

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 FY2022, 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. During FY2022, BHP unified our corporate structure from two parent companies into one under BHP Group Limited, completed a number of portfolio changes, including completion of the divestment of our energy coal interest in Colombia and divestment of our entire oil and gas portfolio by merger with Woodside (so we no longer own or operate a petroleum business), and announced our intention to cease mining at our remaining energy coal asset by the end of FY2030; refer to section C-FI for further information about each change and our portfolio, and the content of this CDP response ('Response').

The terms 'BHP', the 'Group', 'our business', the 'organisation', 'we', 'us' and 'our' refer to BHP Group Limited and, except where the context otherwise requires, its subsidiaries. Refer to note 28 'Subsidiaries' of the Financial Statements in BHP's Annual Report 2022 for a list of our significant subsidiaries. Those terms do not include non-operated assets.

This Response' relates to our financial year from 1 July 2021 to 30 June 2022 (FY2022), unless otherwise stated.

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, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption arising in connection with the Ukraine conflict and COVID-19. There are a number of factors that may have an adverse effect on our results or operations, including those identified in the risk factors set out in section 9.1 of BHP's Annual Report 2022. 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 necessitates 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 FY2022) is available in our Annual Report 2022, Climate Transition Action Plan 2021 and online at bhp.com. Our Annual Report 2023 will include more recent information on our risk assessment and strategic activities in response to climate change and our Climate Change Report 2020 describes our climate-related portfolio analysis published in September 2020, both at bhp.com.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date

July 1, 2021

End date

June 30, 2022

Indicate if you are providing emissions data for past reporting years

Yes

Select the number of past reporting years you will be providing Scope 1 emissions data for

1 year

Select the number of past reporting years you will be providing Scope 2 emissions data for

1 year

Select the number of past reporting years you will be providing Scope 3 emissions data for

1 year

C0.3

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

- Algeria
- Australia
- Brazil
- Canada
- Chile
- Colombia
- Ecuador
- Mexico
- Peru
- Trinidad and Tobago
- United Republic of Tanzania
- United States of America

C0.4

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

- USD

C0.5

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

- Operational control

C-CO0.7

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

Row 1

Coal value chain

- Underground coal mining
- Surface coal mining

Other divisions

- Other minerals mining
- Metal ore mining

C-MM0.7

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

Row 1

Mining

- Copper
- Gold
- Silver
- Iron ore
- Nickel
- Zinc
- Lead
- Other mining, please specify
Uranium, 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 or committee	Responsibilities for climate-related issues
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.

	<p>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 Committees (see response to Section C1.2).</p> <p>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-related risk management.</p> <p>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.</p> <p>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 on an annual basis (see response to Section C1.2).</p>
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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	<ul style="list-style-type: none"> Reviewing and guiding annual budgets Overseeing major capital expenditures Overseeing acquisitions, mergers, and divestitures Overseeing and guiding employee incentives 	<p>The Board reviews and approves major strategic plans, investments, amendments to risk management processes and setting of performance objectives relating to climate change as scheduled agenda items when they arise.</p> <p>For example, in FY2022 the Board assessed progress against three climate change linked targets as a component of the health, safety, environment and community (HSEC) performance measures of the CDP (Cash and Deferred Plan) scorecard and subsequent remuneration outcomes for the CEO and Executive</p>

	<p>Reviewing and guiding strategy</p> <p>Overseeing the setting of corporate targets</p> <p>Monitoring progress towards corporate targets</p> <p>Reviewing and guiding the risk management process</p>	<p>Key Management Personnel (KMP) - see further detail in section C1.3.</p> <p>Note that in FY2023 the HSEC performance measures were changed to 'Safety and sustainability' measures.</p>
Scheduled – some meetings	<p>Reviewing and guiding annual budgets</p> <p>Overseeing major capital expenditures</p> <p>Overseeing and guiding the development of a transition plan</p> <p>Monitoring the implementation of a transition plan</p>	<p>The Board reviews and approves BHP's major strategic plans including operational capital planning and annual budgets relating to climate change as scheduled agenda items when they arise.</p> <p>For example, the Board reviewed and approved BHP's Climate Transition Action Plan 2021.</p>

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	<p>The Board maintains a skills matrix which 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. In 2022, the Board refreshed the Board skills matrix to reflect BHP's current purpose and identify the future facing skills that the Board intends to build, acquire and retain over the medium term in anticipation of its needs as it pursues its strategy of securing growth options in future facing commodities. The Board considers issues that impact on strategy, risk and operations, including:</p> <ul style="list-style-type: none"> • operating risk – which includes oversight of complex frameworks focussed on the identification, assessment and assurance of operational workplace, health, safety and environmental risks • mining – which includes a proven record in terms of health, safety and environmental performance and results • social value, community and stakeholder engagement – which includes an extensive track record of positive external stakeholder

		<p>engagement including in relation to community issues and social responsibility</p> <p>Non-executive Directors are required to have significant experience across multiple Board skill areas and are expected to contribute to all elements of the strategy and risk framework. The Board collectively possesses all the skills and experience set out in the Board skills matrix.</p> <p>The Executive Director (the CEO) also has 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 CEO (see Section C.1.3a).</p> <p>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.</p> <p>The 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 has an annual meeting with the Sustainability Committee.</p>
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C1.2

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

Position or committee

Chief Executive Officer (CEO)

Climate-related responsibilities of this position

Monitoring progress against climate-related corporate targets
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities

Reporting line

Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line

More frequently than quarterly

Please explain

Responsible for executing the strategy in relation to climate change matters, in accordance with their delegated authority, as well as being held to account for a range of measures, including climate-related performance. The CEO and Executive Leadership Team (ELT) are responsible for implementation of climate change strategy, and policies, and achievement of climate change targets and goals, by BHP. The performance measures for the FY2022 Cash and Deferred Plan scorecard include a climate change metric on decarbonisation with a 10 per cent weighting.

The ELT is supported in monitoring climate-related risks and issues through monthly progress and performance reporting of operational GHG emissions, decarbonisation activities, and adaptation activities, as well as periodic reporting on climate-related risk, provided by a range of BHP's asset and functions teams.

Position or committee

Sustainability committee

Climate-related responsibilities of this position

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

Coverage of responsibilities

Reporting line

Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line

More frequently than quarterly

Please explain

The Sustainability Committee is responsible for assisting the Board with overseeing climate performance including with respect to risk management, monitoring implementation of the Group's strategy, policies, targets and goals, and process in relation to climate matters, reviewing the frameworks for identification, management, and reporting of climate risks, and both recommending climate performance measures, and evaluating performance against those measures, for the CEO and other members of the Executive Leadership Team.

More information on the role and responsibilities of the Sustainability Committee can be found in its Charter, which is available at bhp.com/governance.

Position or committee

Risk committee

Climate-related responsibilities of this position

Other, please specify

Board Risk and Audit Committee (RAC) that assists the Board with governance and monitoring of the assessment and management of climate-related threats and opportunities

Coverage of responsibilities**Reporting line**

Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line

More frequently than quarterly

Please explain

The RAC is responsible for assisting the Board in overseeing and reviewing emerging and principal risks, including climate-related risks, risk management and internal controls. The RAC also reviews and recommends to the Board public financial disclosures related to sustainability matters including climate change reports, climate transition action plans and the climate-related content of BHP's financial reporting.

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 BHP's 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 Charter, which is available at bhp.com/governance.

Position or committee

Other C-Suite Officer, please specify

Chief Legal, Governance and External Affairs Officer (CLGEO)

Climate-related responsibilities of this position

Assessing climate-related risks and opportunities

Managing climate-related risks and opportunities

Coverage of responsibilities

Reporting line

CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line

More frequently than quarterly

Please explain

The Chief Legal, Governance and External Affairs Officer (CLGEO) is a member of BHP's Executive Leadership Team. During FY2022, the CLGEO provided oversight of our functions with accountabilities and expertise in environment, human rights and community, corporate affairs, legal, ethics and investigations, and compliance. This includes climate related threats and opportunities.

Position or committee

Other committee, please specify

Sustainability and ESG Steering Committee

Climate-related responsibilities of this position

Assessing climate-related risks and opportunities

Managing climate-related risks and opportunities

Coverage of responsibilities**Reporting line**

Other, please specify

Chief Legal, Governance and External Affairs Officer reporting line

Frequency of reporting to the board on climate-related issues via this reporting line

Quarterly

Please explain

Responsible for the oversight of the design and responsiveness of BHP's climate change strategy, incorporating the assessment and management of climate-related risks and opportunities. The Sustainability and ESG Steering Committee (which replaced the Climate Change Steering Committee in FY2023) is made up of Executive Leadership Team members and other senior management representing BHP's Assets and Technical, Finance, External Affairs and Commercial functions.

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

Chief Executive Officer (CEO)

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Achievement of climate transition plan KPI

Progress towards a climate-related target

Increased engagement with customers on climate-related issues

Incentive plan(s) this incentive is linked to

Short-Term Incentive Plan

Further details of incentive(s)

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 FY2022, the climate change weighting within the CDP scorecard that applied to the CEO was 10% (i.e., 40% of the overall 25% weighting for the Safety and Sustainability component of the CDP scorecard). This included the following scorecard targets:

- Reported GHG emissions in FY2022 are below the FY2017 level.
- A majority of planned decarbonisation projects are presented for tollgates and all asset adaptation plans are updated.
- Work undertaken as planned under partnerships with strategic customers in the steel sector established in FY2021, one more partnership formalised, and a review of Scope 3 goals and estimation methodologies completed.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

These climate-related Safety and Sustainability CDP scorecard targets align with the climate targets and goals outlined in our Climate Transition Action Plan, linked to Scopes 1, 2 and 3 emissions reductions. As such, they are intended to directly incentivise progress towards/achievement of these targets and goals, including short term actions required to progress strategic long-term goals.

Entitled to incentive

Corporate executive team

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Achievement of climate transition plan KPI
Progress towards a climate-related target
Increased engagement with customers on climate-related issues

Incentive plan(s) this incentive is linked to

Short-Term Incentive Plan

Further details of incentive(s)

An individual scorecard of performance measures is set for each executive in the Executive Leadership Team (ELT) at the commencement of each financial year. Progression of GHG emission reduction projects and achievement of GHG emissions reduction targets are included in these HSEC metrics.

The 10% climate change weighting within the CDP scorecard that applies to the CEO (i.e. 40% of the overall 25% weighting for the Safety and Sustainability component of the CDP scorecard) 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 Safety and Sustainability outcomes as part of their roles.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

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. These climate-related Safety and Sustainability CDP scorecard targets align with the climate targets and goals outlined in our Climate Transition Action Plan, linked to Scopes 1, 2 and 3 emissions reductions. As such, they are intended to directly incentivise progress towards/achievement of these targets and goals, including short term actions required to progress strategic long-term goals.

Entitled to incentive

Business unit manager

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Progress towards a climate-related target

Incentive plan(s) this incentive is linked to

Short-Term Incentive Plan

Further details of incentive(s)

Senior executives' performance is measured against an annual scorecard that includes performance indicators aligned with meeting Safety and Sustainability 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.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

Annual Safety and Sustainability scorecard targets are aligned with climate targets and goals outlined in our Climate Transition Action Plan. As such, they are intended to directly incentivise progress towards/achievement of these targets and goals, in a manner that reflects the specific accountabilities of the manager.

Entitled to incentive

All employees

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Progress towards a climate-related target

Incentive plan(s) this incentive is linked to

Short-Term Incentive Plan

Further details of incentive(s)

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 Safety and Sustainability metrics (including GHG emissions reduction and other climate-related performance measures).

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

Annual Safety and Sustainability scorecard targets are aligned with climate targets and goals outlined in our Climate Transition Action Plan. As such, they are intended to directly incentivise progress towards/achievement of these targets and goals, in a manner that reflects the specific accountabilities of employees.

Entitled to incentive

All employees

Type of incentive

Non-monetary reward

Incentive(s)

Internal company award

Performance indicator(s)

Other (please specify)

any area related to Safety and Sustainability, including GHG emissions reductions and other climate-related initiatives.

Incentive plan(s) this incentive is linked to

Not part of an existing incentive plan

Further details of incentive(s)

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.

Explain how this incentive contributes to the implementation of your organization’s climate commitments and/or climate transition plan

We believe these awards constitute an added incentive to our employees to do their utmost in promoting sustainability and action on climate change.

C2. Risks and opportunities

C2.1

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

Yes

C2.1a

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

	From (years)	To (years)	Comment
Short-term	0	2	BHP has a two-year budget. Our Risk Framework includes requirements and guidance on the tools and process to manage all risk types (current and emerging).
Medium-term	2	5	BHP addresses five-year planning as part of our Life of Asset (LOA) plans, which include 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).
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C2.1b

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

BHP determines the materiality of a current risk by calculating the maximum foreseeable loss (MFL) if that risk was to materialise (please see detailed description of our risk process and how current risks are identified in Section C2.2 below). The MFL is not an estimate of the probable impact to BHP if the risk was to materialise. Instead, the MFL is the estimated impact to BHP in a worst-case scenario without regard to probability and assuming that all risk controls, including insurance and hedging contracts, are ineffective.

BHP considers a risk to be material (i.e. of substantive financial or strategic impact on the business) 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 or five 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

- Annually

Time horizon(s) covered

- Short-term
- Medium-term

Long-term

Description of process

RISK PROCESS

Our Risk Framework requires identification, assessment and management of risks (both threats and opportunities) 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 appropriate and internationally recognised techniques to determine their potential impacts and likelihood, prioritise them and inform risk treatment options.
- Risk treatment: controls are implemented to prevent, minimise and/or mitigate threats, and enable and/or enhance opportunities.
- 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.
- Communication: relevant information is recorded in our enterprise risk management system to support continuous improvement and share risk intelligence across the Group.

Our Risk Framework includes requirements and guidance on the tools and process to manage current and emerging risks.

CURRENT RISKS (SHORT TO MEDIUM TERM TIME HORIZON)

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 (see response to Section C2.1b above for our approach to materiality). 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.

EMERGING RISKS (MEDIUM TO LONG TERM TIME HORIZON)

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.

BHP maintains an enterprise 'watch list' of emerging themes and monitors associated signals to interpret external events and trends, providing an evolving view of the changing external environment and how it might impact our business. We use the watch list and signal monitoring to support the identification and management of emerging risks, 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 threats manifesting or support the realisation of

opportunities that may arise from an emerging trend, and identifying options to increase our resilience to these threats or increase our positive exposure to potential opportunities.

The watch list includes 'climate change' as an emerging theme. Although most climate science presumes a quasilinear relationship between the accumulation of GHG in the atmosphere and global temperature rise, this theme also considers 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 and the pace of development of a range of technologies.

FREQUENCY OF ASSESSMENT:

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.

Signal monitoring of the emerging themes within our watch list occurs biannually. Each emerging risk is reviewed annually to confirm it has not become a current risk, residual exposure remains accurate and any required contingency controls remain in place.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

A specific climate-related risk management process

Frequency of assessment

Annually

Time horizon(s) covered

Medium-term
Long-term

Description of process

We use a range of scenarios, including our 1.5°C scenario, when testing the resilience of our portfolio, forming strategy, and making investment decisions. 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. More recent information about our operational planning range pathways and our plans to prepare an updated 1.5°C scenario will be available in our Annual Report 2023, 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

Every three years or more

Time horizon(s) covered

Medium-term
Long-term

Description of process

Our Adaptation Strategy outlines the proactive and collaborative approach we need to take to build the safety, productivity and climate resilience of our operated assets, investments, portfolio, supply chain, communities and ecosystems by adapting to the physical risks of climate change. We have analysed specific climate-related hazards and developed a more detailed approach designed to enable financial evaluation of physical climate-related risks and adaptation measures in future years.

BHP requires operated assets to identify and progressively assess potential physical climate-related risks (including to our value chain) and build climate change adaptation into their plans, activities and investments. In FY2022, we progressed our Adaptation Strategy, conducting a physical climate-related risk identification process for our operated assets and supply chain. Risks associated with each hazard were prioritised in accordance with our risk process under BHP's Risk Framework, including consideration of their materiality. Across our portfolio of operated assets and associated value chains, we have identified a number of common, high potential impact physical climate-related risks. Further information is provided in our Annual Report 2022, available online at bhp.com and more recent information will be available in our Annual Report 2023, 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 energy coal used in the electricity generation sector, as well as fossil fuels and other commodities used as inputs to emissions-intensive industrial processes (including metallurgical coal and iron ore used in steelmaking). We also use fossil fuels in our mining and processing operations either directly or through the purchase of fossil fuel-based electricity and fossil fuels are used in the transport of our

		<p>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.</p> <p>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.</p>
Emerging regulation	Relevant, always included	<p>In addition to the regulations BHP is currently subject to, we may be further impacted by policies and regulations that are designed to reduce GHG emissions from the resources, electricity generation, transport and industrial sectors. We have operated assets and projects, exploration activities or interests in non-operated assets in many geographic locations including Australia, Chile, Canada and the United States; and similarly sell our products into numerous markets, particularly in Asia.</p> <p>As of 31 January 2022, following unification of our company structure under BHP Group Limited, we have a primary listing on the Australian Securities Exchange (ASX), a standard listing on the London Stock Exchange (LSE), a secondary listing on the Johannesburg Stock Exchange (JSE), and an American Depository Receipt (ADR) program on the New York Stock Exchange (NYSE). The regulatory landscape varies significantly between jurisdictions, increasing the risks that climate-related regulation may pose for BHP. Some examples of emerging regulation BHP may become subject to (if implemented in domestic regulation in relevant jurisdictions) include mandatory climate-related financial reporting in the United States, UK and Australia and measures to implement the 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.</p>
Technology	Relevant, always included	<p>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.</p> <p>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 fossil fuel products. For example, switching from coal to gas or renewables for electricity generation may lead to reduced demand for our energy coal products. Please note our intention to proceed with a managed process to cease mining at New South Wales</p>

		<p>Energy Coal by the end of FY2030, as stated in Section C0.1).</p> <p>Technology developments also have the potential to impact our operations, with the potential requirement for increased capital expenditure or investment in research and development into low emissions or negative emissions technologies.</p>
Legal	Relevant, always included	<p>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 ongoing trend of escalation of climate-related litigation involving companies, particularly in the US and Australia.</p>
Market	Relevant, always included	<p>Market risk can take the form of changing customer behaviour, new product standards or demand for low- and zero-emissions 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 generation, transport and industrial sectors, has the potential to reduce demand for our fossil fuel products. For example, switching from coal to gas or renewables for electricity generation may lead to reduced demand for our energy coal. Please note our intention to proceed with a managed process to cease mining at New South Wales Energy Coal by the end of FY2030, as stated in Section C0.1). 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.</p>
Reputation	Relevant, always included	<p>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.</p>
Acute physical	Relevant, always included	<p>Acute risks, which are event-driven, including changing severity and frequency of extreme weather events, may materially and adversely affect: our assets; the productivity of our assets and the costs associated with our assets; our supply chains, transport and distribution networks; customers' facilities; and the markets in which we sell our products. We have extractive, processing and logistical operations in many geographic locations and as such a wide variety of physical</p>

		climate-related risks are potentially relevant to BHP's business. Extreme weather risks are represented in our risk profile, and we are progressively implementing full physical climate-related risk assessments (in line with our Risk Framework) under our Adaptation Strategy looking at different climate scenarios and time horizons. This work includes quantifying potential cost, production and financial impacts. Further information is provided in our Annual Report 2022, available online at bhp.com and more recent information will be available in our Annual Report 2023, at bhp.com.
Chronic physical	Relevant, always included	Chronic physical risks include longer-term changes in climate patterns, for example, potential changes in precipitation patterns, higher mean temperatures, and rising sea levels. 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. Further information is provided in our Annual Report 2022, available online at bhp.com and more recent information will be available in our Annual Report 2023, at bhp.com.

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, Canada, and the United States.

As of 31 January 2022, following unification of our company structure under BHP Group Limited, we have a primary listing on the Australian Securities Exchange (ASX), a standard listing on the London Stock Exchange (LSE), a secondary listing on the Johannesburg Stock Exchange (JSE), and an American Depositary 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.

In FY2022, 78% of our Scope 1 GHG emissions were covered by an emission limiting program. These included the Safeguard Mechanism administered by the Clean Energy Regulator in Australia, the Saskatchewan Output-Based Performance Standards (OBPS) program in Canada, and the Green Tax legislation in Chile (which covers the distillate and gasoline emissions from turbine boilers at the cathode plant at Escondida).

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

79,400,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Our assets and markets are likely to continue to be subject to variations in regulation and levels of carbon pricing depending on location and industry. Similarly, the competitiveness of our products and the processes in which they are used are expected to be impacted by the adoption of carbon legislation in customer countries. We utilise an explicit regulatory carbon price forecast for major BHP operational, competitor and

customer countries. In determining our forecast, we consider factors such as a country's current and announced climate policies and targets and societal factors such as public acceptance and demographics. In our Annual Report 2022, we forecast the global range of regional carbon prices to reach between US\$0-175/tCO₂-e in FY2030, and US\$10-250/tCO₂-e in FY2050, and US\$10-175/tCO₂-e in FY2030 and US\$100-250/tCO₂-e in FY2050 in BHP's current major operational and market countries.

For illustrative purposes for inclusion in this CDP response only, an indicative figure has been developed using the low-end carbon price included in our Central Energy View scenario (USD10/tonne CO₂e). This has been applied to our reported total Scope 1 emissions for our operated assets in FY2022 of 7,940 kilotonnes CO₂e (adjusted to exclude emissions from divested operations). Divested operations are BHP Mitsui Coal (sale completed on 3 May 2022), BHP's Petroleum business (merger with Woodside completed on 1 June 2022) and Onshore US assets (sale completed on 31 October 2018).

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. FY2022 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

4,000,000,000

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. In FY2022, we achieved and exceeded our short-term target to maintain our total operational GHG emissions (Scope 1 and Scope 2 from our operated assets) at or below FY2017 levels while continuing to grow our business. We also have a medium-term target to reduce operational GHG emissions by at least 30 per cent from FY2020 levels by FY2030 and a long-term goal to achieve net zero operational GHG emissions by 2050. The FY2020 baseline will be adjusted for any material acquisitions and divestments and the use of carbon offsets will be governed by BHP's approach to carbon offsetting described at bhp.com/climate.

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. In the second five-year phase (FY2026-FY2030), we will continue our focus on renewable and low- and zero-emissions electricity as well as investing in diesel displacement associated with material movement, light vehicles and stationary equipment.

Cost of response calculation: Around US\$4 billion on operational decarbonisation is expected to be spent by FY2030, with plans reflecting an annual capital allocation between approximately US\$200 million and approximately US\$600 million over the next five years (based on figures we reported in our Annual Report 2022). This is an indicative cost of response for illustrative purposes, only for inclusion in this CDP response. Please refer to important additional information in the 'Comment' field below on this figure.

Please also refer to the Important Notice set out in Section C0.1 in relation to forward looking statements and other matters.

More information is provided in our Annual Report 2022 and Climate Transition Action Plan 2021 available at bhp.com, and information current at 21 June 2023 is provided in our Operational Decarbonisation Investor Presentation available at bhp.com/news/media-centre/reports-presentations/2023/06/operational-decarbonisation-investor-presentation.

Comment

Cost of response calculation - additional comments: Some of this spend will support GHG emissions reductions towards our medium-term target, but the majority is for diesel-displacement projects that (while delivering some emissions reduction towards the end of the decade) are principally steps required to accelerate emission reductions in the following decades. Additional spend after FY2030 will also be required to further progress activities, including our diesel displacement strategy and the reduction of other sources of Scope 1 emissions. Going forward, as our climate response is further integrated into business-as-usual planning, our spending on climate initiatives is expected to become increasingly indistinguishable from normal business.

Other comments: Climate-related risk information, potential 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 2022, Climate Transition Action Plan 2021 and Climate Change Report 2020 available at bhp.com for more information. More recent information about our forecast carbon prices, our operational planning range pathways and our expected spend on operational decarbonisation by FY2030 will be available in our Annual Report 2023, at bhp.com.

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

Changing 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, which are event-driven, including from changing severity and frequency 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 extractive, processing and logistical operations in many geographic locations and as such a wide variety of physical climate-related risks are relevant to BHP's business.

In FY2022, we progressed our Adaptation Strategy, conducting a physical climate-related risk identification process for our operated assets and supply chain including acute risks. Across our portfolio of operated assets and associated value chains, we have identified a number of common, high potential impact acute physical climate-related risks, including the following:

- Geotechnical instability and erosion of tailings storage facility (TSF) landforms and structures under conditions of extreme rainfall, leading to TSF failure.
- Flooding of mine and/or key production infrastructure (e.g., plants, conveyor belts etc.) due to extreme precipitation
- Disruption and/or damage to port and coastal infrastructure and operations due to cyclones (as well as potential chronic physical impacts)
- Workforce health and safety incidents due to extreme events (e.g., extreme temperature causing heat stress)
- Disruption and/or damage to electrical infrastructure (e.g., motors, cooling and control systems) due to extreme temperatures
- Disruption and/or damage to water supply infrastructure due to extreme precipitation or flooding
- Disruption in the supply of critical production inputs and critical infrastructure due to extreme weather events.

Please refer to the Annual Report 2022 available at bhp.com for more information.

Time horizon

Medium-term

Likelihood

Likely

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)

84,300,000

Potential financial impact figure – maximum (currency)

393,300,000

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 only for inclusion in this CDP response, an example of potential financial impact (for the FY2022 reporting year) has been developed for a potential climate-related downtime event at our BHP Mitsubishi Alliance (BMA) asset in Queensland, Australia, 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 FY2022 (total FY2022 revenue US\$10,254 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 FY2022 (total FY2022 revenue US\$10,254 million divided by 365, multiplied by 14).

BMA is owned 50:50 by BHP and Mitsubishi Development. The revenue figures are aligned with the presentation of Coal revenue in the Performance by Commodity section of BHP's Operating and Financial Review for FY2022 (BMA presented at 50%).

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.

We are continuing our work to identify the value-at-risk range and will use the outputs from the impact assessments for physical climate-related risks being conducted with respect to site operations, safety, productivity, and costs at our operated assets, once those assessments have been completed, which may provide an updated potential financial impact for this risk.

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

200,000,000

Description of response and explanation of cost calculation

Extreme weather risks are represented in our risk profile and reviewed annually in accordance with our risk process under BHP's Risk Framework. Climate change may affect the severity and frequency of acute risks, which we are addressing through our Adaptation Strategy. This strategy outlines the approach we need to take to build the climate resilience of our operated assets, investments, portfolio, supply chain, communities and ecosystems by adapting to the physical risks of climate change. In FY2022, we progressed our Adaptation Strategy, conducting a physical climate-related risk identification process for our operated assets and supply chain. Risks associated with each hazard were prioritised in accordance with our risk process under BHP's Risk Framework, including consideration of their materiality.

Case study: During FY2022, BMA commenced a project for the fabrication and installation of a new berth superstructure and ship loader at Hay Point Coal Terminal, with a focus on improving the facility's operational resilience to withstand significant weather events and increasing its throughput capacity. BMA is continuing to implement a range of wet weather mitigation measures including drone mapping and rain on grid modelling to manage surface water flows to less impactful areas, improved road preparation and the use of nitrogen filled tyres to enable operation in lightning conditions.

Cost of response calculation: We have a risk evaluation work program underway across all of our operated assets and key supply chain infrastructure, underpinned by projections of acute and chronic climate variables for three different climate scenarios. As at 30 June 2022, we have already allocated US\$200 million on physical climate-related risk prevention and mitigation measures (including studies) at our Minerals Americas operated assets, and this has been included in this CDP response as an initial indication of one cost component of response to this risk for some of our operated assets (and which covers both acute and chronic risks). This is an indicative value for illustrative purposes for this CDP response only; assessing the cost of responding to physical climate-related risks is complicated by factors including the scale of integration into broader planning and operating processes, time horizons involved, variability across different assets and locations, and the inherent uncertainty in climate scenario projections.

Comment

Climate-related risk information and potential financial impacts and costs of response provided in this question include high level estimates and demonstrative calculations (limited to one cost component for some of our operated assets) only for inclusion in this CDP response. Please refer to the Annual Report 2022, Climate Transition Action Plan 2021 and Climate Change Report 2020 available at bhp.com for more information, and more recent information will be available in our Annual Report 2023, at bhp.com.

Identifier

Risk 3

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 result from longer-term changes in climate patterns, for example, potential changes in precipitation patterns, higher mean temperatures, and rising sea levels. 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.

In FY2022, we progressed our Adaptation Strategy, conducting a physical climate-related risk identification process for our operated assets and supply chain including chronic risks. Across our portfolio of operated assets and associated value chains, we have identified a number of common, high potential impact chronic physical climate-related risks, including the following:

- Water shortages impacting production, associated activities (e.g. dust suppression, ore handling) and reputation due to changes in average rainfall and temperature/ evaporation
- Disruption and/or damage to port and coastal infrastructure and operations due to higher sea levels, storm surge and changes in marine ecosystems (as well as potential acute physical impacts).

Please refer to the Annual Report 2022 available at bhp.com for more information.

Time horizon

Long-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. 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

200,000,000

Description of response and explanation of cost calculation

Our approach to managing this risk is largely through our climate change Adaptation Strategy. This strategy outlines the approach we need to take to build the climate resilience of our operated assets, investments, portfolio, supply chain, communities and ecosystems by adapting to the physical risks of climate change. In FY2022, we progressed our Adaptation Strategy, conducting a physical climate-related risk identification process for our operated assets and supply chain. Risks associated with each hazard were prioritised in accordance with our risk process under BHP's Risk Framework, including consideration of their materiality.

Case study: A chronic physical risk with high potential impact identified across several of our operated assets is water shortages impacting production, associated activities (e.g. dust suppression, ore handling) and reputation due to changes in average rainfall and temperature/evaporation. This risk was identified as material across all Minerals Australia assets and the Minerals Americas Jansen asset, in accordance with BHP's Risk Framework and the Maximum Foreseeable Loss severity rating. We have a range of risk management measures for our water-related risks, including consideration of climate change projections as relevant (and where available), covered in more detail at bhp.com/water. More detail is available in our Annual Report 2022 at bhp.com.

Cost of response calculation: We have a risk evaluation work program underway across all of our operated assets and key supply chain infrastructure, underpinned by projections of acute and chronic climate variables for three different climate scenarios. As at 30 June 2022, we have already allocated US\$200 million to studies on physical climate-related risk prevention and mitigation measures at our Minerals Americas operated assets, and this has been included in this CDP response as an initial indication of one cost component of response to this risk for certain of our operated assets (and which covers both acute and chronic risks). This is an indicative value only; assessing the cost of responding to physical climate-related risks is complicated by factors

including the scale of integration into broader planning and operating processes, time horizons involved, variability across different assets and locations, and the inherent uncertainty in climate scenario projections.

Comment

Climate-related risk information, potential financial impacts and costs of response provided in this question include high level estimates and demonstrative calculations only (limited to one cost component for certain of our operated assets) for inclusion in this CDP response. Please refer to the Annual Report 2022, Climate Transition Action Plan 2021 and Climate Change Report 2020 available at bhp.com for more information, and more recent information will be available in our Annual Report 2023, at bhp.com.

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 FY2022, BHP produced 1,574kt of copper (see our Annual Report 2022, p.74, available at bhp.com), which accounted for 21.1% of Underlying EBITDA excluding petroleum. 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 climate-related portfolio analysis published in September 2020. 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 copper portfolio under our 1.5°C scenario compared to our Central Energy View scenario. 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 climate-related portfolio analysis published in September 2020. Note that the Central Energy View scenario already includes a significant amount of copper for use in renewables and electrification of transport. This climate-related portfolio analysis is intended to be reviewed and updated in 2024.

Today's signposts do not indicate that the appropriate measures are in place to drive decarbonisation at the pace nor scale required for BHP's 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 responsibly manage the most resilient long-term portfolio of assets, in highly attractive commodities, and grow value through being excellent at operations, discovering and developing resources, acquiring the right assets and options, and capital allocation. This strategy is integrated with the climate challenge and our ambition to grow value and returns in a decarbonising world. Refer to our Climate Change Report 2020, available online at bhp.com, for a description of our climate-related portfolio analysis published in September 2020.

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. Cerro Colorado continues to transition towards planned closure at the end of the 2023 calendar year, when its environmental licence expires. 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: The Oak Dam exploration program (in South Australia, 65 kilometres to the southeast of BHP's operations at Olympic Dam) is continuing next stage resource definition drilling with six drill rigs now active on site, after commencing the program in May 2021. In addition, we initiated work with Encounter Resources in Australia to explore for sediment-hosted copper deposits in the Northern Territory. We also entered into a Letter of Intent with Mundoro to cooperatively explore for copper resources in the highly prospective belt in Serbia and Bulgaria. Several drill-ready targets are scheduled to be tested during FY2023.

Cost to realise opportunity calculation: The cost to realise this opportunity has been set at zero as it reflects only an increase in revenues assumed under our 1.5°C scenario resulting from an increase in realised price for sales from our assets as at 30 June 2022 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 climate-related portfolio analysis published in September 2020.

Comment

This response reflects the opportunity as at 30 June 2022, noting that it draws on our most recently published climate-related portfolio analysis published in September 2020.

Climate-related opportunity information and potential 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 2022, Climate Transition Action Plan 2021 and Climate Change Report 2020 available at bhp.com for more information. More recent information about our operational planning range pathways and our plans to prepare an updated 1.5°C scenario will be available in our Annual Report 2023, at bhp.com.

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 FY2022 was 77 kt (see our Annual Report 2022, p.77, available at bhp.com). 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 climate-related portfolio analysis published in September 2020. 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 nickel portfolio under our 1.5°C scenario compared to our Central Energy View scenario. 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 climate-related portfolio analysis published in September 2020. Note that the Central Energy View scenario already includes a significant amount of nickel, for use in batteries. This climate-related portfolio analysis is intended to be reviewed and updated in 2024.

Today's signposts do not indicate that the appropriate measures are in place to drive decarbonisation at the pace nor scale required for BHP's 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 responsibly manage the most resilient long-term portfolio of assets, in highly attractive commodities, and grow value through being excellent at operations, discovering and developing resources, acquiring the right assets and options, and capital allocation. This strategy is integrated with the climate challenge and our ambition to grow value and returns in a decarbonising world. Refer to our Climate Change Report 2020, available online at bhp.com, for a description of our climate-related portfolio analysis published in September 2020.

We hold the second-largest nickel sulphide endowment globally (based on ownership interest. Source peers: MinEx Consulting) and for FY2022 our nickel operations in Western Australia had one of the lowest production emissions intensities of benchmarked mines (see our Annual Report 2022 at p.44, available at bhp.com. for more information). We are growing value by supplying 87 per cent of BHP's battery-suitable nickel to battery material suppliers in FY2022, and are seeking more nickel resources through exploration, acquisition and early-stage entry.

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. The nickel sulphate plant at the Kwinana nickel refinery has been commissioned, with first saleable production of nickel sulphate crystals achieved in the December 2021 quarter. We are also actively exploring nickel targets in Western Australia, while in Canada, we continued our partnership with Midland Exploration Inc in Canada through our 5 per cent interest and collaboration on a target generation program. BHP made a US\$40 million investment in Kabanga Nickel in Tanzania in FY2022, which offers an opportunity to expand the immediate search space to add to the known resource.

Cost to realise opportunity calculation: The cost to realise this opportunity has been set at zero as it reflects only an increase in revenues assumed under our 1.5°C scenario resulting from an increase in realised price for sales from our assets as at 30 June 2022 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 2022, noting that it draws on our most recently published climate-related portfolio analysis published in September 2020.

Climate-related opportunity information and potential 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 2022, Climate Transition Action Plan 2021 and Climate

Change Report 2020 available at bhp.com for more information. More recent information about our operational planning range pathways and our plans to prepare an updated 1.5°C scenario will be available in our Annual Report 2023, at bhp.com.

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Markets

Primary climate-related opportunity driver

Other, please specify

Create opportunities to strengthen our portfolio and lower our emissions

Primary potential financial impact

Other, please specify

Strengthen portfolio and support future growth

Company-specific description

In 2020, we established an internal venture capital investment unit called BHP Ventures, to build and manage a portfolio of technology investments to help accelerate BHP's innovation activities and seed future growth options for the company. The unit's aims include to find and foster emerging, game-changing technologies with the potential to help make BHP's global operations safer, more productive, and more sustainable. This complements and enhances the innovation already underway within BHP by forging new partnerships and creating fresh opportunities to strengthen our portfolio and lower our emissions.

Since BHP Ventures launched, we have grown a global portfolio of more than 15 holdings, as well as built a diverse team spanning the U.S. and Australia. We see a deep pipeline of investment opportunities and have established ourselves as a collaborative and nimble corporate venture capital unit. We've established a global ecosystem to collaborate with top-tier accelerators, partners, universities and co-investors.

We've also built trusted relationships across BHP's internal network to help create unique value opportunities for our portfolio companies. For technologies that may have an application in our business today, we can run pilots or demonstrations in our operations. For some start-ups, we may look to jointly develop new business opportunities. For others, we may make introductions to our customers, suppliers and/or regulators.

Time horizon

Long-term

Likelihood

Unlikely

Magnitude of impact

Low

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 Ventures investments are speculative by nature and, although we seek a robust financial return on the capital we deploy, we also consider strategic returns for BHP through the unique insights we source, the partnerships we make, and the options we create. 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

11,000,000

Strategy to realize opportunity and explanation of cost calculation

BHP Ventures targets potentially game-changing technologies and teams to support future growth for BHP by:

- Driving innovation in our core operations (e.g., progress towards electrifying our fleet, low/no-CO2 fuels, and site-electrification)
- Growing our resource base in key commodities (e.g., new exploration and extraction technologies)
- Exploring potential growth opportunities for BHP tomorrow (e.g. new energies and minerals, options for low carbon emissions steelmaking, battery recycling, developing carbon removal technologies).

Case study: We have grown a portfolio of minority interests in early stage technology companies and start-ups over time. Two investments we have made in companies working on GHG emissions reduction and management technologies are Antora Energy, a company building heat (thermal) energy storage systems for heavy industrial applications, and Circular, a software solution that enables its customers to track raw materials through supply chains to demonstrate responsible sourcing and track sustainability, including embedded carbon as well as to underpin circular economy efforts. In addition, Ventures completed lab trials producing metal iron using BHP ores with Boston Metal and Electrasteel.

Cost to realise opportunity: BHP Ventures investment stakes and terms are generally confidential. For illustrative purposes only for this CDP response, we have provided an example of the scale of investments undertaken by reference to the figure published in our Annual Report 2022 for our investments in Boston Metal and Electrasteel. Please refer to the Annual Report 2022 and online for more information, available at [bhp.com](https://www.bhp.com).

Comment

N/A

C3. Business Strategy

C3.1

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

Row 1

Climate transition plan

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

Explain why your organization does not have a climate 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-related risks across our global value chain. 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 this context, the vote secured 84.90 per cent support for the CTAP. The CTAP is available online at https://www.bhp.com/-/media/documents/investors/annualreports/2021/210914_bhpclimatetransitionactionplan2021.pdf?sc_lang=en and the current wording for our climate change targets and goals is available at [bhp.com/climate](https://www.bhp.com/climate) and in our Annual report 2022, available at [bhp.com](https://www.bhp.com) (following completion of a number of portfolio changes in FY2022, we took the opportunity to streamline the expression, without change to the substance, of the climate change targets and goals we outlined in the CTAP). In 2024, we plan to publish an updated version of our CTAP.

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 the transition, we remain concerned that collective action is not yet at a level required to achieve it. Current barriers include the pace of technology development, new infrastructure, consumer behaviour change, policy settings and the investment required to fund the transition.

We consider outputs from a range of scenarios including our 1.5°C scenario when testing the resilience of our portfolio, forming strategy, and making investment decisions. The energy and resources modelling from BHP's 1.5°C scenario, conducted in 2020,

remains consistent with the updated carbon budget released in the Working Group I report as the first part of the IPCC's Sixth Assessment Report in 2021. In addition, we periodically benchmark our 1.5°C scenario against a number of published scenarios that align with a 1.5°C carbon budget. More recent information about our plans to prepare an updated 1.5°C scenario will be available in our Annual Report 2023, 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	1.5°C	<p>BHP 1.5°C scenario: Unprecedented sectoral and regional transitions to reduce emissions. More recent information about our plans to prepare an updated 1.5°C scenario will be available in our Annual Report 2023, at bhp.com.</p> <p>Our analysis using BHP's 1.5°C 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.</p> <p>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.</p> <p>Selected parameters, Assumptions, Analytical choices: • Population in 2050: Population based on SSP2 (a 'Middle of the Road' Shared Socio-economic Pathways</p>

			<p>scenario for projected socioeconomic global changes up to 2100.</p> <ul style="list-style-type: none"> • 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\$/tCO_{2e}): 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 <p>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.</p>
Transition scenarios Bespoke transition scenario	Company-wide	2.1°C - 3°C	<p>BHP Lower Carbon View (~2.5°C) 2020 – 2050 scenario: Reflects faster and deeper decarbonisation trends and policies, particularly in easier to abate sectors.</p> <p>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.</p> <p>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</p>

			<p>lowest-cost energy solutions, subject to the prevailing policy environment, rather than large-scale shifts in societal preferences.</p> <p>Selected parameters, Assumptions, Analytical choices:</p> <ul style="list-style-type: none"> • 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\$/tCO_{2e}): 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	2.1°C - 3°C	<p>BHP Central Energy View (~3°C) 2020 – 2050: Reflects our views up to 30 June 2022 on the most likely pathway for policy, technology, and consumer choice. More recent information about our operational planning range pathways will be available in our Annual Report 2023, at bhp.com.</p> <p>Our analysis using the BHP Central Energy View 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.</p> <p>The Central Energy View is driven by the current and announced policy environment, and overlaid by current and prospective technological options available to decarbonise (in each case, at the time this scenario was developed). 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,</p>

		<p>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.</p> <p>Selected parameters, Assumptions, Analytical choices:</p> <ul style="list-style-type: none"> • 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\$/tCO_{2e}): 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
<p>Transition scenarios Bespoke transition scenario</p>	<p>Company-wide</p>	<p>BHP Climate Crisis scenario 2020 – 2050: Climate shock leads to environmental and societal turmoil.</p> <p>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.</p> <p>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.</p> <p>Selected parameters, Assumptions, Analytical choices:</p> <ul style="list-style-type: none"> • Population in 2050: Based on UN forecast 9.8 billion • Total primary energy demand (TPED): Pre-crisis

			<p>+1.7% CAGR, Post-crisis -1.7% CAGR</p> <ul style="list-style-type: none"> • 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\$/tCO_{2e}): 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 <p>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.</p>
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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 (including those described in Section C0.1), subsequent to the most recent climate scenario analysis published in 2020 and those completed prior to 30 June 2022 are reflected in this response. In addition, during FY2022, we systematically integrated our 1.5°C scenario into our strategy and capital allocation process to test the extent to which our capital allocation is aligned with a rapidly decarbonising global economy. More recent information about our operational planning range pathways and our plans to prepare an updated 1.5°C scenario will be available in our Annual Report 2023, 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. More recent information about our operational planning range pathways and our plans to prepare an updated 1.5°C scenario will be available in our Annual Report 2023, at bhp.com.

Our climate-related portfolio analysis published in our Climate Change Report 2020 was conducted to seek to demonstrate that our business can continue to thrive over the next 30 years, as the global community takes action to decarbonise, even under our 1.5°C trajectory. Selected results directly linked to the focal questions are provided below for each scenario based on our climate-related portfolio analysis published in September 2020, 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.
- 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.

- 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 growth opportunities related to the energy transition.
- 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 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.

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	<p>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 generation, transport and industrial sectors, has the potential to reduce demand for our fossil fuel products.</p> <p>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</p>

		<p>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.</p> <p>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. The nickel sulphate plant at the Kwinana nickel refinery has been commissioned, with first saleable production of nickel sulphate crystals achieved in the December 2021 quarter. The plant is expected to produce approximately 100 kilotonnes per annum (ktpa) of nickel sulphate for the lithium-ion battery industry.</p>
Supply chain and/or value chain	Yes	<p>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 2022 and Climate Change Report 2020.</p> <p>Time horizons of up to 2030 are considered, depending on the nature and intent of the analysis.</p> <p>An example of a substantial strategic decisions made in this area to date is our set of public Scope 3 emissions goals for 2030 as follows:</p> <ul style="list-style-type: none"> • Support industry to develop technologies and pathways capable of 30 per cent emissions intensity reduction in integrated steelmaking, with widespread adoption expected post-2030 • Support 40 per cent emissions intensity reduction of BHP-chartered shipping of our products
Investment in R&D	Yes	<p>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).</p> <p>Time horizons of up to 2050 are considered, depending on the nature and intent of the analysis.</p>

		<p>Examples of substantive strategic decisions made in this space:</p> <ul style="list-style-type: none"> • 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 set up a dedicated venture capital unit, “BHP Ventures”, which seeks out game-changing technologies and emerging companies, including those focused on low- or zero GHG emission technologies, and now has a growing portfolio of investments and partnerships.
Operations	Yes	<p>Our operated assets are required to build climate resilience into their activities through compliance with the 'Our Requirements for Environment and Climate Change' standard. In FY2022, we progressed our Adaptation Strategy, conducting a physical climate-related risk identification process for our operated assets and supply chain including acute risks. Risks associated with each hazard were prioritised in accordance with our risk process under BHP's Risk Framework, including consideration of their materiality. Across our portfolio of operated assets and associated value chains, we have identified a number of common, high potential impact acute physical climate-related risks and defined our current risk management approach for each, which is subject to review for new or additional climate related measures arising from the subsequent risk evaluation work program for our operated assets (including legacy assets) in FY2023.</p> <p>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.</p> <p>An example of a substantial strategic decision made in this area to date is the allocation of US\$200 million to studies on physical climate-related risk prevention and mitigation measures at our Minerals Americas operated assets.</p>

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	<p>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.</p> <p>Transition risks in particular may affect demand for our products; for example, through the substitution of existing technologies with lower emissions options, particularly in the electricity generation, transport and industrial sectors. 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.</p> <p>Direct costs: Potential impacts on direct costs are most closely linked to the wide variety of potential physical climate-related 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. Our Adaptation Strategy outlines the proactive and collaborative approach we need to take to build the safety, productivity and climate resilience of our operated assets, investments, portfolio, supply chain, communities and ecosystems by adapting to the physical risks of climate change. We have analysed specific climate-related hazards and developed a more detailed approach designed to enable financial and economic evaluation of physical climate-related risks and adaptation measures in future years.</p> <p>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</p>

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. During FY2022, we systematically integrated our 1.5°C scenario into our strategy and capital allocation process to test the extent to which our capital allocation is aligned with a rapidly decarbonising global economy. Our focus for capital expenditure is now on commodities we assess as having a significant upside through the transition. Furthermore, the internal allocation of capital under our Capital Allocation Framework and all major investment decisions now require an assessment of investment viability under our 1.5°C scenario.

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

	<p>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.</p> <p>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.</p>
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C3.5

(C3.5) In your organization’s financial accounting, do you identify spending/revenue that is aligned with your organization’s climate transition?

	Identification of spending/revenue that is aligned with your organization’s climate transition
Row 1	No, and we do not plan to in the next two years

C4. Targets and performance

C4.1

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

Absolute target

C4.1a

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

Target reference number

Abs 1

Is this a science-based target?

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

Target ambition

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, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

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

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

Base year total 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, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

Base year total 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)

9,200,000

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

3,100,000

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

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

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

Total 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)

12,300,000

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

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

Target status in reporting year

Achieved

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 short-term five year target, which took effect from 1 July 2017, was to maintain our total operational emissions in FY2022 at or below FY2017 levels (16.3 million tonnes CO₂e, excluding adjustments), while continuing to grow our business. This target covered 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 FY2017 baseline emissions and FY2022 reporting year emissions provided in this CDP response represents total reported emissions from both Continuing and Discontinued operations as at 30 June 2022 (please see our Annual Report 2022, available at bhp.com, for details on Continuing and Discontinued operations). Note that emissions figures for previous years provided in this section are consistent with our Annual Report 2022, and may have been restated since the original year of reporting due to ongoing improvements and amendments to our measurement and calculation approach. We also calculated and reported an adjusted FY2017 baseline and comparable FY2022 emissions figure excluding material divestments made in FY2022, and including methodology changes. Those adjusted emissions figures and details on restatements of previously reported data are available in our Annual Report 2022 at bhp.com.

More recent information on progress against our targets and goals will be available in our 2023 reporting suite (including the Annual Report), which will be available at bhp.com.

Note: 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

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

We have achieved and exceeded our FY2022 target on the basis of significant progress securing renewable energy supply via PPAs, notably in Minerals Americas, with

Escondida and Spence mostly supplied by renewable energy for their electricity in the first half of CY2022.

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 our other targets and goals will also be available in our FY2023 reporting suite (including the Annual Report) at bhp.com.

Target reference number

Abs 2

Is this a science-based target?

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

Target ambition

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

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, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

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

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

Base year total 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, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

Base year total 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

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)

9,200,000

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

3,100,000

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

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

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

Total 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)**

12,300,000

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

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

22.641509434

Target status in reporting year

Underway

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-related risks for more than two decades, and in 2017 established our long-term goal of achieving net zero operational emissions by 2050. The use of carbon offsets will be governed by BHP's approach to carbon offsetting described at bhp.com/climate.

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.

Please see definitions of terms used in our targets and goals in the Glossary of our Annual Report 2022, available at bhp.com, including the terms 'target', 'goal', 'net zero' and 'carbon neutral'.

This goal refers to a FY2020 baseline year. The baseline year of our goal will be adjusted for any material acquisitions and divestments, and to reflect progressive refinement of emissions reporting methodologies. The goal's boundary may in some cases differ from required reporting boundaries.

The FY2020 baseline emissions and FY2022 reporting year emissions provided in this CDP response represents total reported emissions from both Continuing and Discontinued operations as at 30 June 2022 (please see our Annual Report 2022, available at bhp.com, for details on Continuing and Discontinued operations). Note that emissions figures for previous years provided in this section are consistent with our Annual Report 2022, and may have been restated since the original year of reporting due to ongoing improvements and amendments to our measurement and calculation approach. We also calculated and reported an adjusted FY2020 baseline and comparable FY2022 emissions figure excluding material divestments made in FY2022, and including methodology changes. Those adjusted emissions figures and details on restatements of previously reported data are available in our Annual Report 2022 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, Climate Change Report 2020 and Annual Report 2022 available at bhp.com. More recent information on progress against this and our other goals and targets will also be available in our FY2023 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: To support progress towards our long-term goal, in FY2022, we achieved our short-term target due to significant progress made through the execution of Power Purchase Agreements (PPAs). Key successes in FY2022 included:

- The PPAs at Escondida and Spence became operational in August 2021 and January 2022
- BMA's PPA with CleanCo is expected to deliver approximately 50 per cent of BMA's annual electricity from renewable sources by 2025 (including the purchase of large-scale generation certificates (LGCs) and based on forecasted electricity consumption and renewable energy supply from the PPA)
- Nickel West signed PPAs to provide its operations with renewable power (wind and solar)
- Olympic Dam entered into renewable energy supply arrangements for up to 50 per cent of its electricity by 2025 (including the purchase of LGCs and based on forecasted electricity consumption and renewable energy supply).

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 obtaining renewable and low- and zero-emissions 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

Is this a science-based target?

Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

Target ambition

Well-below 2°C aligned

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, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

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

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

Base year total 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, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

Base year total 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)

9,200,000

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

3,100,000

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

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

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

Total 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)

12,300,000

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

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

75.4716981132

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

For operational greenhouse gas (GHG) emissions (Scope 1 and Scope 2 from our operated assets), we have a medium-term target to reduce operational GHG emissions by at least 30 per cent from FY2020 levels by FY2030. The use of carbon offsets will be governed by BHP's approach to carbon offsetting described at bhp.com/climate.

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.

Please see definitions of terms used in our targets and goals in the Glossary of our Annual Report 2022, available at bhp.com, including the terms 'target', 'goal', 'net zero' and 'carbon neutral'.

This target refers to a FY2020 baseline year. The baseline year of our target will be adjusted for any material acquisitions and divestments, and to reflect progressive refinement of emissions reporting methodologies. The target's boundary may in some cases differ from required reporting boundaries.

The FY2020 baseline emissions and FY2022 reporting year emissions provided in this CDP response represents total reported emissions from both Continuing and Discontinued operations as at 30 June 2022 (please see our Annual Report 2022, available at bhp.com, for details on Continuing and Discontinued operations). Note that emissions figures for previous years provided in this section are consistent with our Annual Report 2022, and may have been restated since the original year of reporting due to ongoing improvements and amendments to our measurement and calculation approach. We also calculated and reported an adjusted FY2020 baseline and comparable FY2022 emissions figure excluding material divestments made in FY2022, and including methodology changes. Those adjusted emissions figures and details on restatements of previously reported data are available in our Annual Report 2022 at bhp.com.

Note: 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, Climate Change Report 2020 and Annual Report

2022 available at bhp.com. More recent information on progress against this and our other targets and goals will also be available in our FY2023 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 FY2022, we achieved our short-term target due to significant progress made through the execution of Power Purchase Agreements (PPAs). Meeting our FY2022 target keeps us on track to achieve our FY2030 medium-term target. Power decarbonisation progressed with key successes in FY2022 including:

- PPAs at Escondida and Spence became operational in August 2021 and January 2022
- BMA’s PPA with CleanCo is expected to deliver approximately 50 per cent of BMA’s annual electricity from renewable sources by 2025 (including the purchase of large-scale generation certificates (LGCs) and based on forecasted electricity consumption and renewable energy supply from the PPA)
- Nickel West signed PPAs to provide its operations with renewable power (wind and solar)
- Olympic Dam entered into renewable energy supply arrangements for up to 50 per cent of its electricity by 2025 (including the purchase of LGCs and based on forecasted electricity consumption and renewable energy supply).

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. In the second five-year phase (FY2026-FY2030), we will continue our focus on obtaining renewable and low- and zero-emissions electricity as well as investing in diesel displacement associated with material movement, light vehicles and stationary equipment.

We regularly monitor our forecasted operational GHG emissions to check we are on track. As a result of actions taken in recent years, particularly securing the supply of renewable energy at some operations, our currently projected performance in FY2030 is tracking to plan against our medium-term target.

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

Target reference number

Abs 4

Is this a science-based target?

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

Target ambition

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 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, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

9,800,000

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

1,200,000

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

100,000

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

200,000

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

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

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

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

11,300,000

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

11,300,000

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, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

100

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

100

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

100

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

100

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

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

2.8

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

2.8

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, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

9,900,000

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

1,000,000

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

100,000

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

300,000

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

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

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

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

11,300,000

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

11,300,000

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

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

0

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

For value chain greenhouse gas (GHG) emissions (Scope 3) we are pursuing the long-term goal of net zero Scope 3 GHG emissions by 2050. Achievement of this goal is

uncertain, particularly given the challenges of a net zero pathway for our customers in steelmaking, and we cannot ensure the outcome alone. To progress towards this goal, we will target net zero by 2050 for the operational GHG emissions of our direct suppliers. Our ability to achieve the target is subject to the widespread availability of carbon neutral solutions to meet our requirements, including low/zero-emissions technologies, fuels, goods and services. The use of carbon offsets will be governed by BHP's approach to carbon offsetting described at bhp.com/climate.

Please see definitions of terms used in our targets and goals in the Glossary of our Annual Report 2022, available at bhp.com, including the terms 'target', 'goal', 'net zero' and 'carbon neutral'.

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. 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. We are not currently able to measure in alignment with the specific boundary of this target, and therefore the values entered for the base year and reporting year are a proxy, and are calculated from the entire inventory of these Scope 3 categories.

This target refers to a FY2020 baseline year. The FY2020 baseline emissions and FY2022 reporting year emissions provided in this CDP response represents total reported emissions from both Continuing and Discontinued operations as at 30 June 2022 (please see our Annual Report 2022, available at bhp.com, for details on Continuing and Discontinued operations). Note that emissions figures for previous years provided in this section are consistent with our Annual Report 2022, and may have been restated since the original year of reporting due to ongoing improvements and amendments to our measurement and calculation approach. Details on restatements of previously reported data are available in our Annual Report 2022 at bhp.com. We are reviewing our approach to baseline adjustments for material acquisitions and divestments for our Scope 3 targets and goals, and may also calculate adjusted FY2020 baselines for them in the future. The target's boundary may in some cases differ from required reporting boundaries.

The baseline figures provided are the reported emissions for these Scope 3 categories in FY2020 based on the calculation boundaries, methodologies, assumptions and key references described in the BHP Scope 1, 2 and 3 Emissions Calculation Methodology 2022, available at bhp.com. These figures are 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 these baseline emissions numbers in future, if required.

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 and Annual Report 2022 available at bhp.com. More recent information on progress against this and our other targets and goals will also be available in our FY2023 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 FY2022, we conducted a survey and assessment of the climate positions of our top 500 direct suppliers, representing approximately 76 per cent of our spend (see Note 1). Through this study, we found that 27 per cent of the suppliers surveyed have Scope 1 and Scope 2 targets and/or goals aligned with our own. In order to engage and incentivise our suppliers, we integrated climate commitments into our sourcing document and evaluation criteria.

To progress and improve our approach and methodology for GHG emissions estimations, we also piloted switching the emissions estimation of high-spend goods from select categories (including explosives, grinding media, conveyor belts, tyres, and select bulk materials) from spend-based emissions factors to industry average quantity-based emissions factors or emissions factors sourced directly from suppliers.

Note 1: This percentage is calculated as a share of our total spend in FY2021, and total spend is defined as the categories of spend that are relevant to Scope 3 emissions reporting categories, which excludes intra-company payments, internal payroll, community and charitable donations, and expenses associated with regulatory compliance and taxation.

Plan for achieving target: In the coming years, we intend to systematise our tracking and engagement of suppliers in relation to their public climate strategies. We also intend to continue to refine and integrate metrics related to incentivising positive climate outcomes from our suppliers going forward.

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

Target reference number

Abs 5

Is this a science-based target?

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

Target ambition

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, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

4,200,000

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

2,800,000

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

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

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

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

7,000,000

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

7,000,000

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, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

91

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

97

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

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

1.7

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

1.7

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, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

4,200,000

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

3,200,000

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

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

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

Total 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)

7,400,000

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

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

-5.7142857143

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

For value chain greenhouse gas (GHG) emissions (Scope 3) we are pursuing the long-term goal of net zero Scope 3 GHG emissions by 2050. Achievement of this goal is uncertain, particularly given the challenges of a net zero pathway for our customers in steelmaking, and we cannot ensure the outcome alone. To progress towards this goal, we will target net zero by 2050 for GHG emissions from all shipping of BHP products. Our ability to achieve the target is subject to the widespread availability of carbon neutral solutions to meet our requirements, including low/zero-emissions technologies, fuels, goods and services. The use of carbon offsets will be governed by BHP's approach to carbon offsetting described at bhp.com/climate.

Please see definitions of terms used in our targets and goals in the Glossary of our Annual Report 2022, available at bhp.com, including the terms 'target', 'goal', 'net zero' and 'carbon neutral'.

This target refers to a FY2020 baseline year. The FY2020 baseline emissions and FY2022 reporting year emissions provided in this CDP response represents total reported emissions from both Continuing and Discontinued operations as at 30 June 2022 (please see our Annual Report 2022, available at bhp.com, for details on Continuing and Discontinued operations). Note that emissions figures for previous years provided in this section are consistent with our Annual Report 2022, and may have been restated since the original year of reporting due to ongoing improvements and amendments to our measurement and calculation approach. Details on restatements of previously reported data are available in our Annual Report 2022 at bhp.com. We are reviewing our approach to baseline adjustments for material acquisitions and divestments for our Scope 3 targets and goals, and may also calculate adjusted FY2020 baselines for them in the future. The target's boundary may in some cases differ from required reporting boundaries.

The baseline figures provided are the reported emissions for these Scope 3 categories in FY2020 based on the calculation boundaries, methodologies, assumptions and key references described in the BHP Scope 1, 2 and 3 Emissions Calculation Methodology 2022, available at bhp.com. These figures are 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 these baseline emissions numbers in future, if required.

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

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 and Annual Report 2022 available at bhp.com. More recent information on progress against this and our other targets and goals will also be available in our FY2023 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 (FY2022):

- In May 2022, we joined the First Mover's Coalition as a member in the shipping sector, on the basis of committing that 10 per cent of BHP's products shipped to our customers, on our time charter vessels, will be on vessels using zero emissions fuels by 2030 (subject to the availability of technology, supply, safety standards and the establishment of reasonable thresholds for price premiums).
- Formed a consortium with Rio Tinto, Oldendorff, Star Bulk, and the Global Maritime Forum to analyse and support the potential to develop an iron ore maritime 'green corridor', fuelled by green ammonia.
- Chartered the world's first LNG-fuelled Newcastlemax bulk carriers to transport iron

ore from Western Australia to Asia for five years. The fuel, along with improved efficiency of the vessel design, is expected to significantly reduce GHG emissions intensity per voyage.

Plans for achieving target:

This target is supported by our 2030 goal to support 40 per cent emissions intensity reduction of BHP-chartered shipping of BHP products, in line with the International Maritime Organisation's (IMO's) goals to reduce average GHG emissions intensity across international shipping by at least 40 per cent by 2030 and 70 per cent by 2050. We intend to provide the intensity metric baseline for this 2030 goal in our Annual Report 2023, at bhp.com.

Our strategy for supporting the maritime industry's climate transition includes advocacy, adoption of low- and zero-emissions fuels or other efficiency technologies and deploying real-time data analytics to optimise vessel and route selection to improve operational efficiency. We have begun 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.

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

Target reference number

Abs 6

Is this a science-based target?

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

Target ambition

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

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, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

9,800,000

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

1,200,000

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

4,600,000

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

100,000

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

200,000

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

2,900,000

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

294,000,000

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

96,800,000

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

2,700,000

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

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

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

412,300,000

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

412,300,000

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, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

100

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

100

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

100

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

100

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

100

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

100

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

100

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

100

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

100

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

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

100

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

100

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, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

9,900,000

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

1,000,000

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

4,600,000

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

100,000

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

300,000

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

3,200,000

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

306,700,000

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

72,600,000

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

2,700,000

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

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

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

401,200,000

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

401,200,000

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

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

2.692214407

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

For value chain greenhouse gas (GHG) emissions (Scope 3) we are pursuing the long-term goal of net zero Scope 3 GHG emissions by 2050. Achievement of this goal is uncertain, particularly given the challenges of a net zero pathway for our customers in steelmaking, and we cannot ensure the outcome alone. The use of carbon offsets will be governed by BHP's approach to carbon offsetting described at bhp.com/climate.

Please see definitions of terms used in our targets and goals in the Glossary of our Annual Report 2022, available at bhp.com, including the terms 'target', 'goal', 'net zero' and 'carbon neutral'.

This goal refers to a FY2020 baseline year. The FY2020 baseline emissions and FY2022 reporting year emissions provided in this CDP response represents total reported emissions from both Continuing and Discontinued operations as at 30 June

2022 (please see our Annual Report 2022, available at bhp.com, for details on Continuing and Discontinued operations). Note that emissions figures for previous years provided in this section are consistent with our Annual Report 2022, and may have been restated since the original year of reporting due to ongoing improvements and amendments to our measurement and calculation approach. In the Annual Report 2022, we also presented an illustrative Scope 3 emissions figure for FY2022, FY2021 and FY2020 adjusted for divested operations. This figure removed the Scope 3 emissions from the 'Use of sold products' and 'Investments' categories associated with merger of our Petroleum business with Woodside (completed on 1 June 2022), divestment of our interest in the ROD Integrated Development (completed in April 2022), divestment of our interest in BMC (completed on 3 May 2022), and divestment of our interest in Cerrejón (completed 31 December 2020). Other categories have not been adjusted for the merger or divestments due to the complexity of underlying data.

Those adjusted emissions figures and further details about their calculation, together with details on restatements of previously reported data, are available in our Annual Report 2022 at bhp.com. We are reviewing our approach to baseline adjustments for material acquisitions and divestments for our Scope 3 targets and goals, and may also calculate adjusted FY2020 baselines for them in the future. The goal's boundary may in some cases differ from required reporting boundaries.

The baseline figures provided are the reported emissions for Scope 3 in FY2020 based on the calculation boundaries, methodologies, assumptions and key references described in the BHP Scope 1, 2 and 3 Emissions Calculation Methodology 2022, available at bhp.com. These figures are 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 these baseline emissions numbers in future, if required.

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

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

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

For more information, see the Climate Transition Action Plan 2021 and Annual Report 2022 available at bhp.com. More recent information on progress against this and our goals and targets will also be available in our FY2023 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: Our actions towards net-zero Scope 3 emissions from (i) operational GHG emissions of our direct suppliers and (ii) GHG emissions from all shipping of BHP products are provided in responses to Abs4 and Abs5 targets above. In addition, we have progressed our efforts to partner with customers and others to try to accelerate the transition to carbon neutral steelmaking and other downstream processes as follows:

- Announced a Memorandum of Understanding (MOU) for up to US\$10 million

investment with POSCO in October 2021 to jointly study optimising coal/coke quality for low-carbon blast furnace operation and Carbon Capture Utilisation and Storage (CCUS). This, together with MOUs announced in FY2021, provides up to US\$75 million for steel decarbonisation partnerships with four key customers representing approximately 12 per cent of reported global steel production. For more information refer to our steel decarbonisation framework in the Value chain GHG emissions section of our Annual Report 2022, available at bhp.com.

– Commenced feasibility studies with Baowu, HBIS, JFE, into CCUS and Direct Reduced Iron (DRI) technologies, use of hydrogen in steelmaking, and iron ore blends suitable for DRI production.

Plan for achieving goal: This goal is supported by the targets discussed in Abs4 and Abs5 above, and our commitment to continue to partner with customers and others to try to accelerate the transition to carbon neutral steelmaking and other downstream processes. In addition, we have set 2030 goals as follows:

- support industry to develop technologies and pathways capable of 30 per cent emissions intensity reduction in integrated steelmaking, with widespread adoption expected post 2030
- support 40 per cent emissions intensity reduction of BHP-chartered shipping of BHP products (we intend to provide the intensity metric baseline for this goal in our Annual Report 2023, at bhp.com; see Abs4 above for associated progress and plans).

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

Abs2

Abs4

Abs5

Abs6

Target year for achieving net zero

2050

Is this a science-based target?

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

Please explain target coverage and identify any exclusions

Please also see details provided for the above Abs 2, Abs4, Abs5 and Abs6 targets and 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 FY2023 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-related 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 of net zero Scope 3 GHG emissions by 2050. Achievement of this goal is uncertain, particularly given the challenges of a net zero pathway for our customers in steelmaking, and we cannot ensure the outcome alone.

Please see definitions of terms used in our targets and goals in the Glossary of our Annual Report 2022, available at bhp.com, including the terms 'target', 'goal', 'net zero' and 'carbon neutral'.

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

BHP prioritises emissions reduction at our operated assets to achieve our Scope 1 and 2 target and goal, with investments in external carbon offset projects considered complementary to this 'structural abatement'. Although we prioritise internal emission reduction, we acknowledge a role for offsets in a temporary or transitional capacity while abatement options are being studied, as well as for 'hard to abate' emissions with limited or no current technological solutions, and where access to renewable energy is constrained.

BHP has five potential 'use cases' for carbon offsets, to complement the structural emissions abatement that we prioritise (refer to the 'BHP Carbon Offset Use Cases' table in our Annual Report 2022, available at bhp.com). This includes contributing to our

Scopes 1, 2 and 3 emission reduction targets and goals and complying with emissions regulations (e.g. under the Australian Safeguard mechanism) as we work to decarbonise our business. 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. More recent information will be available in our Annual Report 2023, at bhp.com.

BHP is committed to transparently disclosing the carbon offsets that we retire towards meeting our own climate change targets and goals. We did not retire any offsets for this purpose in FY2022.

For more information including our due diligence approach, refer to bhp.com/sustainability/climate-change/carbon-offsets.

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 FY2023 reporting suite (including the Annual Report) which will be available at bhp.com.

C-CO4.2d

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

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	0	
To be implemented*	6	
Implementation commenced*	0	
Implemented*	1	1,610,000

Not to be implemented	0
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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)

1,610,000

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

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

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

0

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

0

Payback period

No payback

Estimated lifetime of the initiative

11-15 years

Comment

In FY2022, as a result of renewable energy power purchase agreements BHP has implemented for Minerals America, Scope 2 (market based) emissions have decreased at Escondida and Pampa Norte. This resulted in an emissions reduction of approximately 1,610,000 tCO₂e. This was calculated by comparing to emissions which would arise if the electricity was instead sourced from the local spot market. It should be noted that Escondida and Spence (one of the operations comprising Pampa Norte) were previously contracting electricity which was primarily generated from coal and gas with a higher average emissions intensity than the spot market. As such, this is considered a conservative estimate of the total emissions reductions achieved as a result of these new contracts. We expect Scope 2 emissions to decrease to zero by the mid-2020s at Escondida and the Spence operation at Pampa Norte, as these operations move to 100 per cent of their electricity use being supplied from renewable sources.

Estimated lifetime of the initiative is based on existing power purchase agreement durations. Zero has been entered for Annual monetary savings and Investment required and 'No payback' for the 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	<p>Regional carbon taxes, levies or allowances, or emissions trading schemes, are becoming increasingly important mechanisms to drive decarbonisation. In our Annual Report 2022, we forecast the global range of regional carbon prices to reach between US\$0-175/tCO₂-e in FY2030, and US\$10-250/tCO₂-e in FY2050, and US\$10-175/tCO₂-e in FY2030 and US\$100-250/tCO₂-e in FY2050 in BHP's current major operational and market countries. See also the Important Notice set out in Section C0.1 above in relation to forward looking statements.</p> <p>Our carbon price forecasts are also used along with other qualitative and quantitative metrics, such as the outcomes of our 1.5°C scenario analysis (refer to 'Scenario analysis' and 'Capital alignment'), in our assessment of investments under the 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.</p> <p>Please refer to our Climate Transition Action Plan 2021, Climate Change Report 2020, and Annual Report 2022 available online at bhp.com, for more information. More recent information about our forecast carbon prices will be available in our Annual Report 2023, at bhp.com.</p>
Dedicated budget for other emissions reduction activities	<p>In FY2020, we announced a commitment of at least US\$400 million to invest in GHG emissions reduction across our operated assets and value chain over the five-year life of our Climate Investment Program. We spent US\$47 million on initiatives consistent with this program in FY2022, targeting operational, maritime, and steelmaking emissions and BHP Ventures investments. This figure does not include the operating expenditure associated with renewable electricity arrangements established at a number of our operations, which collectively represented the main source of operational emissions abatement for BHP in FY2022. More than US\$200 million has been included in approved budgets for FY2023 as our decarbonisation programs further mature, and we will continue expenditure of up to US\$75 million over the coming years channelled towards partnerships with our customers in the steel sector. More recent information about our expected spend on operational decarbonisation by FY2030 and steel decarbonisation collaborations will be available in our Annual Report 2023, at bhp.com.</p>

Internal finance mechanisms	Our capital allocation process is structured to ensure capital expenditure plans are aligned with our FY2030 and 2050 operational emissions reduction target and goal. We expect to spend around US\$4 billion on operational decarbonisation by FY2030, with plans reflecting an annual capital allocation of between approximately US\$200 million and approximately US\$600 million per year over the next five years. Going forward, as our climate response is further integrated into business-as-usual planning, our spending on climate initiatives is expected to become increasingly indistinguishable from normal business spending. More recent information about our expected spend on operational decarbonisation by FY2030 will be available in our Annual Report 2023, at bhp.com.
Marginal abatement cost curve	When considering initiatives to meet our operational emission medium-term target and long-term goal, we consider a number of 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.

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

22

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

2

Level of aggregation

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
Uranium

Description of product(s) or service(s)

Australian uranium is sold for nuclear power generation only, a low emissions source of electricity.

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

1

C-CO4.6

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

C-CO4.7

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

C-CO4.8

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

C5. Emissions methodology

C5.1

(C5.1) 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?

Yes, a divestment

Name of organization(s) acquired, divested from, or merged with

Divestments: BHP's 80 per cent interest in BHP Mitsui Coal to Stanmore SMC Holdings Pty Ltd and BHP's oil and gas portfolio merged with Woodside Energy Group Limited (Woodside).

Details of structural change(s), including completion dates

During FY2022, BHP completed a number of portfolio changes as follows: 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 divestment of BHP's oil and gas portfolio by merger with Woodside (so we no longer own or operate a petroleum business). Also, 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) was completed, noting the effective economic date was 31 December 2020 and as such the emissions have not been reported for this operation since that date.

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	Details of methodology, boundary, and/or reporting year definition change(s)
--	--

	reporting year definition?	
Row 1	<p>Yes, a change in methodology</p> <p>Yes, a change in boundary</p>	<p>Scope 1 and Scope 2 equity share emissions boundary: In FY2022, we improved the equity share accounting approach for our Minerals Americas assets in Chile to better reflect the overall net emissions position between our non-operated Kelar power generation facility (Kelar) and operated Escondida and Pampa Norte assets.</p> <p>Scope 1 and Scope 2 emissions methodology change: In FY2022, the Caval Ridge operation (BHP Mitsubishi Alliance, Queensland, Australia) moved to a facility-specific emissions calculation methodology for fugitive emissions as detailed in Australia's National Greenhouse and Energy Reporting (NGER) (Measurement) Determination 2008 (Method 2 – extraction of coal). Previously, default factors were used as provided in the NGER (Measurement) Determination 2008 (Method 1 – extraction of coal) for open-cut coal mines located in Queensland, Australia.</p> <p>Scope 3 methodology changes:</p> <ol style="list-style-type: none"> 1. Purchased goods and services: In FY2022, we piloted switching the emissions estimation of high-spend goods from select categories (including explosives, grinding media, conveyor belts, tyres and select bulk materials) from spend-based emission factors to industry average quantity-based emission factors or emission factors sourced directly from suppliers. 2. Upstream transportation and distribution: In FY2022, we successfully developed and operationalised a carbon accounting and decision support system tailored to ship chartering, leveraging DNV's Veracity platform. We also added emissions associated with inbound freight to this category of purchased goods that we transitioned to a quantity method in the 'Purchased goods and services (including capital goods)' category. 3. Processing of sold products: In FY2022, we updated our approach to estimating GHG emissions from the downstream processing of our copper products, and developed a new methodology for estimating GHG emissions of our nickel products which allowed us to report this data for the first time. 4. Downstream transportation and distribution: In FY2022, we successfully developed and operationalised a carbon accounting and decision support system tailored to ship chartering, leveraging DNV's Veracity platform. <p>Further details on the above Scope 3 methodology changes are provided in C6.5a.</p>

C5.1c

(C5.1c) Have your organization’s base year emissions and past years’ emissions been recalculated as a result of any changes or errors reported in C5.1a and/or C5.1b?

	Base year recalculation	Scope(s) recalculated	Base year emissions recalculation policy, including significance threshold	Past years’ recalculation
Row 1	Yes	Scope 1 Scope 2, market-based Scope 3	The baseline year(s) of our targets and goals will be adjusted for any material acquisitions and divestments, and to reflect progressive refinement of emissions reporting methodologies.	Yes

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 as at 30 June 2022 (please see our Annual Report 2022, available at bhp.com, for details on Continuing and Discontinued operations). We also calculated and reported an adjusted baseline excluding material divestments made in FY2022, and including methodology changes – this detail is available in our Annual Report 2022 at bhp.com.

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 as at 30 June 2022 (please see our Annual Report 2022, available at bhp.com, for details on Continuing and Discontinued operations). We also calculated and reported an adjusted

baseline excluding material divestments made in FY2022, and including methodology changes - this detail is available in our Annual Report 2022 at bhp.com.

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 as at 30 June 2022 (please see our Annual Report 2022, available at bhp.com, for details on Continuing and Discontinued operations). We also calculated and reported an adjusted baseline excluding material divestments made in FY2022, and including methodology changes - this detail is available in our Annual Report 2022 at bhp.com.

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)

9,800,000

Comment

In FY2022, we have made further improvements in how we calculate Scope 3 GHG emissions associated with the 'Purchased goods and services (including capital goods)' category by switching the emissions estimation of high spend goods from select categories (including explosives, grinding media, conveyor belts, tyres, and select bulk materials) from spend-based Qantiss emissions factors to industry average quantity-based emissions factors or emissions factors sourced directly from suppliers. Previously reported GHG emissions for the 'Purchased goods and services (including capital goods)' category were 8.9 MtCO₂-e in FY2021 and 8.8 MtCO₂-e in FY2020.

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)

4,600,000

Comment

In FY2022, we successfully developed and operationalised a carbon accounting and decision support system tailored to ship chartering, leveraging DNV's Veracity platform. This also resulted in a restatement of our maritime emissions in the Upstream transportation and distribution category for FY2021 and FY2020. For FY2022, we have also added GHG emissions associated with inbound freight to this category of purchased goods that we transitioned to a quantity method in the 'Purchased goods and services (including capital goods)' category. Previously reported GHG emissions for the 'Upstream transportation and distribution' category were 3.8 MtCO₂-e in both FY2021 and FY2020.

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)

2,900,000

Comment

In FY2022, we successfully developed and operationalised a carbon accounting and decision support system tailored to ship chartering, leveraging DNV's Veracity platform. This also resulted in a restatement of our maritime emissions in the 'Downstream transportation and distribution' category for FY2021 and FY2020. Previously reported GHG emissions for this category were 3.8 MtCO₂-e in FY2021 and 4.0 MtCO₂-e in FY2020.

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)

294,000,000

Comment

In FY2022, we increased the granularity of calculations for downstream emissions associated with the processing of our copper products. We now split our product volumes into copper concentrates that are processed into cathodes by third parties and our own copper cathodes, which are assumed to be processed into copper semi-fabricated products. This has also removed the double counting of our Scope 1 and 2 emissions previously present in our calculations. This has resulted in a restatement of copper processing in the 'Processing of sold products' category for FY2021 and FY2020. Previously reported GHG emissions for copper processing in the 'Processing of sold products' category were 5.0 MtCO₂-e in FY2021 and 5.2 MtCO₂-e in FY2020. In FY2022, we also began reporting downstream Scope 3 emissions for nickel processing to increase transparency as our nickel business grows to be sufficiently material to report. Our methodology covers downstream emissions from customers' processing of BHP's nickel products in four segments. Based on sales data, we estimate emissions of (1) our nickel intermediates that go to third party refiners; (2) nickel metal that goes into stainless steel and alloys production; (3) refined nickel metal that goes into nickel sulphate (NiSO₄) for battery value chains; and (4) BHP's NiSO₄ that goes directly into battery precursor active material production. Historical emissions have not been retroactively reported as GHG emissions for nickel processing in the 'Processing of sold products' category are estimated to be immaterial.

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)

2,700,000

Comment

Tamakaya Energía SpA emissions for FY2021 and FY2020 have been restated to include emissions associated with Kelar Power Plant generation that was sold to the grid and to update provisional data. Previously reported GHG emissions for this category were 2.5 MtCO₂-e in FY2021 and 2.6 MtCO₂-e in FY2020.

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 Emissions
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)

9,200,000

Start date

July 1, 2021

End date

June 30, 2022

Comment

Data for FY2023 will be available in our Annual Report 2023 and online at bhp.com.

Past year 1

Gross global Scope 1 emissions (metric tons CO₂e)

10,100,000

Start date

July 1, 2020

End date

June 30, 2021

Comment

FY2021 originally reported emissions data that has been restated is 10.0 MtCO₂-e for Scope 1 GHG emissions due to minor amendments to fugitive emissions from the coal operated assets as part of the annual reconciliation process for Australian regulatory reporting purposes.

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

4,800,000

Scope 2, market-based (if applicable)

3,100,000

Start date

July 1, 2021

End date

June 30, 2022

Comment

Data for FY2023 will be available in our Annual Report 2023 and online at bhp.com.

Past year 1

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

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 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)

9,900,000

Emissions calculation methodology

Hybrid method

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

9

Please explain

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

Calculation methodology: Emissions estimates for 'high-spend goods' from select categories (including explosives, grinding media, conveyor belts, tyres and select bulk materials) are calculated using industry average, quantity-based emission factors or emission factors sourced directly from suppliers. FY2021 spend data was used as a basis to determine what constituted a 'high-spend good' for the select categories mentioned earlier. For remaining purchased goods and services (i.e. other than select 'high-spend goods'), we use the 'spend-based' method, as described in the Scope 3 Guidance, 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 FY2023 will be available in our Annual Report 2023 and online at bhp.com.

Capital goods

Evaluation status

Not relevant, explanation provided

Please explain

As described in the Scope 3 Guidance, depending on a company's internal procurement processes, purchases of capital goods can be difficult to segregate from the 'Purchased goods and services' category. Given our spend data (which includes purchases of capital goods) has been captured in the calculation methodology for category 1, GHG emissions related to purchases of capital goods are not reported separately here. Instead, for BHP's value chain, the GHG emissions reported under category 1 include GHG emissions associated with 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 FY2023 will be available in our Annual Report 2023 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)

1,000,000

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 during FY2022, 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 FY2023 will be available in our Annual Report 2023 and online at bhp.com.

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

4,600,000

Emissions calculation methodology

Hybrid method

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

91

Please explain

As the Scope 3 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, DNV's Veracity – a data platform used to collate, validate and report vessel GHG emissions under regulatory and voluntary schemes – was used to develop a Scope 3 emissions estimate based on its accredited verification methodology. All fuel consumption values reported to BHP by vessel owners are systematically assessed to seek to identify missing data and anomalies. Where fuel consumption values are unavailable, incomplete or appear anomalous, vessel-specific and voyage-specific data is sourced from a range of publicly and privately available sources to generate fuel consumption estimates instead, applying assumptions where required. 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 (category 1).

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 FY2023 will be available in our Annual Report 2023 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 FY2023 will be available in our Annual Report 2023 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

43

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.

Calculation methodology: Emissions from flights undertaken by employees for business travel are sourced directly from BHP's third-party corporate travel service provider's FY2022 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 FY2023 will be available in our Annual Report 2023 and online at bhp.com.

Employee commuting

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO₂e)

300,000

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 FY2023 will be available in our Annual Report 2023 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 FY2023 will be available in our Annual Report 2023 and online at bhp.com.

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

3,200,000

Emissions calculation methodology

Hybrid method

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

99

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 freight cargoes, DNV's Veracity – a data platform used to collate, validate and report vessel GHG emissions under regulatory and voluntary schemes – was used to develop a Scope 3 emissions estimate based on its accredited verification methodology. Where fuel consumption values are unavailable, incomplete or appear anomalous, vessel-specific and voyage-specific data is used from a range of publicly and privately available sources. For all road and rail freight cargoes,

the 'distance-based' method as described in the GHG Protocol Technical Guidance for Calculating Scope 3 Emissions (Scope 3 Guidance) is used to calculate estimated GHG emissions figures. BHP uses data from a range of publicly and privately available data sources, including vehicle type, cargo, distance travelled or expected to be travelled (noting that BHP is not always aware of the precise discharge location(s)). Where required, BHP uses reasonable assumptions (for example, an assumption regarding the most likely discharge location) as the basis for estimations. Emissions are calculated 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 each trip (tonne.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 FY2023 will be available in our Annual Report 2023 and online at bhp.com.

Processing of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

306,700,000

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, copper and nickel. Emissions from the third-party processing of these four products are estimated for this category.

Calculation methodology: The 'average-data' method as described in the Scope 3 Guidance 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.

Steelmaking (iron ore/metallurgical coal processing): Carbon emissions relating to steelmaking from processing BHP raw materials are estimated using global average emissions intensity factor of tonnes of CO₂ per tonne of crude steel 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.

Copper processing: Industry-wide average emission factors are applied to copper concentrate and copper cathode production volumes. These factors are sourced from recent studies conducted by the International Copper Association (ICA) and the Copper Council.

Nickel processing: Industry average emission factors are applied to the production volumes for each product segment, sourced from LCA analysis done by the Nickel Institute (2021), or from third-party analysis, including CRU and BloombergNEF.

Exclusions: BHP also produces zinc, gold, silver, cobalt, ethane and uranium oxide. 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.

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 FY2023 will be available in our Annual Report 2023 and online at bhp.com.

Use of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

72,600,000

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

Until 1 June 2022 (the date of completion of the divestment of our Petroleum business by merger with Woodside (so we no longer own or operate a petroleum business), BHP produced natural gas and other petroleum products, and continues to produce energy coal, 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 Scope 3

'Processing of sold products' category to remove the potential double counting of emissions across the two categories, and to report it together with iron ore, as both commodities serve as inputs into the steelmaking process. BHP has historically marketed a small portion of BMA products against thermal coal indexes. In FY2022, this portion was approximately 6 per cent, up from 2 per cent in FY2021. For purposes of enhancing the transparency and accuracy of our Scope 3 emissions reporting, for FY2022 we have estimated the energy coal component of BMA production based on the percentage of BMA product marketed as thermal coal and associated GHG emissions under this 'Use of Sold Products' category.

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 FY2023 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 FY2023 will be available in our Annual Report 2023 and online at bhp.com.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

An 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 FY2023 will be available in our Annual Report 2023 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 FY2023 will be available in our Annual Report 2023 and online at bhp.com.

Investments

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

2,700,000

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 2022, available at bhp.com. For these non-operated assets (or interests), we have worked with the relevant operators to obtain GHG emissions data for the FY2022 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 FY2022 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 – Kellar Power Plant, Antamina, ROD Algeria, Samarco and Solgold Plc. (Refer to the note in Section C0.1 for a description of BHP’s portfolio changes during FY2022, 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 FY2023 will be available in our Annual Report 2023 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 FY2023 will be available in our Annual Report 2023 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](https://www.bhp.com/climate). Data for FY2023 will be available in our Annual Report 2023 and online at [bhp.com](https://www.bhp.com).

C6.5a

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

Past year 1

Start date

July 1, 2020

End date

June 30, 2021

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

10,100,000

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)**

1,100,000

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

4,800,000

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)

400,000

Scope 3: Upstream leased assets (metric tons CO2e)

0

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

3,100,000

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

301,500,000

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

76,400,000

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)

2,700,000

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 FY2022, we have made further improvements in how we calculate Scope 3 GHG emissions associated with the 'Purchased goods and services (including capital goods)' category by switching the emissions estimation of high spend goods from select categories (including explosives, grinding media, conveyor belts, tyres, and select bulk materials) from spend-based Qantis emissions factors to industry average quantity-based emissions factors or emissions factors sourced directly from suppliers. Previously reported GHG emissions for the 'Purchased goods and services (including capital goods)' category were 8.9 MtCO₂-e in FY2021 and 8.8 MtCO₂-e in FY2020.

Restatement of emissions from upstream transportation and distribution: In FY2022, we successfully developed and operationalised a carbon accounting and decision support system tailored to ship chartering, leveraging DNV's Veracity platform. This also resulted in a restatement of our maritime emissions in the Upstream transportation and distribution category for FY2021 and FY2020. For FY2022, we have also added GHG emissions associated with inbound freight to this category of purchased goods that we transitioned to a quantity method in the 'Purchased goods and services (including capital goods)' category. Previously reported GHG emissions for the 'Upstream transportation and distribution' category were 3.8 MtCO₂-e in both FY2021 and FY2020.

Restatement of emissions from processing of sold products: In FY2022, we increased the granularity of calculations for downstream emissions associated with the processing of our copper products. We now split our product volumes into copper concentrates that are processed into cathodes by third parties and our own copper cathodes, which are assumed to be processed into copper semi-fabricated products. This has also removed the double counting of our Scope 1 and 2 emissions previously present in our calculations. This has resulted in a restatement of copper processing in the 'Processing of sold products' category for FY2021 and FY2020. Previously reported GHG emissions for copper processing in the 'Processing of sold products' category were 5.0 MtCO₂-e in FY2021 and 5.2 MtCO₂-e in FY2020. In FY2022, we also began reporting downstream Scope 3 emissions for nickel processing to increase transparency as our nickel business grows to be sufficiently material to report. Our methodology covers downstream emissions from customers' processing of BHP's nickel products in four segments. Based on sales data, we estimate emissions of (1) our nickel intermediates that go to third party refiners; (2) nickel metal that goes into stainless steel and alloys production; (3) refined nickel metal that goes into nickel sulphate (NiSO₄) for battery value chains; and (4) BHP's NiSO₄ that goes directly into battery precursor active

material production. Historical emissions have not been retroactively reported as GHG emissions for nickel processing in the 'Processing of sold products' category are estimated to be immaterial.

Restatement of emissions from downstream transportation and distribution: In FY2022, we successfully developed and operationalised a carbon accounting and decision support system tailored to ship chartering, leveraging DNV's Veracity platform. This also resulted in a restatement of our maritime emissions in the 'Downstream transportation and distribution' category for FY2021 and FY2020. Previously reported GHG emissions for this category were 3.8 MtCO₂-e in FY2021 and 4.0 MtCO₂-e in FY2020.

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

0.00018895

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

12,300,000

Metric denominator

unit total revenue

Metric denominator: Unit total

65,098,000,000

Scope 2 figure used

Market-based

% change from previous year

84

Direction of change

Decreased

Reason(s) for change

Change in renewable energy consumption

Please explain

Scope 1 and 2 emissions decreased 25 per cent from FY2021 primarily due to an increase in the renewable component of our energy consumption at Escondida and Pampa Norte in Chile. Information for FY2023 will be available in our Annual Report 2022 and online at bhp.com.

Intensity figure

1.5

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

12,300,000

Metric denominator

Other, please specify

Tonnes of copper equivalent production

Metric denominator: Unit total

8,100,000

Scope 2 figure used

Market-based

% change from previous year

32

Direction of change

Decreased

Reason(s) for change

Change in renewable energy consumption

Please explain

Copper equivalent production has been calculated based on FY2022 average realised product prices for FY2022 production with production figures consistent with energy and emissions reporting boundaries (i.e. BHP operational control). The 32% decrease in Copper-equivalent intensity was driven primarily by an increase in the renewable component of our energy consumption at Escondida and Pampa Norte in Chile, partially offset by a relative decrease in the contribution of iron ore to BHP's copper equivalent production volume in 2022 compared to 2021 (decreased price).

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 FY2023 will be available in our Annual Report 2023 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	7,510,000	IPCC Fifth Assessment Report (AR5 – 100 year) ☞ ¹
CH4	1,650,000	IPCC Fifth Assessment Report (AR5 – 100 year) ☞ ²
N2O	20,000	IPCC Fifth Assessment Report (AR5 – 100 year) ☞ ³
SF6	0	IPCC Fifth Assessment Report (AR5 – 100 year) ☞ ⁴
NF3	0	IPCC Fifth Assessment Report (AR5 – 100 year) ☞ ⁵
HFCs	0	IPCC Fifth Assessment Report (AR5 – 100 year) ☞ ⁶

☞¹BHP currently uses Global Warming Potentials (GWP) from the Intergovernmental Panel on Climate Change (IPCC) Assessment Report 5 (AR5) based on a 100-year timeframe for all operations. Minerals Americas transitioned from IPCC Assessment Report 4 (AR4) to AR5 GWP in FY2022, all other Assets transitioned in FY2021.

☞²BHP currently uses Global Warming Potentials (GWP) from the Intergovernmental Panel on Climate Change (IPCC) Assessment Report 5 (AR5) based on a 100-year timeframe for all operations. Minerals Americas transitioned from IPCC Assessment Report 4 (AR4) to AR5 GWP in FY2022, all other Assets transitioned in FY2021.

☞³BHP currently uses Global Warming Potentials (GWP) from the Intergovernmental Panel on Climate Change (IPCC) Assessment Report 5 (AR5) based on a 100-year timeframe for all

operations. Minerals Americas transitioned from IPCC Assessment Report 4 (AR4) to AR5 GWP in FY2022, all other Assets transitioned in FY2021.

⁴BHP currently uses Global Warming Potentials (GWP) from the Intergovernmental Panel on Climate Change (IPCC) Assessment Report 5 (AR5) based on a 100-year timeframe for all operations. Minerals Americas transitioned from IPCC Assessment Report 4 (AR4) to AR5 GWP in FY2022, all other Assets transitioned in FY2021.

⁵BHP currently uses Global Warming Potentials (GWP) from the Intergovernmental Panel on Climate Change (IPCC) Assessment Report 5 (AR5) based on a 100-year timeframe for all operations. Minerals Americas transitioned from IPCC Assessment Report 4 (AR4) to AR5 GWP in FY2022, all other Assets transitioned in FY2021.

⁶BHP currently uses Global Warming Potentials (GWP) from the Intergovernmental Panel on Climate Change (IPCC) Assessment Report 5 (AR5) based on a 100-year timeframe for all operations. Minerals Americas transitioned from IPCC Assessment Report 4 (AR4) to AR5 GWP in FY2022, all other Assets transitioned in FY2021.

C-CO7.1b

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

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

C7.2

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

Country/area/region	Scope 1 emissions (metric tons CO2e)
Australasia	7,410,000
North America	530,000
South America	1,240,000

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	4,330,000
Copper	1,420,000
Iron Ore	2,170,000
Nickel	490,000
Petroleum	740,000
Potash	20,000
Other (projects etc)	10,000

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)	180,000	-30.440514	136.802759
Western Australia Iron Ore (Australia, iron ore)	2,170,000	-23.531299	117.223958
Queensland Coal (Australia, metallurgical coal)	3,830,000	-26.402614	149.670159
New South Wales Energy Coal (Australia, energy coal)	500,000	-32.532366	150.659224
Nickel West (Australia, nickel)	490,000	-28.95385	120.523355

Escondida (Chile, copper)	900,000	- 27.922911	-72.764376
Pampa Norte (Chile, copper)	340,000	- 25.099567	-70.987772
Jansen Potash Project (Canada, potash)	20,000	51.88665	- 104.739435
Gulf of Mexico production (US, conventional oil and gas)	130,000	24.358456	-93.972518
Australia production unit (Australia, conventional oil and gas)	240,000	- 38.517462	145.556653
Other (Trinidad & Tobago, Petroleum head office, Projects etc)	380,000	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 CO ₂ e	Comment
Coal production activities		
Metals and mining production activities	4,080,000	Emissions from our copper, nickel and iron ore assets

C7.5

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

Country/area/region	Scope 2, location-based (metric tons CO ₂ e)	Scope 2, market-based (metric tons CO ₂ e)
Australasia	2,330,000	2,180,000
North America	30,000	30,000
South America	2,420,000	910,000

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	1,130,000	1,060,000
Copper	2,760,000	1,240,000
Iron Ore	260,000	260,000
Nickel	610,000	530,000
Petroleum	0	0
Other (Potash, projects etc)	30,000	30,000

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)	330,000	330,000
Western Australia Iron Ore (Australia, iron ore)	260,000	260,000
Queensland Coal (Australia, metallurgical coal)	1,050,000	980,000
New South Wales Energy Coal (Australia, energy coal)	80,000	80,000
Nickel West (Australia, nickel)	610,000	530,000
Escondida (Chile, copper)	1,970,000	720,000
Pampa Norte (Chile, copper)	450,000	190,000
Australia production (Australia, conventional oil and gas)	0	0
Gulf of Mexico production (US, conventional oil and gas)	0	0
Other (Potash, Trinidad and Tobago, Projects etc)	30,000	30,000

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

No

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 CO ₂ e	Scope 2, market-based (if applicable), metric tons CO ₂ e	Comment
Coal production activities			
Metals and mining production activities	3,630,000	2,030,000	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?

Decreased

C7.9a

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

	Change in emissions (metric tons CO ₂ e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	2,960,000	Decreased	18.1	Scope 2 emissions reduction estimate due to commencement of new electricity supply contracts at Escondida and Pampa Norte during the year. High level reduction estimate based on net reduction from FY2021 emissions for these assets. Percentage is calculated as a fraction of the total emissions in FY2021.
Other emissions	0	No change	0	General productivity improvements ongoing. Emissions reductions are not explicitly recorded from these activities.

reduction activities				
Divestment	50,000	Decreased	0.3	<p>BHP's Petroleum business (divested by merger with Woodside completed on 1 June 2022), so we no longer own or operated a petroleum business, and BHP Mitsui Coal divestment (sale completed on 3 May 2022).</p> <p>High level reduction estimate based on net reduction from FY2021 emissions for the facility.</p> <p>Percentage is calculated as a fraction of the total emissions in FY2021.</p>
Acquisitions	0	No change	0	N/A
Mergers	0	No change	0	N/A
Change in output	410,000	Decreased	2.5	<p>Decrease in coal production from FY2021 to FY2022.</p> <p>High level reduction estimate based on net reduction in emissions across coal assets, less impacts from sale of BMC and change in fugitive emissions methodology at Caval Ridge, which are included in other line items.</p> <p>Percentage is calculated as a fraction of the total emissions in FY2021.</p>
Change in methodology	350,000	Decreased	2.1	<p>In FY2022, the Caval Ridge operation moved to a facility-specific emissions calculation methodology for fugitive emissions as detailed in the NGER (Measurement) Determination 2008 (Method 2 - extraction of coal). When comparing FY2022 to FY2021, this methodology change reduced reported fugitive emissions by approximately 0.35 Mtonnes CO₂-e.</p> <p>Reduction estimate based on difference from recalculated fugitive emissions using Method 1 factor.</p> <p>Percentage is calculated as a fraction of the total emissions in FY2021.</p>

Change in boundary	0	No change	0	N/A
Change in physical operating conditions	0	No change	0	N/A
Unidentified	0	No change	0	N/A
Other	246,000	Decreased	1.5	Scheduled maintenance at Olympic Dam and other minor impacts. Percentage is calculated as a fraction of the total emissions in FY2021.

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	31,119,000	31,119,000
Consumption of purchased or acquired electricity		4,750,000	5,513,000	10,263,000
Consumption of self-generated non-fuel renewable energy		0		0
Total energy consumption		4,750,000	36,632,000	41,382,000

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)	16,972,000
Consumption of purchased or acquired electricity		8,806,000
Consumption of self-generated non-fuel renewable energy		0
Total energy consumption		25,778,000

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

N/A

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

N/A

Other renewable fuels (e.g. renewable hydrogen)

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

N/A

Coal

Heating value

HHV

Total fuel MWh consumed by the organization

200,300

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

24,214,200

MWh fuel consumed for self-generation of electricity

48,500

MWh fuel consumed for self-generation of heat

10,658,000

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

6,155,300

MWh fuel consumed for self-generation of electricity

1,556,700

MWh fuel consumed for self-generation of heat

27,200

MWh fuel consumed for self-generation of steam

591,300

MWh fuel consumed for self- cogeneration or self-trigeneration

1,906,700

Comment

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

Heating value

HHV

Total fuel MWh consumed by the organization

548,900

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

Includes LPG, acetylene and other fuels consumed in small quantities

Total fuel

Heating value

HHV

Total fuel MWh consumed by the organization

31,118,700

MWh fuel consumed for self-generation of electricity

1,605,400

MWh fuel consumed for self-generation of heat

10,685,200

MWh fuel consumed for self-generation of steam

591,300

MWh fuel consumed for self- cogeneration or self-trigeneration

1,906,700

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	1,399,900	1,335,800	0	0
Heat	0	0	0	0
Steam	473,000	473,000	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	875,100	811,000
Heat	0	0
Steam	473,000	473,000
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.

Country/area of low-carbon energy consumption

Australia

Sourcing method

Physical power purchase agreement (physical PPA) with a grid-connected generator

Energy carrier

Electricity

Low-carbon technology type

Large hydropower (>25 MW)

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

143,604

Tracking instrument used

Contract

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

Australia

Are you able to report the commissioning or re-powering year of the energy generation facility?

Yes

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

1957

Comment

BMA and BMC PPA - Wivenhoe Pumped Storage Hydro (commissioned 1984), Barron Gorge River Hydro (commissioned 1963), Kareeya River Hydro (commissioned 1957)

Country/area of low-carbon energy consumption

Chile

Sourcing method

Physical power purchase agreement (physical PPA) with a grid-connected generator

Energy carrier

Electricity

Low-carbon technology type

Renewable energy mix, please specify

Primarily wind and solar

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

4,606,033

Tracking instrument used

I-REC

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

Chile

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

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

PPAs at Escondida and Spence

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area

Australia

Consumption of purchased electricity (MWh)

3,603,000

Consumption of self-generated electricity (MWh)

1,065,300

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

473,000

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

5,141,300

Country/area

United States of America

Consumption of purchased electricity (MWh)

16,000

Consumption of self-generated electricity (MWh)

0

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

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

16,000

Country/area

Canada

Consumption of purchased electricity (MWh)

31,000

Consumption of self-generated electricity (MWh)

2,900

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

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

33,900

Country/area

Chile

Consumption of purchased electricity (MWh)

6,611,000

Consumption of self-generated electricity (MWh)

6,600

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

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

6,617,600

Country/area

Trinidad and Tobago

Consumption of purchased electricity (MWh)

2,000

Consumption of self-generated electricity (MWh)

261,000

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

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

263,000

C9. Additional metrics

C9.1

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

C-CO9.2a

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

Thermal coal

Proven reserves (million metric tons)

Probable reserves (million metric tons)

Production (million metric tons)

Energy content of production (GJ per metric ton)

Heating value

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

Comment

Metallurgical coal

Proven reserves (million metric tons)

Probable reserves (million metric tons)

Production (million metric tons)

Energy content of production (GJ per metric ton)

Heating value

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

Comment

Other coal

Proven reserves (million metric tons)

Probable reserves (million metric tons)

Production (million metric tons)

Energy content of production (GJ per metric ton)

Heating value

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

Comment

Total coal

Proven reserves (million metric tons)

Probable reserves (million metric tons)

Production (million metric tons)

Energy content of production (GJ per metric ton)

Heating value

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

Comment

C-CO9.2b

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

Thermal coal

Measured resources (million metric tons)

Indicated resources (million metric tons)

Inferred resources (million metric tons)

Total resources (million metric tons)

Comment

Metallurgical coal

Measured resources (million metric tons)

Indicated resources (million metric tons)

Inferred resources (million metric tons)

Total resources (million metric tons)

Comment

Other coal

Measured resources (million metric tons)

Indicated resources (million metric tons)

Inferred resources (million metric tons)

Total resources (million metric tons)

Comment

Total coal

Measured resources (million metric tons)

Indicated resources (million metric tons)

Inferred resources (million metric tons)

Total resources (million metric tons)

Comment

C-CO9.3a

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

	Production (%)	Comment
Lignite		
Subbituminous		
Bituminous		
Anthracite		
Other		

C-MM9.3a

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

Output product

Iron ore

Capacity, metric tons

Production, metric tons

282,770,000

Production, copper-equivalent units (metric tons)

3,247,000

Scope 1 emissions

2,170,000

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 FY2022 average realised product prices for FY2022 production. Production figures used are consistent with energy and emissions reporting boundaries (i.e. BHP operational control) and are taken on 100 per cent basis.

Comment

C-CO9.3b

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

	Production (%)
Underground	
Surface	

C-MM9.3b

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

Output product

Copper

Capacity (metric tons)

Production (metric tons)

1,420,000

Annual production in copper-equivalent units (thousand tons)

1,420

Scope 1 emissions (metric tons CO2e)

1,420,000

Scope 2 emissions (metric tons CO2e)

1,240,000

Scope 2 emissions approach

Market-based

Pricing methodology for-copper equivalent figure

Copper equivalent production has been calculated based on FY2022 average realised product prices for FY2022 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)

80,000

Annual production in copper-equivalent units (thousand tons)

195

Scope 1 emissions (metric tons CO2e)

490,000

Scope 2 emissions (metric tons CO2e)

530,000

Scope 2 emissions approach

Market-based

Pricing methodology for-copper equivalent figure

Copper equivalent production has been calculated based on FY2022 average realised product prices for FY2022 production. Production figures used are consistent with energy and emissions reporting boundaries (i.e. BHP operational control) and are taken on 100 per cent basis.

Comment

C-CO9.4a

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

C-OG9.5a/C-CO9.5a

(C-OG9.5a/C-CO9.5a) Break down, by fossil fuel expansion activity, your organization's CAPEX in the reporting year and CAPEX planned over the next 5 years.

	CAPEX in the reporting year for this expansion activity (unit currency as selected in C0.4)	CAPEX in the reporting year for this expansion activity as % of total CAPEX in the reporting year	CAPEX planned over the next 5 years for this expansion activity as % of total CAPEX planned over the next 5 years	Explain your CAPEX calculations, including any assumptions
Development of new coal mines				

Expansion of existing coal mines				
----------------------------------	--	--	--	--

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

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

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

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

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

Technology area	Stage of development in the reporting year	Average % of total R&D investment over the last 3 years	R&D investment figure in the reporting year (unit currency as selected in C0.4) (optional)	Average % of total R&D investment planned over the next 5 years	Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

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

Other, please specify

US\$400m Climate Investment Program

Stage of development in the reporting year

Applied research and development

Average % of total R&D investment over the last 3 years

20

R&D investment figure in the reporting year (unit currency as selected in C0.4) (optional)

47,000,000

Average % of total R&D investment planned over the next 5 years

Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

In FY2020, we announced a commitment of at least US\$400 million to invest in GHG emissions reduction across our operated assets and value chain over the five-year life of our Climate Investment Program. We spent US\$47 million on initiatives consistent with this program in FY2022, targeting operational, maritime, and steelmaking emissions and BHP Ventures investments. This figure does not include the operating expenditure associated with renewable electricity arrangements established at a number of our operations, which collectively represented the main source of operational emissions abatement for BHP in FY2022. More than US\$200 million has been included in approved budgets for FY2023 as our decarbonisation programs further mature, and we will continue expenditure of up to US\$75 million over the coming years channelled towards partnerships with our customers in the steel sector. More recent information about our expected spend on operational decarbonisation by FY2030 and steel decarbonisation collaborations will be available in our Annual Report 2023, at bhp.com.

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 2022.pdf

Page/ section reference

BHP Annual Report 2022, page 64

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 2022.pdf

Page/ section reference

BHP Annual Report 2022, page 64

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 2022.pdf

Page/ section reference

BHP Annual Report 2022, page 64

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

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

Scope 3: Upstream transportation and distribution

Scope 3: Business travel

Scope 3: Employee commuting

Scope 3: Investments

Scope 3: Downstream transportation and distribution

Scope 3: Processing of sold products

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 2022.pdf

Page/section reference

BHP Annual Report 2022, page 64

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?

 BHP Annual Report 2022.pdf

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C8. Energy	Energy consumption	ISAE3000	Reasonable assurance over our FY2022 energy consumption data, as included in the Scope 1 and Scope 2 emissions data calculations. Refer to the 2022 Assurance Statement in the Annual Report 2022, page 64. BHP Annual Report 2022.pdf
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. BHP Climate Change Report 2020.pdf  1
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	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

	Action Plan 2021 for further details)		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. BHP Climate Transition Action Plan 2021.pdf  2
C5. Emissions performance	Year on year change in emissions (Scope 1)	ISAE3410	Reasonable assurance over our Scope 1 and Scope 2 emissions data Refer to the 2022 Assurance Statement in the Annual Report 2022, page 64. BHP Annual Report 2022.pdf  3
C5. Emissions performance	Year on year change in emissions (Scope 2)	ISAE3410	Reasonable assurance over our Scope 1 and Scope 2 emissions data Refer to the 2022 Assurance Statement in the Annual Report 2022, page 64. BHP Annual Report 2022.pdf  3
C1. Governance	Other, please specify Qualitative content in the Annual Report 2022 describing Governance. Refer to Assurance Statement on page 64 in Annual Report 2022 for further details.)	ISAE 3000	Limited assurance over the following information ('subject matter') in Annual Report 2022 in accordance with the noted criteria: BHP's qualitative disclosures in sections 6 and 7 of the Operating and Financial Review within BHP's Annual Report 2022. Please refer to page 64 in the Annual Report 2022 for the Assurance Statement. BHP Annual Report 2022.pdf  3
C2. Risks and opportunities	Other, please specify (Qualitative content in the Annual Report 2022 describing Risk management approach. Refer to Assurance Statement on page 64 in Annual Report 2022 for further details.)	ISAE 3000	Limited assurance over the following information ('subject matter') in Annual Report 2022 in accordance with the noted criteria: BHP's qualitative disclosures in sections 6 and 7 of the Operating and Financial Review within BHP's Annual Report 2022. Please refer to page 64 in the Annual Report 2022 for the Assurance Statement. BHP Annual Report 2022.pdf

			 ³
C4. Targets and performance	Progress against emissions reduction target	ISAE 3000	Reasonable assurance over FY2022 progress against our emissions reduction targets, as included in the Scope 1 and Scope 2 emissions data calculations. Refer to the 2022 Assurance Statement in the Annual Report 2022, page 64. BHP Annual Report 2022.pdf  ³

 ¹BHP Climate Change Report 2020.pdf

 ²BHP Climate Transition Action Plan 2021.pdf

 ³BHP Annual Report 2022.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

77

% of Scope 2 emissions covered by the ETS

0

Period start date

July 1, 2021

Period end date

June 30, 2022

Allowances allocated

8,772,741

Allowances purchased

0

Verified Scope 1 emissions in metric tons CO2e

6,920,000

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. For FY2022, no allowances are allocated per se, however the set baseline emissions total is reflected as allowances above for transparency. From FY2024, baselines will decline by 4.9 per cent per year to FY2030, with subsequent rates of decline after FY2030 to be set at five-year intervals.

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, 2021

Period end date

June 30, 2022

% of total Scope 1 emissions covered by tax

0.7

Total cost of tax paid

322,120

Comment**C11.1d**

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

Our assets and markets are likely to continue to be subject to variations in regulation and levels of carbon pricing depending on location and industry. Similarly, the competitiveness of our products and the processes in which they are used are expected to be impacted by the adoption of carbon legislation in customer countries. We utilise an explicit regulatory carbon price forecast for major BHP operational, competitor and customer countries. In determining our forecast, we consider factors such as a country's current and announced climate policies

and targets and societal factors such as public acceptance and demographics. In our Annual Report 2022, we forecast the global range of regional carbon prices to reach between US\$0-175/tCO₂-e in FY2030, and US\$10-250/tCO₂-e in FY2050, and US\$10-175/ tCO₂-e in FY2030 and US\$100-250/tCO₂-e in FY2050 in BHP's current major operational and market countries. We have incorporated regional carbon price assumptions in our planning, investment decisions and asset valuations for more than 10 years. They are used together with our operational planning cases based on the current economic outlook for asset planning, asset valuations and operational decision-making. Our carbon price forecasts are also used along with other qualitative and quantitative metrics, such as the outcomes of our 1.5°C scenario analysis, in our assessment of investments under the 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 Annual Report 2022, Climate Transition Action Plan 2021 and Climate Change Report 2020 for more information, available online at bhp.com. More recent information will be available in our 2023 reporting suite, including our Annual Report, at bhp.com.

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

No

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.

Type of internal carbon price

Shadow price

How the price is determined

Alignment with the price of allowances under an Emissions Trading Scheme

Alignment with the price of a carbon tax

Other, please specify

Explicit regulatory carbon price forecast for major BHP operational, competitor and customer countries

Objective(s) for implementing this internal carbon price

Change internal behavior

- Drive energy efficiency
- Drive low-carbon investment
- Identify and seize low-carbon opportunities
- Navigate GHG regulations
- Stakeholder expectations
- Stress test investments
- Reduce supply chain emissions
- Other, please specify
 - Customer engagement

Scope(s) covered

- Scope 1
- Scope 2
- Scope 3 (upstream)
- Scope 3 (downstream)

Pricing approach used – spatial variance

Differentiated

Pricing approach used – temporal variance

Evolutionary

Indicate how you expect the price to change over time

We utilise an explicit regulatory carbon price forecast for major BHP operational, competitor and customer countries. In determining our forecast, we consider factors such as a country's current and announced climate policies and targets and societal factors such as public acceptance and demographics.

In our Annual Report 2022, we forecast the global range of regional carbon prices to reach between US\$0-175/tCO₂-e in FY2030, and US\$10-250/tCO₂-e in FY2050, and US\$10-175/tCO₂-e in FY2030 and US\$100-250/tCO₂-e in FY2050 in BHP's current major operational and market countries. The indicative 'Actual price used – minimum' and 'Actual price used – maximum' figures provided below refer to FY2030 price forecasts in particular locations.

Actual price(s) used – minimum (currency as specified in C0.4 per metric ton CO₂e)

0

Actual price(s) used – maximum (currency as specified in C0.4 per metric ton CO₂e)

175

Business decision-making processes this internal carbon price is applied to

- Capital expenditure
- Operations
- Risk management
- Opportunity management
- Value chain engagement
- Other, please specify

Asset valuation, asset planning

Mandatory enforcement of this internal carbon price within these business decision-making processes

Yes, for some decision-making processes, please specify

Asset planning, asset valuations, operational decision-making, capital allocation, portfolio strategy, investment decisions

Explain how this internal carbon price has contributed to the implementation of your organization's climate commitments and/or climate transition plan

We have incorporated regional carbon price assumptions in our planning, investment decisions and asset valuations for more than 10 years. They are used together with our operational planning cases based on the current economic outlook for asset planning, asset valuations and operational decision-making. Our carbon price forecasts are also used along with other qualitative and quantitative metrics, such as the outcomes of our 1.5°C scenario analysis (refer to 'Scenario analysis' and 'Capital alignment'), in our assessment of investments under the 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.

Recent examples of how portfolio evaluation has informed investment decisions include BHP entering into new renewable power purchase agreements during FY2022 at Nickel West and Olympic Dam to provide operations with renewable power.

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 carbon price forecasts in our climate-related portfolio analysis published in September 2020. More recent information about our forecast carbon prices will be available in our 2023 reporting suite, including the Annual Report at bhp.com.

Please refer to the Important Notice set out in Section C0.1 above in relation to forward looking statements.

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

Invest jointly with suppliers in R&D of relevant low-carbon technologies

% 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 FY2022, representing 1.8% of our total Scope 3 emissions. This figure has been calculated for illustrative purposes for this CDP response only, 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. 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 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 formed a consortium with Rio Tinto, Oldendorff, Star Bulk, and the Global Maritime Forum to analyse and support the potential to develop an iron ore maritime 'green corridor', fuelled by green ammonia.
- We joined the First Mover's Coalition as a member in the shipping sector, on the basis of committing that 10 per cent of BHP's products shipped to our customers, on our time charter vessels, will be on vessels using zero emissions fuels by 2030 subject to the

availability of technology, supply, safety standards and the establishment of reasonable thresholds for price premiums.

Measuring success: Our actions will be aligned to achievement of our Scope 3 2030 goal to support 40% emissions intensity reduction of BHP-chartered shipping of BHP products and our target of net zero by 2050 for GHG emissions from all shipping of BHP products (subject to the widespread availability of carbon neutral solutions to meet our requirements, including low/zero-emissions technologies, fuels, goods and services).

Further detail is provided in our Climate Transition Action Plan 2021 and Annual Report 2022, and more recent information will be available in our Annual Report 2023, all 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)

76

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

2.8

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 (including capital goods), Fuel- and energy-related activities, Business travel and Employee commuting 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 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: In FY2022, we conducted a survey and assessment of the climate positions of our top 500 direct suppliers, representing approximately 76 per cent of our spend (see Note 1) Through this study, we found that 27 per cent of the suppliers surveyed have Scope 1 and Scope 2 targets and/or goals aligned with net zero by 2050. In the coming years, we intend to continue our tracking and engagement of suppliers in relation to their public climate strategies (see Measure of success below).

Measure of success: Our actions will be aligned to achievement of our Scope 3 2030 goals and our target of net zero by 2050 for the operational GHG emissions of our direct suppliers (Notes 2 and 3).

Note 1: This percentage is calculated as a share of our total spend in FY2021, and total spend is defined as the categories of spend that are relevant to Scope 3 emissions reporting categories, which excludes intra-company payments, internal payroll, community and charitable donations, and expenses associated with regulatory compliance and taxation.

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: Target is subject to the widespread availability of carbon neutral solutions to meet our requirements, including low/zero-emissions technologies, fuels, goods and services.

Further detail is provided in our Climate Transition Action Plan 2021 and Annual Report 2022, and more recent information will be available in our Annual Report 2023, all 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

20

% total procurement spend (direct and indirect)

0

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

2.8

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 the 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 20% 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 (including capital goods), Fuel- and energy-related activities, Business travel and Employee commuting 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: Our actions will be aligned to achievement of our Scope 3 2030 goals, and be guided by our long-term vision for sectoral decarbonisation.

Further detail is provided in our Climate Transition Action Plan 2021 and Annual Report 2022, and more recent information will be available in our Annual Report 2023, all 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

Collaboration & innovation

Run a campaign to encourage innovation to reduce climate change impacts

% of customers by number

0

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

24

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

Rationale for selection: The most material part of BHP's reported Scope 3 emissions inventory comes from the downstream processing of our products, in particular from the emissions generated by steelmaking through the processing of iron ore and metallurgical coal. We estimate that in FY2022, emissions associated with the processing of our sold products into steelmaking was 305 MtCO₂-e. This group of customers/sources therefore present commensurately significant opportunities for supporting the achievement of emissions reductions.

Scope of engagement: To support positive climate outcomes in both the near term and long term, we believe it is important to help enable our customers at whatever stage of the 'steel decarbonisation framework' they are in. This 'framework' is a foresight tool designed by BHP to describe the stages that a steelmaking region must pass through on its decarbonisation journey and the technologies that are associated with each of them. BHP's customers in steelmaking are diverse, with some in the 'optimisation' stage, focused on energy and process efficiency, increasing scrap ratios and raw materials optimisation. Others are exploring 'transition' stage solutions like alternative fuels, modified blast furnace (BF) operations, and end-of-pipe solutions like Carbon Capture and Utilisation (CCU) and Carbon Capture, Utilisation and Storage (CCUS). Some companies are investigating the viability of 'green end-state' technologies, such as hydrogen-based direct reduction iron (DRI) with electric arc furnace steelmaking and direct electrolysis processes, like molten oxide electrolysis. Our strategy to support steelmaking is to partner, innovate, advocate and supply the optimal products across these stages.

The figure for per cent Scope 3 emissions corresponds to the proportion of iron ore and metallurgical coal sales to customers we have partnered with to undertake decarbonisation or product optimisation research, pilots or trials. The size of engagement figure is estimated based on per cent emissions from sales to these customers 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. Therefore the figure '0' for 'per cent of customers by number' means that our coverage was not calculated based on spend.

Impact of engagement, including measures of success

Impact of engagement: In FY2022, BHP signed a Memorandum of Understanding (MOU) to partner with South Korean steelmaking company POSCO to study optimising

coal/coke quality for low carbon blast furnace operation and CCUS. This is in addition to our existing partnerships prior to FY2022 with Baowu, JFE and HBIS. Across the four partnerships as at 30 June 2022, we are working with companies that represent approximately 12 per cent of reported global steel production capacity, covering 31 per cent of our direct sales in iron ore and 19 per cent in metallurgical coal in FY2022. BHP has committed to invest up to US\$75 million in research and development of steel decarbonisation pathways through these customer partnerships. The goal of these partnerships is to support the maturation and scaling-up of fit-for-purpose solutions across the steelmaking value-chain in all stages of steel decarbonisation.

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 progression of MOU partnerships with steelmaking customers linked to executive remuneration. These actions will be aligned to achievement of our Scope 3 2030 goals, and be guided by our long-term vision for sectoral decarbonisation. Our relevant 2030 goal is to support industry to develop technologies and pathways capable of 30 per cent emissions intensity reduction in integrated steelmaking, with widespread adoption expected post 2030.

Our FY2023 plans included progressing a subset of existing customer partnerships on projects that in aggregate have the potential to deliver 30 per cent emissions intensity reduction if adopted at scale post-2030. We will also continue exploring other partnerships that are complementary to our geographic or technology priorities, or that can help make existing projects more effective and efficient. For instance, on 20 July 2022, we announced a new MOU with Tata Steel to collaborate on the use of biomass as a source of energy and the application of CCU in steel production.

Further detail is provided in our Climate Transition Action Plan 2021 and Annual Report 2022, and more recent information will be available in our Annual Report 2023, all 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 to invest in GHG emissions reduction across our operated assets and value chain over the five-year life of our 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, we spent US\$47 million on initiatives consistent with this program in FY2022, targeting operational, maritime, and steelmaking emissions and BHP Ventures investments. This figure does not include the operating expenditure associated with renewable electricity arrangements established at a number of our operations, which collectively represented the main source of operational emissions abatement for BHP in FY2022. More than US\$200 million has been included in approved budgets for FY2023 as our decarbonisation programs further mature, and we will continue expenditure of up to US\$75 million over the coming years channelled towards partnerships with our customers in the steel sector. More recent information about our expected spend on operational decarbonisation by FY2030 and steel decarbonisation collaborations will be available in our Annual Report 2023, at bhp.com.

We also 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 have worked 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 undertaken 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 FY2022, we surveyed our top 500 suppliers (which represent 76% of our spend in FY2021) to understand details of their own climate change ambitions and or commitments, or actions they may be taking to progress to disclosing climate change related metrics.

The results of the survey indicated 27% of BHP's top 500 suppliers currently have climate ambitions for 2050 aligned with our own in relation to Scopes 1 and 2 emissions. A similar survey in FY2023 is designed to understand whether there has been a material change to the percentage of our top 500 suppliers that are aligned to BHP's 2050 net zero goal for operational emissions. More recent information will be available in our Annual Report 2023, available at bhp.com.

% 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

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

Yes, we engage directly with policy makers

Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate

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)

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan

Our Code of Conduct (Our Code) is based on Our Charter values and 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 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 Global Climate Policy Standards (August 2020)
- 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.

Our most recent formal industry association review, which includes further enhancements to our industry association review process, was published in June 2023 and is available at bhp.com. Our new Climate Policy Principles, which replace our Global Climate Policy Standards (in effect during FY2022), were published in May 2023, and are available at bhp.com.

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?

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).

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

Climate change mitigation

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

Climate-related reporting

Policy, law, or regulation geographic coverage

National

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

Australia
Canada
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 have contributed to consultation processes on the proposed introduction of mandatory climate-related financial disclosures in the United States and Australia, and on proposed technical amendments to the Australian National Greenhouse and Energy Reporting scheme (NGER). Further information on these engagements is available online at bhp.com.

BHP supports the aims of the Paris Agreement to limit the increase in the global average temperature to well below 2°C above pre-industrial levels and pursue efforts to limit the increase to 1.5°C. The world must work toward these aims with increased levels of national and global ambition to limit the impacts of climate change.

Achieving the aims of the Paris Agreement will require supportive policy across jurisdictions, globally. The policy-making process is complex, and change is unlikely to be smooth or linear. We believe BHP can best support policy development by ensuring we meet our own climate targets, goals, and strategies, continuing to make the case for the economic opportunities arising from the energy transition, and focusing on those policy areas where we are likely to have the greatest ability to influence change.

Our new Climate Policy Principles, which replace our August 2020 Global Climate Policy Standards (in effect during FY2022), were published in May 2023, and are available at bhp.com. These Principles continue the approach we took in our prior Global Climate Policy Standards to outline our views on how governments can best pursue the aims of the Paris Agreement.

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

BHP was one of the first companies to align our climate-related disclosures with the recommendations of the Financial Stability Board’s Task Force on Climate-related Financial Disclosures (TCFD). We support governments introducing climate-related disclosure requirements that are decision-useful, appropriately contextual and globally consistent.

Further information on our climate policy positions is available at bhp.com

Have you evaluated whether your organization’s engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

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 Safeguard Mechanism in Australia.

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

Carbon pricing, taxes, and subsidies

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

Carbon taxes

Policy, law, or regulation geographic coverage

National

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

Australia
Canada
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, we have participated in numerous consultation processes relating to the Australian Government’s proposed reforms to the Safeguard Mechanism. Further information on these engagements is available at bhp.com.

BHP supports the aims of the Paris Agreement to limit the increase in the global average temperature to well below 2°C above pre-industrial levels and pursue efforts to limit the increase to 1.5°C. The world must work toward these aims with increased levels of national and global ambition to limit the impacts of climate change.

Achieving the aims of the Paris Agreement will require supportive policy across jurisdictions, globally. The policy-making process is complex, and change is unlikely to be smooth or linear. We believe BHP can best support policy development by ensuring we meet our own climate targets, goals, and strategies, continuing to make the case for the economic opportunities arising from the energy transition, and focusing on those policy areas where we are likely to have the greatest ability to influence change.

Our new Climate Policy Principles, which replace our August 2020 Global Climate Policy Standards (in effect during FY2022), were published in May 2023, and are available at bhp.com. These Principles continue the approach we took in our prior Global Climate Policy Standards to outline our views on how governments can best pursue the aims of the Paris Agreement.

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

We believe governments should ensure businesses have sufficient incentives to decarbonise their operations, such as through the use of market-based approaches like carbon pricing.

Further information on our climate policy positions is available online at bhp.com.

Have you evaluated whether your organization’s engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

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

Where applicable, policies that enable reliable, affordable and zero emissions power in the countries where we operate.

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

Low-carbon products and services

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

Electricity grid access for renewables

Other, please specify

Renewable energy generation

Policy, law, or regulation geographic coverage

National

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

Australia

Canada

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, we have advocated for the Australian Government to strengthen its approach to reducing GHG emissions in the electricity sector. Further information on these engagements is available online at bhp.com.

BHP supports the aims of the Paris Agreement to limit the increase in the global average temperature to well below 2°C above pre-industrial levels and pursue efforts to limit the increase to 1.5°C. The world must work toward these aims with increased levels of national and global ambition to limit the impacts of climate change.

Achieving the aims of the Paris Agreement will require supportive policy across jurisdictions, globally. The policy-making process is complex, and change is unlikely to be smooth or linear. We believe BHP can best support policy development by ensuring we meet our own climate targets, goals, and strategies, continuing to make the case for the economic opportunities arising from the energy transition, and focusing on those policy areas where we are likely to have the greatest ability to influence change.

Our new Climate Policy Principles, which replace our August 2020 Global Climate Policy Standards (in effect during FY2022), were published in May 2023, and are available at bhp.com. These Principles continue the approach we took in our prior Global Climate Policy Standards to outline our views on how governments can best pursue the aims of the Paris Agreement.

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

Electrification will play a vital role in enabling the decarbonisation of mining. Governments should thus ensure the electricity sector is capable of meeting the electrification needs of other sectors, in terms of delivering sufficient supply of reliable, affordable and zero-emissions power.

Further information on our climate policy positions is available online at bhp.com.

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

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

Where applicable, national GHG emissions targets that are consistent with the aims of the Paris Agreement.

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

Climate change mitigation

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

Climate-related targets

Policy, law, or regulation geographic coverage

National

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

Australia

Canada

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 CY2023, we have expressed support for the Australian Government's decision to increase Australia's 2030 GHG emissions reduction target from 26-28% to 43%. Further information on these engagements is available online at bhp.com.

BHP supports the aims of the Paris Agreement to limit the increase in the global average temperature to well below 2°C above pre-industrial levels and pursue efforts to limit the increase to 1.5°C. The world must work toward these aims with increased levels of national and global ambition to limit the impacts of climate change.

Achieving the aims of the Paris Agreement will require supportive policy across jurisdictions, globally. The policy-making process is complex, and change is unlikely to be smooth or linear. We believe BHP can best support policy development by ensuring we meet our own climate targets, goals, and strategies, continuing to make the case for the economic opportunities arising from the energy transition, and focusing on those policy areas where we are likely to have the greatest ability to influence change.

Our new Climate Policy Principles, which replace our August 2020 Global Climate Policy Standards (in effect during FY2022), were published in May 2023, and are available at bhp.com. These Principles continue the approach we took in our prior Global Climate Policy Standards to outline our views on how governments can best pursue the aims of the Paris Agreement.

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

We believe national governments should set GHG emissions reduction targets (medium and long-term) that are consistent with the Paris Agreement and its long-term aims of holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C.

Further information on our climate policy positions is available online at bhp.com.

Have you evaluated whether your organization's engagement on this policy, law, or regulation 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 is a member of, or engages with, which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

Business Council of Australia

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

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

BHP released our 2023 industry association review in June 2023. This focused on the advocacy of BHP's material association memberships from January 2020 to February 2023.

The Business Council of Australia (BCA) is one of BHP's material association memberships. Our 2023 industry association review found there was alignment with the climate policy advocacy of the BCA and BHP's Global Climate Policy Standards (August 2020 version). Further information on our 2023 industry association review is available online at bhp.com.

In compliance with competition laws, BHP discloses its membership fees for its industry associations in ranges. In 2022, 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 (currency as selected in C0.4)

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 policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

No, we did not attempt to influence their position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

BHP released our 2023 industry association review in June 2023. This focused on the advocacy of BHP's material association memberships from January 2020 to February 2023.

The Chamber of Minerals and Energy of Western Australia (CME) is one of BHP's material association memberships. Our 2023 industry association review found there was alignment with the climate policy advocacy of CME and BHP's Global Climate Policy Standards (August 2020 version). Further information on our 2023 industry association review is available online at bhp.com.

In compliance with competition laws, BHP discloses membership fees for our industry associations in ranges. In 2022, BHP's base membership fee for CME was between US\$500,000 and US\$1 million.

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

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 (Consejo Minero)

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

Consistent

Has your organization attempted to influence their position in the reporting year?

No, we did not attempt to influence their position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

BHP released our 2023 industry association review in June 2023. This focused on the advocacy of BHP's material association memberships from January 2020 to February 2023.

The Consejo Minero de Chile (Consejo Minero) is one of BHP's material association memberships. Our 2023 industry association review found there was alignment with the climate policy advocacy of the Consejo Minero and BHP's Global Climate Policy Standards (August 2020 version). Further information on our 2023 industry association review is available online at bhp.com.

In compliance with competition laws, BHP discloses membership fees for our industry associations in ranges. In 2022, BHP's base membership fee for the Consejo Minero was between US\$500,000 and US\$1 million.

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

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 policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

No, we did not attempt to influence their position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

BHP released our 2023 industry association review in June 2023. This focused on the advocacy of BHP's material association memberships from January 2020 to February 2023.

The International Council on Mining & Metals (ICMM) is one of BHP's material association memberships. Our 2023 industry association found there was alignment with the climate policy advocacy of the ICMM and BHP's Global Climate Policy Standards (August 2020 version). Further information on our 2023 industry association review is available at bhp.com.

In compliance with competition laws, BHP discloses membership fees for our industry associations in ranges. In 2022, BHP's base membership fee for the ICMM was between US\$1 million and US\$2.5 million.

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

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 policy consistent with theirs?

Mixed

Has your organization attempted to influence their position in the reporting year?

No, we did not attempt to influence their position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

BHP released our 2023 industry association review in June 2023. This focused on the advocacy of BHP's material association memberships from January 2020 to February 2023.

The Minerals Council of Australia (MCA) is one of BHP's material association memberships. Our 2023 industry association found there was some, non-material, misalignment with the climate policy advocacy of the MCA and BHP's Global Climate Policy Standards (August 2020 version). Further information on our 2023 industry association review is available at bhp.com.

In compliance with competition laws, BHP discloses membership fees for our industry associations in ranges. In 2022, BHP's base membership fee for the MCA was between US\$1 million and US\$2.5 million.

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

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 (NSWMC)

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

Mixed

Has your organization attempted to influence their position in the reporting year?

No, we did not attempt to influence their position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

BHP released our 2023 industry association review in June 2023. This focused on the advocacy of BHP's material association memberships from January 2020 to February 2023.

The New South Wales Minerals Council (NSWMC) is one of BHP's material association memberships. Our 2023 industry association found there was some, non-material, misalignment with the climate policy advocacy of the NSWMC and BHP's Global Climate Policy Standards (August 2020 version). Further information on our 2023 industry association review is available at bhp.com.

In compliance with competition laws, BHP discloses membership fees for our industry associations in ranges. In 2022, BHP's base membership fee for the NSWMC was between US\$500,000 and US\$1 million.

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

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 policy consistent with theirs?

Mixed

Has your organization attempted to influence their position in the reporting year?

No, we did not attempt to influence their position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

BHP released our 2023 industry association review in June 2023. This focused on the advocacy of BHP's material association memberships from January 2020 to February 2023.

The Queensland Resources Council (QRC) is one of BHP's material association memberships. Our 2023 industry association found there was some, non-material, misalignment with the climate policy advocacy of the QRC and BHP's Global Climate Policy Standards (August 2020 version). Further information on our 2023 industry association review is available at bhp.com.

In compliance with competition laws, BHP discloses membership fees for our industry associations in ranges. In 2022, BHP's base membership fee for the QRC was between US\$500,000 and US\$1 million.

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

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 policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

No, we did not attempt to influence their position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

BHP released our 2023 industry association review in June 2023. This focused on the advocacy of BHP's material association memberships from January 2020 to February 2023.

The South Australian Chambers of Mines and Energy (SACOME) is one of BHP's material association memberships. Our 2023 industry association found there was alignment with the climate policy advocacy of SACOME and BHP's Global Climate Policy Standards (August 2020 version). Further information on our 2023 industry association review is available at bhp.com.

In compliance with competition laws, BHP discloses membership fees for our industry associations in ranges. In 2022, BHP's base membership fee for SACOME was less than US\$100,000.

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

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 policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

No, we did not attempt to influence their position

Describe how your organization’s position is consistent with or differs from the trade association’s position, and any actions taken to influence their position

BHP released our 2023 industry association review in June 2023. This focused on the advocacy of BHP’s material association memberships from January 2020 to February 2023.

The US Chamber of Commerce (US Chamber) is one of BHP’s material association memberships. Our 2023 industry association found there was alignment with the climate policy advocacy of the US Chamber and BHP’s Global Climate Policy Standards (August 2020 version). Further information on our 2023 industry association review is available at bhp.com.

In compliance with competition laws, BHP discloses membership fees for our industry associations in ranges. In 2022, BHP’s base membership fee for the US Chamber was between than US\$100,000 and US\$500,000.

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

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 Industry Greenhouse Network (AIGN)

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

Consistent

Has your organization attempted to influence their position in the reporting year?

No, we did not attempt to influence their position

Describe how your organization’s position is consistent with or differs from the trade association’s position, and any actions taken to influence their position

BHP released our 2023 industry association review in June 2023. This focused on the advocacy of BHP’s material association memberships from January 2020 to February 2023.

The Australian Industry Greenhouse Network (AIGN) is one of BHP’s material

association memberships. Our 2023 industry association review found there was alignment with the climate policy advocacy of AIGN and BHP's Global Climate Policy Standards (August 2020 version). Further information on our 2023 and 2019 industry association review is available online at bhp.com.

In compliance with competition laws, BHP discloses membership fees for our industry associations in ranges. In 2022, BHP's base membership fee for AIGN was less than US\$100k.

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

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

Canadian Chamber of Commerce (CCC)

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

Mixed

Has your organization attempted to influence their position in the reporting year?

No, we did not attempt to influence their position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

BHP released our 2023 industry association review in June 2023. This focused on the advocacy of BHP's material association memberships from January 2020 to February 2023.

The Canadian Chamber of Commerce (CCC) is one of BHP's material association memberships. Our 2023 industry association review found there was some, non-material, misalignment with the climate policy advocacy of the CCC and BHP's Global Climate Policy Standards (August 2020 version). Further information on our 2023 industry association review is available online at bhp.com.

In compliance with competition laws, BHP discloses membership fees for our industry associations in ranges. In 2022, BHP's base membership fee for the CCC was less than US\$100k.

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

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

Carbon Market Institute (CMI)

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

Consistent

Has your organization attempted to influence their position in the reporting year?

No, we did not attempt to influence their position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

BHP released our 2023 industry association review in June 2023. This focused on the advocacy of BHP's material association memberships from January 2020 to February 2023.

The Carbon Market Institute (CMI) is one of BHP's material association memberships. Our 2023 industry association review found there was alignment with the climate policy advocacy of the CMI and BHP's Global Climate Policy Standards (August 2020 version). Further information on our 2023 industry association review is available online at bhp.com.

In compliance with competition laws, BHP discloses membership fees for our industry associations in ranges. In 2022, BHP's base membership fee for the CMI was less than US\$100k.

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

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

Confederation of British Industry (CBI)

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

Consistent

Has your organization attempted to influence their position in the reporting year?

No, we did not attempt to influence their position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

BHP released our 2023 industry association review in June 2023. This focused on the advocacy of BHP's material association memberships from January 2020 to February 2023.

The Confederation of British Industry (CBI) is one of BHP's material association memberships. Our 2023 industry association review found there was alignment with the climate policy advocacy of CBI and BHP's Global Climate Policy Standards (August 2020 version). Further information on our 2023 industry association review is available online at bhp.com.

In compliance with competition laws, BHP discloses membership fees for our industry associations in ranges. In 2022, BHP's base membership fee for CBI was less than US\$100,000.

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

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

International Copper Association (ICA)

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

Consistent

Has your organization attempted to influence their position in the reporting year?

No, we did not attempt to influence their position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

BHP released our 2023 industry association review in June 2023. This focused on the advocacy of BHP's material association memberships from January 2020 to February 2023.

The International Copper Association (ICA) is one of BHP's material association memberships. Our 2023 industry association found there was alignment with the climate policy advocacy of the ICA and BHP's Global Climate Policy Standards (August 2020 version). Further information on our 2023 industry association review is available online at bhp.com.

In compliance with competition laws, BHP discloses membership fees for our industry associations in ranges. In 2022, BHP's base membership fee for the ICA was between US\$2.5 million and US\$5 million.

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

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

Mining Association of Canada (MAC)

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

Consistent

Has your organization attempted to influence their position in the reporting year?

No, we did not attempt to influence their position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

BHP released our 2023 industry association review in June 2023. This focused on the advocacy of BHP's material association memberships from January 2020 to February 2023.

The Mining Association of Canada (MAC) is one of BHP's material association memberships. Our 2023 industry association found there was alignment with the climate policy advocacy of MAC and BHP's Global Climate Policy Standards (August 2020 version). Further information on our 2023 industry association review is available online at bhp.com.

In compliance with competition laws, BHP discloses membership fees for our industry associations in ranges. In 2022, BHP's base membership fee for MAC was less than US\$100,000.

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

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?

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 2022.pdf

Page/Section reference

BHP Annual Report 2022, section 7.8

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

Attach the document

 220906_BHPScope12and3EmissionsCalculationMethodology2022.pdf

Page/Section reference

HP Scope1, 2 and 3 Emissions Calculation Methodology 2022, Whole document

Content elements

Emissions figures
Other, please specify
Methodologies

Comment

Publication

In voluntary sustainability report

Status

Complete

Attach the document

 220906_Sustainability and ESG Navigators and Databook 2022.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

 220719_bhpopoperationalreviewfortheyearended30June2022_excelversion.xlsx

Page/Section reference

Whole document

Content elements

Other, please specify
Production volumes

Comment

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	Global Reporting Initiative (GRI) Community Member Task Force on Climate-related Financial Disclosures (TCFD) Task Force on Nature-related Financial Disclosures (TNFD) UN Global Compact Other, please specify UNFCCC 'Paris Pledge', Carbon Pricing Leadership Coalition, The First Movers Coalition in FY2022, International Financial Reporting Standards (IFRS) Sustainability Alliance and others (see description field)	<ul style="list-style-type: none"> • BHP is a GRI Community Member and has contributed to consultation on the development of the Mining Sector Standard. • Signatory and our Group Climate and Sustainability Officer is a Task Force on Climate-related Financial Disclosures (TCFD) member – Data Preparer. • BHP joined the Taskforce for Nature-related Financial Disclosure (TNFD) Forum (a group of organisations that support the TNFD Member Group) • BHP has been a signatory to the United Nations Global Compact since 2003, and provides an annual Communication on Progress against the ten UNGC Principles. • We are signatories to the UNFCCC 'Paris Pledge' that brings together cities, regions, companies and investors in support of the Paris Agreement. • We are a signatory to the World Bank's 'Putting a

		<p>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.</p> <ul style="list-style-type: none"> • Member (Australia) of a group of cross-sectoral Australian corporate CEOs supporting the aims of the Paris Agreement and setting and implementing public decarbonisation targets. The Climate Leaders Coalition is action orientated and provides an open, confidential and authentic forum for CEOs to share the challenges of their decarbonisation journeys. • Founding Member (US) of the Climate Leadership Council to provide public backing for the enactment ambitious climate policy in the United States Congress. • Participant (US) of the CEO Climate Dialogue working to advance federal climate policy based on Guiding Principles representing perspectives from diverse sectors of the U.S. economy. • We joined the US Government's First Mover's Coalition, launched at COP26 in Glasgow, as a member in the shipping sector. This means we commit to 10 per cent of BHP's products shipped to our customers on our time charter vessels being on vessels using zero-emissions fuels by FY2030 (subject to the availability of technology, supply, safety standards and the establishment of reasonable thresholds for price premiums). • Signatory to the Call to Action for Shipping Decarbonisation support that Shipping must align with the Paris Agreement temperature goals and be run entirely on net-zero energy sources by 2050. The signatories to this call to action firmly believe an urgent and equitable decarbonisation of the maritime supply chain by 2050 is possible and necessary. • BHP is a member of the IFRS Sustainability Alliance and has actively contributed to consultation on the ongoing development of proposals by the International Sustainability Standards Board. • BHP is a signatory to the United Nations (UN) Global Compact's CEO Water Mandate (CEO Water
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		Mandate). The BHP Operating and Financial Review and Water pages on our website at bhp.com serve as BHP's Communication of Progress against the core elements of the CEO Water Mandate.
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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 impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity-sensitive areas in the reporting year?

C15.5

(C15.5) 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	

C15.6

(C15.6) 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		

C15.7

(C15.7) 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
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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 our corporate structure from two parent companies into one under BHP Group Limited (on 31 January 2022) 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 divestment of BHP's oil and gas portfolio by merger with Woodside. Following these divestments, we no longer 'operate' (for the purpose of Section C0.3) in Algeria or Trinidad and Tobago, noting that we also have included in Section C0.3 countries in which we held interests in non-operated assets during FY2022. In June 2022, we announced that we would seek approvals to continue mining at New South Wales Energy Coal in Australia beyond its current mining consent that expires in 2026 and intend to proceed with a managed process to cease mining at the asset by the end of FY2030.

Since 30 June 2022, as part of our strategy to secure growth options in future facing commodities such as copper and nickel, BHP announced the completion of our acquisition of 100% of the shares in OZ Minerals Limited on 2 May 2023, and activity is underway to integrate former OZ Minerals' assets, operations and functions (former OZ Minerals business) into our business. Unless otherwise indicated, this Response does not include any data or information from, nor apply with respect to, the former OZ Minerals business, which will instead be reflected in BHP's CDP response for FY2023.

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

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