp.com.

Past year 1

Scope 2, location-based

5,100,000

Scope 2, market-based (if applicable)

6,300,000

Start date

July 1, 2019

End date

June 30, 2020

Comment

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

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

8,900,000

Emissions calculation methodology

Spend-based method

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

0

Please explain

This category covers GHG emissions generated upstream of BHP's operations associated with the extraction, production and transportation of goods and services purchased or acquired by BHP during the reporting year. For BHP, this category includes GHG emissions associated with purchases of capital goods, which are classified as a separate category (category 2) under the GHG Protocol Corporate Value Chain (Scope 3) Accounting
and Reporting Standard (Scope 3 Standard). As described in the 'Greenhouse Gas Protocol Technical Guidance for Calculating Scope 3 Emissions', depending on a company's internal procurement processes, purchases of capital goods can be difficult to segregate from this category.

Calculation methodology: The 'spend-based' method as described in the 'Greenhouse Gas Protocol Technical Guidance for Calculating Scope 3 Emissions' is used to calculate these GHG emissions, with industry-average emission factors applied based on the economic value of the goods and services. Spend data is broken down according to BHP's internal taxonomy codes and allocated to the most appropriate product group category available within the GHG Protocol Quantis Scope 3 Evaluator tool (Quantis tool). The corresponding emission factors from the Quantis tool are then applied to calculate an overall GHG emissions estimate for this category. A weighted average emission factor is applied for any remaining uncategorised spend.

Exclusions: None. GHG emissions associated with all spend on goods and services not directly attributable to another Scope 3 category have been included in this estimate.

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. Data for FY2022 will be available in our Annual Report 2022 and online at bhp.com.

Capital goods

Evaluation status

Not relevant, explanation provided

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. Data for FY2022 will be available in our Annual Report 2022 and online at bhp.com.

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

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

1,100,000

Emissions calculation methodology

Average data method

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

0

Please explain

This category covers GHG emissions arising from the extraction, production, and transportation of fuels and energy consumed by the facilities over which BHP has operational control, primarily: (i) upstream emissions from the extraction, production, and transportation of fuels (e.g. diesel for haul trucks or natural gas for onsite power generation) we purchase for use at our operations, and (ii) upstream emissions from the extraction, production and transportation of fuel (e.g. coal or natural gas) burned to generate the electricity we purchase from the grid. Upstream emissions associated with natural gas burned for energy at our Petroleum operations are excluded from this category as the majority of the natural gas is extracted onsite and therefore included in our Scope 1 emissions. (Refer to the note in Section C0.1 for a description of BHP's portfolio changes following FY2021, including with respect to our Petroleum business.)

Note that GHG emissions from the combustion of fuels at our facilities are accounted for as our Scope 1 emissions; similarly, GHG emissions from the generation of purchased electricity consumed by BHP are accounted for as our Scope 2 emissions.

Calculation methodology: The 'average-data' method as described in the 'Greenhouse Gas Protocol Technical Guidance for Calculating Scope 3 Emissions' is used to calculate these GHG emissions. Industry-average Scope 3 emission 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.

Exclusions: Upstream emissions from a small quantity of energy consumed which is

reported internally under a mixed ‘other’ category (representing less than 2 per cent of total energy consumed) are excluded due to the difficulty in assigning a meaningful Scope 3 emission factor to the variety of energy sources involved (including coal seam gas, hydrogen, LPG, steam, and heat).

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. Data for FY2022 will be available in our Annual Report 2022 and online at bhp.com.

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

3,800,000

Emissions calculation methodology

Hybrid method

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

72

Please explain

As the 'Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard' categorises Scope 3 emissions as upstream or downstream on the basis of financial transactions, this category includes GHG emissions from the transport of our products where freight costs are covered by BHP (e.g. under Cost and Freight [CFR] or similar terms), as well as purchased transport services for process inputs to our operations. This category includes GHG emissions from road, rail and marine freight, where the latter makes up the majority of emissions.

Calculation methodology: For all marine freight cargoes, RightShip – a leading maritime risk management and environmental assessment organisation equally owned by BHP, Rio Tinto and Cargill – was contracted to develop an accurate Scope 3 emissions estimate based on its certified methodology. For road and rail freight, the ‘distance-based’ method as described in the Scope 3 Guidance is used to calculate these GHG emissions. GHG emissions are calculated for each cargo by applying the appropriate emission factor to the mass x distance multiplier (e.g. tonne.km) for the voyage. For purchased transport services for process inputs to our operations, the spend-based method is used to calculate these GHG emissions, as described in the calculation methodology for the Purchased goods and services category.

Exclusions: GHG emissions from 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 emissions are likely to be captured under the Purchased goods and services category.

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. Data for FY2022 will be available in our Annual Report 2022 and online at bhp.com.

Waste generated in operations

Evaluation status

Not relevant, explanation provided

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.

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. Data for FY2022 will be available in our Annual Report 2022 and online at bhp.com.

Business travel

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO2e)

100,000

Emissions calculation methodology

Hybrid method

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

14

Please explain

This category covers emissions from all domestic and international flights undertaken by employees for business travel purposes, as well as other purchased business travel services (car hire etc.) identified from annual spend data.

Emissions from flights undertaken by employees for business travel are sourced directly from BHP's third-party corporate travel service provider's FY2021 emissions report. The calculation methodology applied in the report (as stated by the provider) aligns with the latest UK Department for Environment,
Food and Rural Affairs (DEFRA) standards for air travel. DEFRA standards consider the distances travelled for domestic, short and long-haul flights in each class of travel (ranging from economy to first-class). Calculations include radiative forcing (RF), a

measure of the additional environmental impact of aviation including impacts from emissions of nitrous oxide and water vapour at high altitudes. Scope 3 emissions including RF are determined by multiplying the distance (km) travelled by the appropriate emission factor. For purchased business travel services, the spend-based method is used to calculate associated emissions, as described in the calculation methodology for the Purchased goods and services category.

Exclusions: Emissions from business travel activities for which distance or spend data is not available.

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. Data for FY2022 will be available in our Annual Report 2022 and online at bhp.com.

Employee commuting

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO2e)

400,000

Emissions calculation methodology

Spend-based method

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

0

Please explain

This category covers emissions from chartered fly-in fly-out (FIFO) flights and ground transport services (bus and car fleet services etc.) utilised by employees for commuting purposes.

Calculation methodology: The spend-based method is used to calculate these emissions, as described in the calculation methodology for the Purchased goods and services category (category 1).

Exclusions: Emissions from employee commuting activities for which spend data is not available.

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. Data for FY2022 will be available in our Annual Report 2022 and online at bhp.com.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

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.

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. Data for FY2022 will be available in our Annual Report 2022 and online at bhp.com.

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

3,800,000

Emissions calculation methodology

Distance-based method

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

0

Please explain

As the 'Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard' categorises Scope 3 emissions as upstream or downstream on the basis of financial transactions, this category includes emissions from the transportation and distribution of our products where freight costs are not covered by BHP (e.g. under Free on Board [FOB] or similar terms). This category includes emissions from road, rail and marine freight, where the latter makes up the majority of emissions.

Calculation methodology: For all marine, road and rail freight cargoes, the ‘distance-based’ method as described in the 'Greenhouse Gas Protocol Technical Guidance for Calculating Scope 3 Emissions' is used to calculate estimated GHG emissions figures. BHP uses data from a range of publicly and privately available data sources, including vessel size, type, cargo, distance travelled or expected to be travelled (noting that BHP is not always aware of the precise
discharge port(s) for these cargoes). Where this data is not available, is incomplete or features anomalies, BHP uses reasonable assumptions (for example, an assumption regarding the most likely discharge port) as the basis for its estimations. Emissions are calculated for each cargo by applying the appropriate emission factors from a globally recognised standard (the UK Department for Business, Energy & Industrial Strategy’s Greenhouse Gas Reporting: Conversion Factors [Freighting goods]) to the mass of BHP cargo x distance multiplier for the voyage (tonnes.km).

Exclusions: None.

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. Data for FY2022 will be available in our Annual Report 2022 and online at bhp.com.

Processing of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

305,500,000

Emissions calculation methodology

Average data method

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

0

Please explain

BHP produces a number of products that undergo third-party processing (by our customers) resulting in GHG emissions, the most significant of which are: iron ore, metallurgical coal and copper. Emissions from the third-party processing of these three products are estimated for this category.

Calculation methodology: The ‘average-data’ method as described in the 'Greenhouse Gas Protocol Technical Guidance for Calculating Scope 3 Emissions' is used, with industry-average emission factors applied to production volumes (on an equity basis) for each commodity to calculate an overall emissions estimate. Emissions relating to steelmaking from processing BHP raw materials are estimated using the global average emissions intensity factor for the blast furnace basic oxygen furnace (BF-BOF) process route sourced from the International Energy Agency (IEA). The emissions intensity factor is applied to an equivalent crude steel production volume related to the processing of BHP’s iron ore and metallurgical portfolio in crude steelmaking. To resolve the double counting between the iron ore and metallurgical coal inputs into the steelmaking process, BHP estimates the total steelmaking emissions in the processing of our iron ore quantities in steelmaking. The contribution of BHP’s metallurgical coal production and required third-party metallurgical coal to total steelmaking emissions is allocated based on the global average mass input into the process sourced from the World Steel Association (WSA).

Exclusions: BHP also produces nickel, zinc, gold, silver, ethane and uranium oxide which are in some cases processed to meet a range of purposes. The variety of end uses associated with these products means applying a meaningful average emission factor is challenging. In addition, the production volumes and associated emissions are not significant compared to those for the products listed above. As a result, emissions

from the downstream processing of these products have been excluded at this stage.

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. Data for FY2022 will be available in our Annual Report 2022 and online at bhp.com.

Use of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

76,400,000

Emissions calculation methodology

Other, please specify

'Direct use-phase emissions' calculations for 'Fuels and feedstocks' as described in the Greenhouse Gas Protocol Technical Guidance for Calculating Scope 3 Emissions.

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

0

Please explain

BHP produces energy coal, natural gas and other petroleum products, all of which release GHG emissions when consumed by end users. Emissions from the end use of these products by third parties are estimated for this category. Metallurgical coal is excluded from this category and included in the Processing of sold products category to remove the potential double counting of emissions across the two categories, and also to report it together with iron ore, as both commodities serve as inputs into the steelmaking process. (Refer to the note in Section C0.1 for a description of BHP's portfolio changes following FY2021, including with respect to our Petroleum business.)

Calculation methodology: The method recommended in the 'Greenhouse Gas Protocol Technical Guidance for Calculating Scope 3 Emissions' for 'direct use-phase emissions' calculations for 'Fuels and feedstocks' is used to calculate these emissions, with industry-average emission factors applied to production volumes (on an equity basis) for each commodity to calculate an overall emissions estimate for this category.

Exclusions: None.

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. Data for FY2022 will be available in our Annual Report 2022 and online at bhp.com.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Please explain

This category has been identified as not material to the Scope 3 inventory for our business and an emissions figure is not calculated. BHP's products that are not incorporated into the assessment of Scope 3 emissions in the Use of sold products category include metals and minerals with minimal emissions at end of life. This assessment will be periodically reviewed.

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. Data for FY2022 will be available in our Annual Report 2022 and online at bhp.com.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

emissions figure is not calculated for this category as BHP does not lease downstream assets in the course of normal operations. This assessment will be periodically reviewed.

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. Data for FY2022 will be available in our Annual Report 2022 and online at bhp.com.

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

An emissions figure is not calculated for this category as BHP does not have franchised operations. This assessment will be periodically reviewed.

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. Data for FY2022 will be available in our Annual Report 2022 and online at bhp.com.

Investments

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

2,500,000

Emissions calculation methodology

Other, please specify

‘Equity investments’ method as described in the 'Greenhouse Gas Protocol Technical Guidance for Calculating Scope 3 Emissions'

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

100

Please explain

This category covers the Scope 1 and Scope 2 emissions (on an equity basis) from our assets that are owned (as a joint venture or other ownership structure) but not operated by BHP. The 'Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard' categorises this as a downstream category, as the provision of capital or financing is framed as a service provided by BHP.

Calculation methodology: The accounting approach for ‘equity investments’ as described in the 'Greenhouse Gas Protocol Technical Guidance for Calculating Scope 3 Emissions' is used to calculate these emissions. Our equity share and financial control boundary emissions inventories include several operations which are not under our operational control, as described in the BHP Annual Report 2021, available at bhp.com/annualreport. For these non-operated assets (or interests), we have worked with the relevant operators to obtain GHG emissions data for the FY2021 reporting year wherever possible. In cases where the most recent available information was based on a different reporting period (e.g. calendar year), we have extrapolated the data provided to reflect the months of FY2021 using production volumes sourced from the BHP Operational Review for the year.

Exclusions: While we have endeavoured to include all our investments with associated GHG emissions, some relevant non-operated interests may not have been identified due to our lack of access to underlying information. The above estimate includes: Australian Petroleum (North West Shelf, Bass Strait), US Petroleum (Atlantis, Mad Dog), Tamakaya – Kelar Power Plant, Antamina, Cerrejón, ROD Algeria, Solgold Plc. (Refer to the note in Section C0.1 for a description of BHP’s portfolio changes following FY2021, including with respect to our Petroleum business).

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. Data for FY2022 will be available in our Annual Report 2022 and online at bhp.com.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Please explain

An emissions figure has not been calculated for this category; no other upstream Scope 3 emissions sources have been identified.

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. Data for FY2022 will be available in our Annual Report 2022 and online at bhp.com.

Other (downstream)

Evaluation status

Not relevant, explanation provided

Please explain

An emissions figure has not been calculated for this category; no other downstream Scope 3 emissions sources have been identified.

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. Data for FY2022 will be available in our Annual Report 2022 and online at bhp.com.

C6.5a

(C6.5a) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

Start date

July 1, 2019

End date

June 30, 2020

Scope 3: Purchased goods and services (metric tons CO2e)

8,800,000

Scope 3: Capital goods (metric tons CO2e)

0

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

1,200,000

Scope 3: Upstream transportation and distribution (metric tons CO2e)

3,800,000

Scope 3: Waste generated in operations (metric tons CO2e)

0

Scope 3: Business travel (metric tons CO2e)

100,000

Scope 3: Employee commuting (metric tons CO2e)

200,000

Scope 3: Upstream leased assets (metric tons CO2e)

0

Scope 3: Downstream transportation and distribution (metric tons CO2e)

4,000,000

Scope 3: Processing of sold products (metric tons CO2e)

298,100,000

Scope 3: Use of sold products (metric tons CO2e)

96,800,000

Scope 3: End of life treatment of sold products (metric tons CO2e)

0

Scope 3: Downstream leased assets (metric tons CO2e)

0

Scope 3: Franchises (metric tons CO2e)

0

Scope 3: Investments (metric tons CO2e)

2,600,000

Scope 3: Other (upstream) (metric tons CO2e)

0

Scope 3: Other (downstream) (metric tons CO2e)

0

Comment

Restatement of emissions from 'Purchased goods and services': In FY2021, we made improvements in how we calculate Scope 3 GHG emissions associated with the purchased goods and services category by assigning more accurate emission factors to some procurement categories and improving the accuracy of spend data. Previously reported emissions for the ‘Purchased goods and services (including capital goods)’ category are 16.9 MtCO2-e in FY2020 and 17.3 MtCO2-e in FY2019. Previously reported emissions for FY2019 are 0.1 MtCO2-e in the ‘Business travel’ category and <0.1 MtCO2-e for the ‘Employee commuting’ category. Emissions in FY2020 did not materially change as a result of the improved methodology. These changes may impact comparability with FY2018 and FY2017 data, which has not been restated.

Restatement of emissions from 'Fuel and Energy related activities': In FY2021, we made improvements in how we calculate Scope 3 GHG emissions associated with the ‘Fuel

and Energy related activities' category by removing the Scope 3 GHG emissions associated with natural gas consumption at our Petroleum operations as the majority of those emissions would be captured in our Scope 1 GHG emissions. Previously reported GHG emissions for the 'Fuel and Energy related activities' category are 1.3 MtCO2-e in FY2020 and also in FY2019. These changes may impact comparability with FY2018 and FY2017 data, which has not been restated. (Refer to the note in Section C0.1 for a description of BHP's portfolio changes following FY2021, including with respect to our Petroleum business.)

Restatement of emissions from 'Processing of sold products': In FY2021, we addressed some key limitations associated with estimating Scope 3 GHG emissions. We have worked to eliminate double counting in our reported inventory in relation to GHG emissions from the processing of iron ore and metallurgical coal in steelmaking, by allocating GHG emissions between the two and reporting a single total Scope 3 GHG emissions figure for GHG emissions from steelmaking. Allocation of steelmaking GHG emissions to BHP's metallurgical coal is based on the global average input mass ratio of metallurgical vs iron ore to the blast furnace-basic oxygen furnace (BF-BOF) steelmaking route. This approach to improving accuracy is consistent with the Scope 3 Standard. We have also improved the accuracy of the emission factor used to estimate Scope 3 GHG emissions by reflecting the blast furnace integrated steelmaking route into which the majority of BHP's steelmaking raw materials portfolio is sold. The improved estimation also considers BHP iron ore product quality and its impact on the amount of ore required to produce steel. As our product evolves in its quality and flow through to other pathways (such as direct reduced iron electric arc furnace (DRI-EAF)), we will adjust the balance of intensity factors to reflect these changes. Previously reported numbers for iron ore processing are 205.6-322.6 MtCO2-e for FY2020 and 197.2-299.6 MtCO2-e for FY2019. Previously reported numbers for metallurgical coal are 33.7-108.2 MtCO2-e for FY2020 and 34.7-111.4 MtCO2-e for FY2019.

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

0.00026637

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

16,200,000

Metric denominator

unit total revenue

Metric denominator: Unit total

60,817,000,000

Scope 2 figure used

Market-based

% change from previous year

28

Direction of change

Decreased

Reason for change

Total emissions increased from 2020 to 2021, however proportional revenue was substantially higher due to the higher iron ore commodity price in FY2021. 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. Information for FY2022 will be available in our Annual Report 2022 and online at bhp.com.

Intensity figure

2.2

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

16,200,000

Metric denominator

Other, please specify

Tonnes of copper equivalent production

Metric denominator: Unit total

7,331,620

Scope 2 figure used

Market-based

% change from previous year

10

Direction of change

Increased

Reason for change

Copper equivalent production has been calculated based on FY2021 average realised product prices for FY2021 production with production figures consistent with energy and emissions reporting boundaries (i.e. BHP operational control). The 10% increase in Copper-equivalent intensity was driven largely by a relative decrease in the contribution

of metallurgical coal to BHP's copper equivalent production volume in 2021 compared to 2020 (decreased price), which offset increases from higher overall emissions and higher iron ore contribution.
Note that intensity per unit copper equivalent production can vary significantly year on year due to the volatility of commodity prices for the products that we sell. Information for FY2022 will be available in our Annual Report 2022 and online at bhp.com.

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	7,900,000	IPCC Fifth Assessment Report (AR5 – 100 year)
CH4	2,100,000	IPCC Fifth Assessment Report (AR5 – 100 year)
N2O	20,000	IPCC Fifth Assessment Report (AR5 – 100 year)
HFCs	0	IPCC Fifth Assessment Report (AR5 – 100 year)
PFCs	0	IPCC Fifth Assessment Report (AR5 – 100 year)
SF6	0	IPCC Fifth Assessment Report (AR5 – 100 year)
NF3	0	IPCC Fifth Assessment Report (AR5 – 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	8,260,000
North America	550,000
South America	1,160,000

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	5,010,000
Copper	1,390,000
Iron Ore	2,230,000
Nickel	530,000
Petroleum	780,000
Potash	13,000
Other (projects etc)	17,000

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)	230,000	-30.440514	136.802759
Western Australia Iron Ore (Australia, iron ore)	2,230,000	-23.531299	117.223958
Queensland Coal (Australia, metallurgical coal)	4,460,000	-26.402614	149.670159
New South Wales Energy Coal (Australia, energy coal)	550,000	-32.532366	150.659224
Nickel West (Australia, nickel)	530,000	-28.95385	120.523355
Escondida (Chile, copper)	860,000	-27.922911	-72.764376
Pampa Norte (Chile, copper)	300,000	-25.099567	-70.987772
Jansen Potash Project (Canada, potash)	13,000	51.88665	-104.739435
Gulf of Mexico production (US, conventional oil and gas)	190,000	24.358456	-93.972518

Australia production unit (Australia, conventional oil and gas)	260,000	-38.517462	145.556653
Other (Trinidad & Tobago, Petroleum head office, Projects etc)	347,000	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	Comment
Metals and mining production activities	4,150,000	Emissions from our copper, nickel and iron ore assets

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)
Australasia	2,543,000	2,280,000
North America	40,000	40,000
South America	2,379,000	3,870,000

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	1,180,000	1,010,000
Copper	2,840,000	4,330,000
Iron Ore	260,000	260,000
Nickel	640,000	550,000
Petroleum	0	0

Other (Potash, projects etc)	40,000	40,000

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)	460,000	460,000
Western Australia Iron Ore (Australia, iron ore)	260,000	260,000
Queensland Coal (Australia, metallurgical coal)	1,100,000	930,000
New South Wales Energy Coal (Australia, energy coal)	80,000	80,000
Nickel West (Australia, nickel)	640,000	550,000
Escondida (Chile, copper)	2,040,000	3,320,000
Pampa Norte (Chile, copper)	340,000	550,000
Australia production (Australia, conventional oil and gas)	0	0
Other (Potash, Trinidad and Tobago, Projects etc)	40,000	40,000

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
Metals and mining production activities	3,742,000	5,140,000	Emissions from our copper, nickel and iron ore assets

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?

Increased

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	190,000	Decreased	1.2	Scope 2 emissions reduction estimate due to commencement of new electricity supply contracts at Queensland Coal during the year. Note this is a high-level estimate and the supplier-specific emission factor for the electricity supply contracts is a mix of renewable energy and gas generation. Percentage is calculated as a fraction of the total emissions in FY2020.
Other emissions reduction activities	0	No change	0	General productivity improvements ongoing
Divestment	0	No change	0	
Acquisitions	0	No change	0	
Mergers	0	No change	0	
Change in output	0	No change	0	
Change in methodology	0	No change		
Change in boundary	0	No change		
Change in physical operating conditions	0	No change	0	
Unidentified	0	No change	0	
Other	500,000	Increased	3.2	Increased emissions from FY2020 primarily due to increased energy use driven by drilling activity in our Trinidad and Tobago operations, the use of diesel generators to provide power to our Angostura facility during the Ruby

				project tie-in and increased diesel usage at our Queensland Coal operated assets. Partially offset by ongoing productivity improvements and commencement of new electricity supply contracts at Queensland Coal during the year. Percentage is calculated as a fraction of the total emissions in FY20. The net increase in total Scope 1 and 2 emissions on FY20 emissions was 2%.

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 5% but less than or equal to 10%

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	32,624,440	32,624,440
Consumption of purchased or acquired electricity		144,410	10,146,940	10,291,360
Consumption of self-generated non-fuel renewable energy		30		30
Total energy consumption		144,440	42,771,390	42,915,830

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)	17,194,400
Consumption of purchased or acquired electricity		8,777,800
Consumption of self-generated non-fuel renewable energy		0
Total energy consumption		25,972,200

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.

Sustainable biomass

Heating value

HHV

Total fuel MWh consumed by the organization

0

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- cogeneration or self-trigeneration

0

Comment

Other biomass

Heating value

HHV

Total fuel MWh consumed by the organization

0

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- cogeneration or self-trigeneration

0

Comment

Other renewable fuels (e.g. renewable hydrogen)

Heating value

HHV

Total fuel MWh consumed by the organization

30

MWh fuel consumed for self-generation of electricity

30

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

Coal

Heating value

HHV

Total fuel MWh consumed by the organization

224,170

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- cogeneration or self-trigeneration

0

Comment

Oil

Heating value

HHV

Total fuel MWh consumed by the organization

25,516,110

MWh fuel consumed for self-generation of electricity

309,990

MWh fuel consumed for self-generation of heat

11,741,130

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

Diesel, gasoline, oils and greases

Gas

Heating value

HHV

Total fuel MWh consumed by the organization

6,310,800

MWh fuel consumed for self-generation of electricity

1,376,820

MWh fuel consumed for self-generation of heat

56,290

MWh fuel consumed for self-generation of steam

642,730

MWh fuel consumed for self- cogeneration or self-trigeneration

1,852,840

Comment

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

HHV

Total fuel MWh consumed by the organization

573,300

MWh fuel consumed for self-generation of electricity

11,020

MWh fuel consumed for self-generation of heat

180

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

Includes LPG, acetylene and other fuels consumed in small quantities

Total fuel

Heating value

HHV

Total fuel MWh consumed by the organization

32,624,380

MWh fuel consumed for self-generation of electricity

1,418,830

MWh fuel consumed for self-generation of heat

11,797,600

MWh fuel consumed for self-generation of steam

642,730

MWh fuel consumed for self- cogeneration or self-trigeneration

1,852,420

Comment

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	1,250,840	1,187,810	30	30
Heat	5,898,800	5,898,800	0	0
Steam	514,180	514,180	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	794,840	731,810
Heat	28,150	28,150
Steam	514,180	514,180
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 or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method

Direct procurement from an off-site grid- connected generator e.g. Power purchase agreement (PPA)

Energy carrier

Electricity

Low-carbon technology type

Large hydropower (>25 MW)

Country/area of low-carbon energy consumption

Australia

Tracking instrument used

Contract

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

145,500

Country/area of origin (generation) of the low-carbon energy or energy attribute

Australia

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

1,960

Comment

BHP has signed a firm renewable power purchasing agreement to meet half of its electricity needs across our Queensland Coal mines from low emissions sources, including solar and wind. The agreement will help BHP reduce emissions from electricity use in its Queensland operations by 50 per cent by 2025, based on FY2020 levels. Please note these figures include BMC; the sale of BHP's 80 per cent interest in BMC was completed on 3 May 2022.

C8.2g

(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.

Country/area

Australia

Consumption of electricity (MWh)

3,853,160

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

3,853,160

Country/area

United States of America

Consumption of electricity (MWh)

5,560

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

5,560

Country/area

Chile

Consumption of electricity (MWh)

6,416,670

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

6,416,670

Country/area

Trinidad and Tobago

Consumption of electricity (MWh)

2,400

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

2,400

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.

Output product

Iron ore

Capacity, metric tons

Production, metric tons

284,100

Production, copper-equivalent units (metric tons)

4,287,000

Scope 1 emissions

2,230,000

Scope 2 emissions

260,000

Scope 2 emissions approach

Market-based

Pricing methodology for copper-equivalent figure

Copper equivalent production has been calculated based on FY2021 average realised product prices for FY2021 production. Production figures used are consistent with energy and emissions reporting boundaries (i.e. BHP operational control) and are taken on 100 per cent basis.

Comment

C-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)

1,500,000

Annual production in copper-equivalent units (thousand tons)

1,500,000

Scope 1 emissions (metric tons CO2e)

1,390,000

Scope 2 emissions (metric tons CO2e)

4,330,000

Scope 2 emissions approach

Market-based

Pricing methodology for-copper equivalent figure

Copper equivalent production has been calculated based on FY2021 average realised product prices for FY2021 production. Production figures used are consistent with energy and emissions reporting boundaries (i.e. BHP operational control) and are taken on 100 per cent basis.

Comment

Output product

Nickel

Capacity (metric tons)

Production (metric tons)

90,000

Annual production in copper-equivalent units (thousand tons)

170,000

Scope 1 emissions (metric tons CO2e)

530,000

Scope 2 emissions (metric tons CO2e)

550,000

Scope 2 emissions approach

Market-based

Pricing methodology for-copper equivalent figure

Copper equivalent production has been calculated based on FY2021 average realised product prices for FY2021 production. Production figures used are consistent with energy and emissions reporting boundaries (i.e. BHP operational control) and are taken on 100 per cent basis.

Comment

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

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

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

C-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%		In FY2021, we spent US$29 million under this program, and we have committed to spend significantly more, including up to US$75 million over coming years towards partnerships with our customers in the steel sector.
Other, please specify			6,500,000	Development of green hydrogen technology to reduce

Renewable energy				greenhouse gas emissions from BHP operated assets.
Unable to disaggregate by technology area				Development of a method to convert rail fleet locomotives to hybrid/electric in order to reduce CO2 emissions
Green metals				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 2021.pdf

Page/ section reference

BHP Annual Report 2021, page 52

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 2021.pdf

Page/ section reference

BHP Annual Report 2021, page 52

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 2021.pdf

Page/ section reference

BHP Annual Report 2021, page 52

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: Purchased goods and services

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 2021.pdf

Page/section reference

BHP Annual Report 2021, page 52

Relevant standard

ISAE 3410

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

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 2021.pdf

Page/section reference

BHP Annual Report 2021, page 52

Relevant standard

ISAE 3410

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Upstream transportation and distribution

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 2021.pdf

Page/section reference

BHP Annual Report 2021, page 52

Relevant standard

ISAE 3410

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Business travel

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 2021.pdf

Page/section reference

BHP Annual Report 2021, page 52

Relevant standard

ISAE 3410

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Employee commuting

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 2021.pdf

Page/section reference

BHP Annual Report 2021, page 52

Relevant standard

ISAE 3410

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Investments

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 2021.pdf

Page/section reference

BHP Annual Report 2021, page 52

Relevant standard

ISAE 3410

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Downstream transportation and distribution

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 2021.pdf

Page/section reference

BHP Annual Report 2021, page 52

Relevant standard

ISAE 3410

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Processing of sold products

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 2021.pdf

Page/section reference

BHP Annual Report 2021, page 52

Relevant standard

ISAE 3410

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Use of sold products

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 2021.pdf

Page/section reference

BHP Annual Report 2021, page 52

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 FY2021 energy consumption data, as included in the Scope 1 and Scope 2 emissions data calculations. Refer to the 2021 Assurance Statement in the Annual Report 2021, page 52. 1
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	ISAE3000, 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. 2
C3. Business strategy	Other, please specify Qualitative content in the Climate Transition Action Plan describing Business strategy. Refer to Assurance Statement on page 26 in BHP Climate Transition Action Plan 2021 for further details	ISAE3000	Limited assurance over the following information ('subject matter') in BHP's Climate Transition Action Plan 2021 in alignment with the noted criteria: BHP's disclosures with reference to the Climate Action 100+ Net Zero Company Benchmark Framework, as presented in BHP's Climate Transition Action Plan 2021; and the approach supporting BHP's planned actions and climate-related goals and targets as outlined in the Plan. Please refer to page 26 in Climate Transition Action Plan 2021 for the Assurance Statement. 3
C7. Emissions breakdown	Year on year change in emissions (Scope 1)	ISAE3410	Reasonable assurance over our Scope 1 and Scope 2 emissions data Refer to the 2021 Assurance Statement in the Annual Report 2021, page 52. 1

C1. Governance	Other, please specify Qualitative content in the Annual Report 2021 describing Governance. Refer to Assurance Statement on page 52 in Annual Report 2021 for further details.	ISAE3000	Limited assurance over the following information ('subject matter') in Annual Report 2021 in accordance with the noted criteria: BHP's qualitative disclosures in sections 1.12 and 1.13 of the Annual Report 2021 (including Governance and Management section). Please refer to page 52 in the Annual Report 2021 for the Assurance Statement. 1
C2. Risks and opportunities	Other, please specify Qualitative content in the Annual Report 2021 describing Risk management approach. Refer to Assurance Statement on page 52 in Annual Report 2021 for further details.	ISAE3000	Limited assurance over the following information ('subject matter') in Annual Report 2021 in accordance with the noted criteria: BHP's qualitative disclosures in sections 1.12 and 1.13 of the Annual Report 2021 (including Addressing climate risks section). Please refer to page 52 in the Annual Report 2021 for the Assurance Statement. 1
C4. Targets and performance	Progress against emissions reduction target	ISAE3000	Reasonable assurance over FY2021 progress against our emissions reduction targets, as included in the Scope 1 and Scope 2 emissions data calculations. Refer to the 2021 Assurance Statement in the Annual Report 2021, page 52. 1

[1]BHP Annual Report 2021.pdf

[2]BHP Climate Change Report 2020.pdf

[3]BHP Climate Transition Action Plan 2021.pdf

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 - ETS

% of Scope 1 emissions covered by the ETS

80

% of Scope 2 emissions covered by the ETS

0

Period start date

July 1, 2020

Period end date

June 30, 2021

Allowances allocated

7,900,000

Allowances purchased

0

Verified Scope 1 emissions in metric tons CO2e

7,900,000

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 FY2021 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

July 1, 2020

Period end date

June 30, 2021

% of total Scope 1 emissions covered by tax

1

Total cost of tax paid

373,750

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. Our carbon price forecasts are also used along with other qualitative and quantitative metrics in our assessment of investments under our Capital Allocation Framework and to inform our portfolio strategy and investment decisions. When considering initiatives to meet our operational emission medium-term target and long-term goal, we consider a number of additional metrics, including the initiatives' position on our internal marginal abatement project cost curve, technology maturity and ultimate abatement potential. This informs the implied costs and benefits of our decarbonisation initiatives, allowing us to prioritise and rank those initiatives based on an implied price on carbon.

Please refer to our Climate Transition Action Plan 2021 and 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

The Kasigau Corridor REDD Project - Phase II The Community Ranches

Verified to which standard

VCS (Verified Carbon Standard)

Number of credits (metric tonnes CO2e)

469,984

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

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. Our carbon price forecasts are also used along with other qualitative and quantitative metrics in our assessment of investments under our Capital Allocation Framework and to inform our portfolio strategy and investment decisions.

Please refer to our Climate Transition Action Plan 2021 and Climate Change Report 2020, available online at bhp.com, for further information, including a description of use of our carbon price forecasts in our mostly recently published climate-related 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.

Our carbon price forecasts are also used along with other qualitative and quantitative metrics in our assessment of investments under our Capital Allocation Framework and to inform our portfolio strategy and investment decisions.

Please refer to the Important Notice set out in Section C0.1 above in relation to forward looking statements. Please also refer to our Climate Transition Action Plan 2021 and Climate Change Report 2020, available online at bhp.com, for further information.

Type of internal carbon price

Shadow price
Other, please specify
Explicit legislated trading 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 FY2021, BHP entering into new renewable power purchase agreements at Nickel West Kwinana Refinery and the Queensland Coal mines from low-emissions sources. We are also working with TransAlta on plans to build two solar farms and a battery storage system to help power the Mt Keith and Leinster operations at Nickel West.

Please also refer to our Climate Transition Action Plan 2021 and Climate Change Report 2020, available online at bhp.com, for a description of use of our carbon price forecasts in our mostly recently published climate-related 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/clients
Yes, other partners in the value chain

C12.1a

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

Type of engagement

Innovation & collaboration (changing markets)

Details of engagement

Other, please specify

Support decarbonisation ambitions planned by the International Maritime Organisation (IMO) through research and collaboration

% of suppliers by number

0

% total procurement spend (direct and indirect)

0

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

1.8

Rationale for the coverage of your engagement

The figures for per cent Scope 3 emissions corresponds to emissions arising from maritime transport of our products as a proportion of our reported Scope 3 emissions

inventory in FY2021, representing 1.8% of our total scope 3 emissions. This figure has been calculated for illustrative purposes for this CDP response, and does not imply direct engagement with 100% of our maritime service providers.

The Figure '0' for 'per cent total procurement spend (direct and indirect)' means that our coverage was not calculated based on spend.
The Figure '0' for 'per cent suppliers by number' means that our coverage was not calculated based on number of suppliers.

Impact of engagement, including measures of success

Impact of engagement: BHP is one of the largest dry bulk charterers in the world and maritime transport of our products makes up approximately 1 per cent of the international shipping emissions from the maritime industry. As a result, we recognise our role in supporting the maritime industry in meeting or exceeding the decarbonisation ambitions planned by the International Maritime Organisation (IMO), while plotting a trajectory towards net zero shipping of our products by 2050. Impacts of our collaboration efforts and investments to date include:
- We issued and awarded a world-first tender for lower-emissions LNG-fuelled bulk carrier vessels for iron ore transportation to Eastern Pacific Shipping and the LNG supply agreement to Shell.
- We signed a Memorandum of Cooperation to become one of the founding members of the Global Centre for Maritime Decarbonisation in Singapore,
- We participated in the first marine biofuel trial involving an ocean-going vessel bunkering in Singapore in collaboration with Oldendorff and GoodFuels, and supported by the Maritime and Port Authority of Singapore.

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 our target announced in FY2021 of net zero (see Note 1) by 2050 for GHG emissions from all shipping (see Note 2) of our products (see Note 3) subject to the widespread availability of carbon neutral (see Note 4) solutions including low/zero-emission technology on board suitable ships and low/zero-emission marine fuels.

Note 1: Net zero includes the use of carbon offsets as required.
Note 2: BHP-chartered and third party-chartered shipping.
Note 3: Target excludes maritime transportation of products purchased by BHP
Note 4: Carbon neutral includes all those greenhouse gas emissions as defined for BHP reporting purposes.

Further detail is provided in our Climate Transition Action Plan 2021, and more recent information will be available in our Annual Report 2022, both at bhp.com.

Comment

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Other, please specify

Engagement to understand supplier emissions, climate roadmap, targets and risks

% of suppliers by number

0

% total procurement spend (direct and indirect)

0

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

2.5

Rationale for the coverage of your engagement

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.
The Figure '0' for 'per cent suppliers by number' means that our coverage was not calculated based on number of suppliers.

Impact of engagement, including measures of success

Impact of engagement: We have started to engage with our major strategic suppliers to understand their emissions, climate roadmap, targets and risks. In the short term, we plan to actively monitor and track our key suppliers' public commitments to decarbonisation. In coming years, we will systemise the integration of our climate target (see Measure of success below) into our supplier selection criteria, on-boarding of new suppliers, existing contract management practices and contract renewals.

Measure of 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 our target announced in FY2021 of net zero (see Note 1) by 2050 for the operational GHG emissions (see Note 2) of our direct suppliers, subject to the widespread availability of carbon neutral (see Note 3) goods and services to meet our requirements.

Note 1: Net zero includes the use of carbon offsets as required.
Note 2: 'Operational GHG emissions of our direct suppliers' means the Scope 1 and Scope 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.
Note 3: Carbon neutral includes all those greenhouse gas emissions as defined for BHP reporting purposes.

Further detail is provided in our Climate Transition Action Plan 2021, and more recent information will be available in our Annual Report 2022, both at bhp.com.

Comment

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Other, please specify

Compliance and onboarding

% of suppliers by number

64

% total procurement spend (direct and indirect)

0

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

2.5

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.

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.

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.

Further detail is provided in our Climate Transition Action Plan 2021, and more recent information will be available in our Annual Report 2022, both at bhp.com.

Comment

C12.1b

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

Type of engagement & Details of engagement

Education/information sharing

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

76

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 energy commodities (energy coal, natural gas and other 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. (Refer to the note in Section C0.1 for a description of BHP's portfolio changes following FY2021, including with respect to our Petroleum business.)

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 a number of partnerships and internal initiatives underway to test and implement low-carbon steelmaking technologies and raw materials, including the following:

- In FY2021, we announced memoranda of understanding for partnerships with steelmaking customers China Baowu, JFE and HBIS to invest up to a total of US$65 million in research and development of steel decarbonisation pathways (see Int2 target plans for further investments since FY2021). We also established a research program with University of Newcastle in Australia to study raw material properties in low carbon iron and steel making.
- Additionally, BHP Ventures is strategically investing in a range of emerging companies, including some focused on low- or no-carbon steelmaking.
- We are currently assessing the opportunity to implement beneficiation at our Jimblebar operation. By improving our product quality, we can support emissions reduction in the short- to medium-term within the integrated BF-BOF steelmaking process. Longer-term, advancements in beneficiation and or EAF technology may see a greater proportion of BHP's ores used in DRI-EAF steelmaking.

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.

Further detail is provided in our Climate Transition Action Plan 2021, and more recent information will be available in our Annual Report 2022, both at bhp.com.

C12.1d

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

In FY2020, we announced a commitment of at least US$400 million in emissions reduction initiatives across our operated assets (as described above) and value chain over the five-year life of the Climate Investment Program and we remain on track to exceed this commitment. 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 FY2021, we spent US$29 million under this program, and committed to spend significantly more, including up to US$65 million over coming years towards partnerships with our customers in the steel sector. We have subsequently announced another partnership with a steelmaking customer for up to a further US$10 million investment.

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

Stanford University to support fundamental research into the long-term storage mechanisms of CO2 in sub-surface locations.
In addition to our public policy engagement, our climate change strategy is supported by active engagement with a wide variety of stakeholders, including investors, peer companies and non-governmental organisations. We regularly hold one-on-one and group meetings with investors and their advisers. We also seek input and insight from external experts, such as the BHP Forum on Corporate Responsibility (FCR), which is composed of civil society leaders and BHP executives and has played a critical role in the development of our position on climate change.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

Yes, suppliers have to meet climate-related requirements, but they are not included in our supplier contracts

C12.2a

(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.

Climate-related requirement

Climate-related disclosure through a non-public platform

Description of this climate related requirement

In FY2021, we integrated two climate related questions into our Global Contracts Management System, which we use to screen suppliers. We required that suppliers provide documentation and details of their own climate change ambitions and or commitments, or actions they may be taking to progress to disclosing climate change related metrics. We also requested that where relevant, suppliers document how in their execution of a project/service/or good, they seek to reduce emissions relevant to the specific deliverable (including how they may reduce their own emissions or contribute to the reduction of BHP emissions).

Climate-related metrics are one part of the supplier selection criteria that we consider. We are working on integrating climate-related metrics into supplier contracting and selection systems going forward.

As of FY2021, 27% of BHP's top 500 suppliers representing 76% of our spend in FY2021 currently have climate ambition aligned with our own in relation to Scopes 1 and 2 emissions.

% suppliers by procurement spend that have to comply with this climate-related requirement

100

% suppliers by procurement spend in compliance with this climate-related requirement

27

Mechanisms for monitoring compliance with this climate-related requirement

Supplier scorecard or rating

Response to supplier non-compliance with this climate-related requirement

Retain and engage

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate

Yes, we engage directly with policy makers

Yes, we engage indirectly through trade associations

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

Yes

Attach commitment or position statement(s)

bhpclimatechangepositionstatement.pdf

Describe the process(es) your organization has in place to ensure that your engagement activities 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. We published our first industry association review in 2017 to identify ‘material differences’ between BHP and our member associations on climate change policy, repeating the exercise in 2018. In 2019, we broadened our methodology to capture additional organisations and assess 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

• 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

• We announced our intention to work with key associations in Australia to develop and publish an annual advocacy plan

• We made a number of enhancements to our own disclosure of our industry association memberships.

We will conduct and publish our next formal industry association review in 2022.

C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Focus of policy, law, or regulation that may impact the climate

Mandatory climate-related reporting

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Where applicable, mandatory reporting legislation in countries where we operate e.g. Australian National Greenhouse and Energy Reporting scheme (NGER).

Policy, law, or regulation geographic coverage

National

Country/region the policy, law, or regulation applies to

Australia
Chile
United States of America

Your organization's position on the policy, law, or regulation

Support with minor exceptions

Description of engagement with policy makers

Direct and indirect engagement with relevant government officials in the countries 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.

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. We are also members of the Climate Leaders Coalition in Australia and, in the US, the Climate Leadership Council and the CEO Climate Dialogue. We also joined the First Movers Coalition in FY2022.

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.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate

Carbon tax

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Where applicable, carbon pricing policies in the countries where we operate e.g. the Emissions Reduction Fund Safeguard Mechanism in Australia.

Policy, law, or regulation geographic coverage

National

Country/region the policy, law, or regulation applies to

Australia
Chile
United States of America

Your organization's position on the policy, law, or regulation

Support with minor exceptions

Description of engagement with policy makers

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.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

As described above, 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.

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate

Electricity grid access for renewables
Renewable energy generation

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Where applicable, clean energy generation policies in the countries where we operate.

Policy, law, or regulation geographic coverage

National

Country/region the policy, law, or regulation applies to

Australia
Chile
United States of America

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

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. In FY2020, we made a submission to the Australian Government on its Technology Investment Roadmap in which we advocated for the Government to prioritise the decarbonisation of the electricity sector.

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'.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.3b

(C12.3b) Provide details of the trade associations your organization engages with which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

American Petroleum Institute

Is your organization's position on climate change consistent with theirs?

Mixed

Has your organization influenced, or is your organization attempting to influence their position?

We are attempting to influence them to change their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

API climate position: API and its members commit to delivering solutions that reduce 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 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. Further information on API's principles is provided at https://www.api.org/oil-and-natural-gas/environment/climate-change.

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 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 i.e. the API had expressed support for the 'ambitions of the 2015 Agreement, including global action that reduces emissions and alleviates poverty around the world'. 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 have worked with the API to ensure that our Global Climate Policy Standards are reflected in the association's advocacy. The merger of BHP's oil and gas portfolio with Woodside was completed on 1 June 2022; BHP therefore discontinued its API membership from this date.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify

Australian Petroleum Production and Exploration Association (APPEA)

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We have already influenced them to change their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

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 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.

Our 2019 industry association review did not identify any material differences between the climate and energy policy positions held by BHP and those held by APPEA. The merger of BHP's oil and gas portfolio with Woodside was completed on 1 June 2022 and BHP therefore discontinued its APPEA membership from this date.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Business Council of Australia

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We have already influenced them to change their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

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.

Our 2019 industry association 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.

In compliance with competition laws, BHP discloses its membership fees for its industry associations in ranges. In 2020, BHP's base membership fee for the BCA was less than US$100k.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify

Chamber of Minerals and Energy of Western Australia (CME)

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We have already influenced them to change their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

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.

Our 2019 industry association 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.

In compliance with competition laws, BHP discloses its membership fees for its industry associations in ranges. In 2020, BHP's base membership fee for CME was between US$500k and US$1m.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify

Consejo Minero de Chile

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We have already influenced them to change their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

Consejo Minero represents Chile's mineral resources sector and 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.

Our 2019 industry association review did not identify any material differences between the climate and energy policy positions held by BHP and those held by Consejo Minero.

In compliance with competition laws, BHP discloses its membership fees for its industry associations in ranges. In 2020, BHP's base membership fee for Consejo Minero was between US$100k and US$500k.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

International Council on Mining & Metals (ICMM)

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We have already influenced them to change their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

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.

Our 2019 industry association review did not identify any material differences between the climate and energy policy positions held by BHP and those held by ICMM. 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.

In compliance with competition laws, BHP discloses its membership fees for its industry associations in ranges. In 2020, BHP's base membership fee for ICMM was between US$500k and US$1m.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Minerals Council of Australia

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We have already influenced them to change their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

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.

Our 2019 industry association 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.

In compliance with competition laws, BHP discloses its membership fees for its industry associations in ranges. In 2020, BHP’s base membership fee for MCA was between US$1m and US$2.5m.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization’s funding

Have you evaluated whether your organization’s engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify

New South Wales Minerals Council

Is your organization’s position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We have already influenced them to change their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

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). The NSWMC recently released a new position statement on Climate Change, Energy and Emissions Policy which 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, including participation in global agreements such as the Paris Agreement, to hold an increase in 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.

Our 2019 industry association 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.

In compliance with competition laws, BHP discloses membership fees for industry associations in ranges. In 2020, BHP's base membership fee for NSWMC was between US$500k and US$1m.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify

Queensland Resources Council (QRC)

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We are attempting to influence them to change their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

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.

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 requested that it be withdrawn. Accordingly, BHP suspended its member of the QRC. This suspension remained in effect throughout FY2021.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

0

Describe the aim of your organization's funding

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify

South Australian Chambers of Mines and Energy (SACOME)

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We have already influenced them to change their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

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.

Our 2019 industry association 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.

In compliance with competition laws, BHP discloses its membership fees for its industry associations in ranges. In 2020, BHP's base membership fee for SACOME was less than US$100k.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

US Chamber of Commerce

Is your organization's position on climate change consistent with theirs?

Mixed

Has your organization influenced, or is your organization attempting to influence their position?

We are attempting to influence them to change their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

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.

Our 2019 industry association 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.

In compliance with competition laws, BHP discloses its membership fees for its industry associations in ranges. In 2020, BHP's base membership fee for the US Chamber was between US$100k and US$500k.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

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 2021.pdf

Page/Section reference

BHP Annual Report 2021, sections 1.13.7 and 4.8

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 Transition Action Plan 2021.pdf

Page/Section reference

BHP Climate Transition Action Plan 2021, - whole document

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

210914_BHPScope12and3EmissionsCalculationMethodology2021.pdf

Page/Section reference

BHP Scope1, 2 and 3 Emissions Calculation Methodology 2021, Whole document

Content elements

Emissions figures
Other, please specify
    Methodologies

Comment

Publication

In voluntary sustainability report

Status

Complete

Attach the document

210914_Sustainability and ESG Navigators and Databook 2021(1).xlsx

Page/Section reference

Refer to index tab

Content elements

Emissions figures
Emission targets
Other metrics

Comment

Publication

In mainstream reports

Status

Complete

Attach the document

210720_BHPOperationalReviewfortheyearended30June2021 1.xlsx

Page/Section reference

Whole document

Content elements

Other, please specify
Production volumes

Comment

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues

Row 1	

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity
Row 1	

C15.3

(C15.3) Does your organization assess the impact of its value chain on biodiversity?

	Does your organization assess the impact of its value chain on biodiversity?
Row 1	

C15.4

(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?
Row 1	

C15.5

(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1		

C15.6

(C15.6) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located

C16. 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.

Since 30 June 2021, BHP has unified its corporate structure from two parent companies into one under BHP Group Limited and completed a number of portfolio changes as follows: on 11 January 2022, the sale to Glencore of BHP's 33.3 per cent interest in Cerrejón, a non-operated energy coal joint venture in Colombia; on 3 May 2022, the sale of BHP's 80 per cent interest in BHP Mitsui Coal, an operated metallurgical coal joint venture in Queensland, Australia to Stanmore; and on 1 June 2022, the merger of BHP's oil and gas portfolio with Woodside. BHP no longer owns an oil and gas business, and holds one remaining thermal coal asset, which it has recently announced will be managed to closure by the end of FY2030.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Executive Officer	Chief Executive Officer (CEO)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms