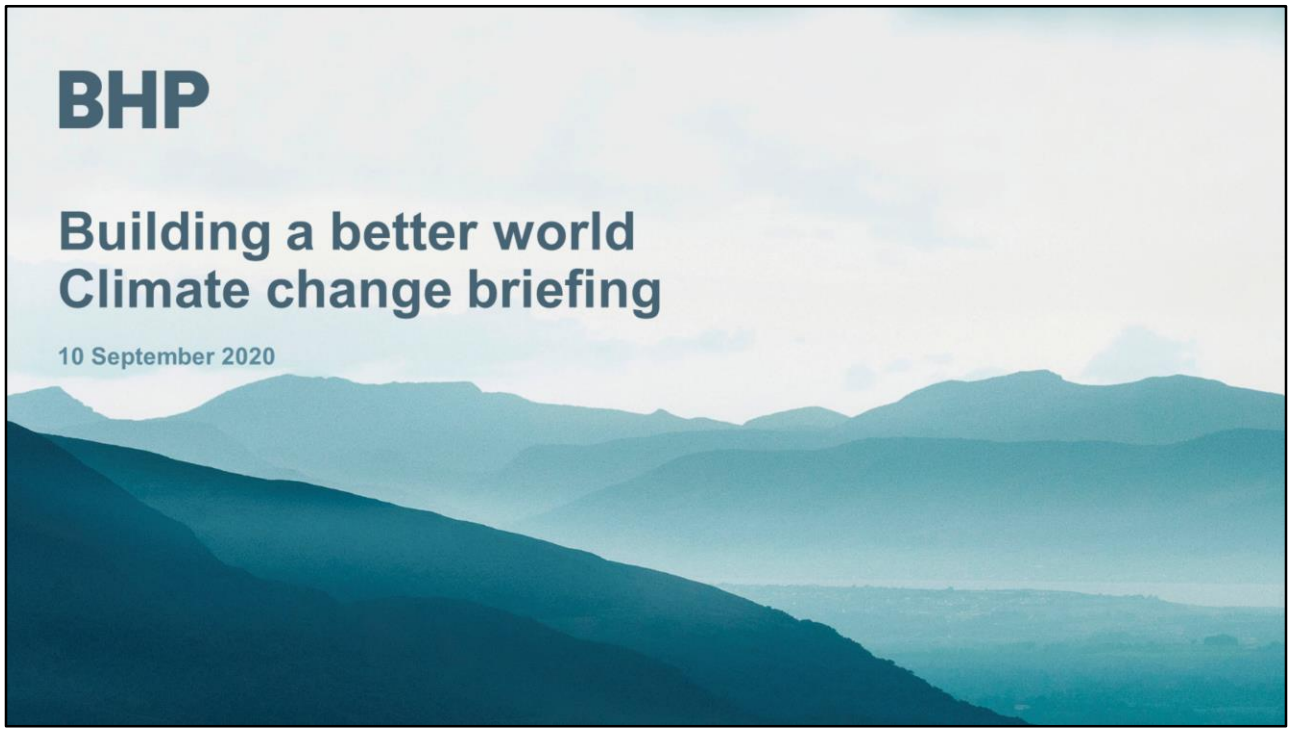

Thank you for joining our Climate Change Briefing today. With me are Johan van Jaarsveld and Fiona Wild.

Disclaimer

BHP Climate Change Report 2020
This presentation should be read in conjunction with the BHP Climate Change Report 2020 available at bhp.com. The information in this presentation provides a concise overview of certain aspects of that Report and may omit information, analysis and assumptions and, accordingly, BHP cautions readers from relying on the information in this presentation in isolation.

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Forward-looking statements may be identified by the use of terminology, including, but not limited to, 'intend', 'aim', 'project', 'anticipate', 'estimate', 'plan', 'believe', 'expect', 'may', 'should', 'will', 'would', 'continue', 'annualised' or similar words. These statements discuss future expectations concerning the results of assets or financial conditions, or provide other forward-looking information.

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Presentation of data
Queensland Coal comprises the BHP Mitsubishi Alliance (BMA) asset, jointly operated with Mitsubishi, and the BHP Mitsui Coal (BMC) asset, operated by BHP. Numbers presented may not add up precisely to the totals provided due to rounding. All footnote content is contained on slide 29.

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Johan is BHP's Chief Development Officer, accountable for strategy and portfolio. He will be speaking to the relationship between strategy and climate at BHP. Johan holds a PhD in Extractive Metallurgical Engineering and had extensive experience in industry and innovation before joining BHP 4 years ago.

Many of you will know Fiona already. Fiona is an expert in climate change. She holds a PhD in Chemistry and has been with BHP now for 10 years. Her leadership has helped to advance climate change action in our industry and beyond, including via her membership of the Taskforce on Climate-Related Financial Disclosures. Fiona will speak later to the climate actions we are committed to progressing.

I have been close to this topic and the enormous challenges it poses for a number of years. Indeed back in 2013, Fiona and I worked closely together on designing BHP's present climate change position and strategy.

Of course, BHP's focus on climate change didn't start just seven years ago; we have been active in addressing climate risks for more than two decades.

In 1997, we were among the first large companies to publish a report detailing our operational greenhouse gas emissions; we first implemented an internal carbon pricing protocol and began trading carbon credits in the European market in 2004; and in 2016, we launched the world's first Forest Bond with the International Finance Corporation. We have long seen climate as integral to our approach to Environmental, Social and Governance issues. In turn, ESG is deeply embedded into our broader operating model.

I am pleased to have the opportunity today to share with you the progress we have made on climate action, the new commitments we are making, and how we integrate climate change into our corporate strategy and portfolio decisions.

Accountability, expectations and value

We take climate change seriously and are demonstrating leadership in addressing it

Demonstrating **Accountability**	• Emissions are created in production, transport and use of our products • We have a role to play in addressing climate risk • We embrace our responsibility to act
Meeting **Expectations**	• Our stakeholders have increasing expectations of us • We are committed to leading the evolution of our industry
Protecting and creating **Value**	• Stronger climate action can deliver greater value for BHP • We are a major provider of commodities key to enabling a low carbon transition

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Our approach to managing climate risk is founded on three key elements: Accountability, Expectations, and Value.

Firstly, we see ourselves as being accountable to take action. We emit greenhouse gases through our own operations, as do our customers when they use our products.

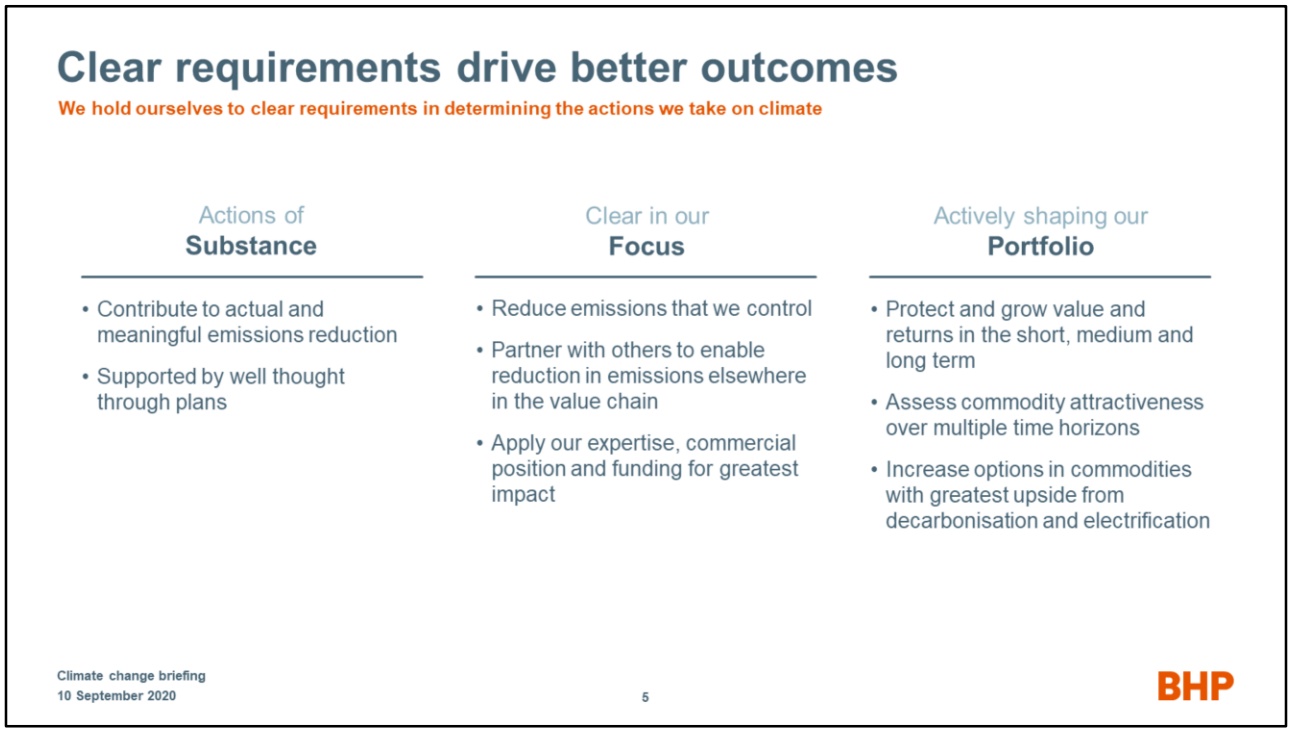
We know we have a role to play in addressing climate risk. We acknowledge this and embrace our responsibility to act.

Secondly, BHP's stakeholders have increasing expectations of us. This includes our investors, our people and the communities and nations who host our operations or buy our products. We must be responsive to these expectations – and in doing so we can create competitive advantage for BHP.

Thirdly, and very importantly, climate change action makes good economic sense. It creates value.

Later today we will talk about our approach to detailed scenario analysis and the implications for our business. Of the scenarios we have assessed, those that envision stronger global climate action also deliver greater value for BHP. That's because we are major providers of the commodities that will enable a green transition.

So, again Accountability, Expectations and Value. We are driven by all three.



Our approach to climate change is defined by a number of key requirements.

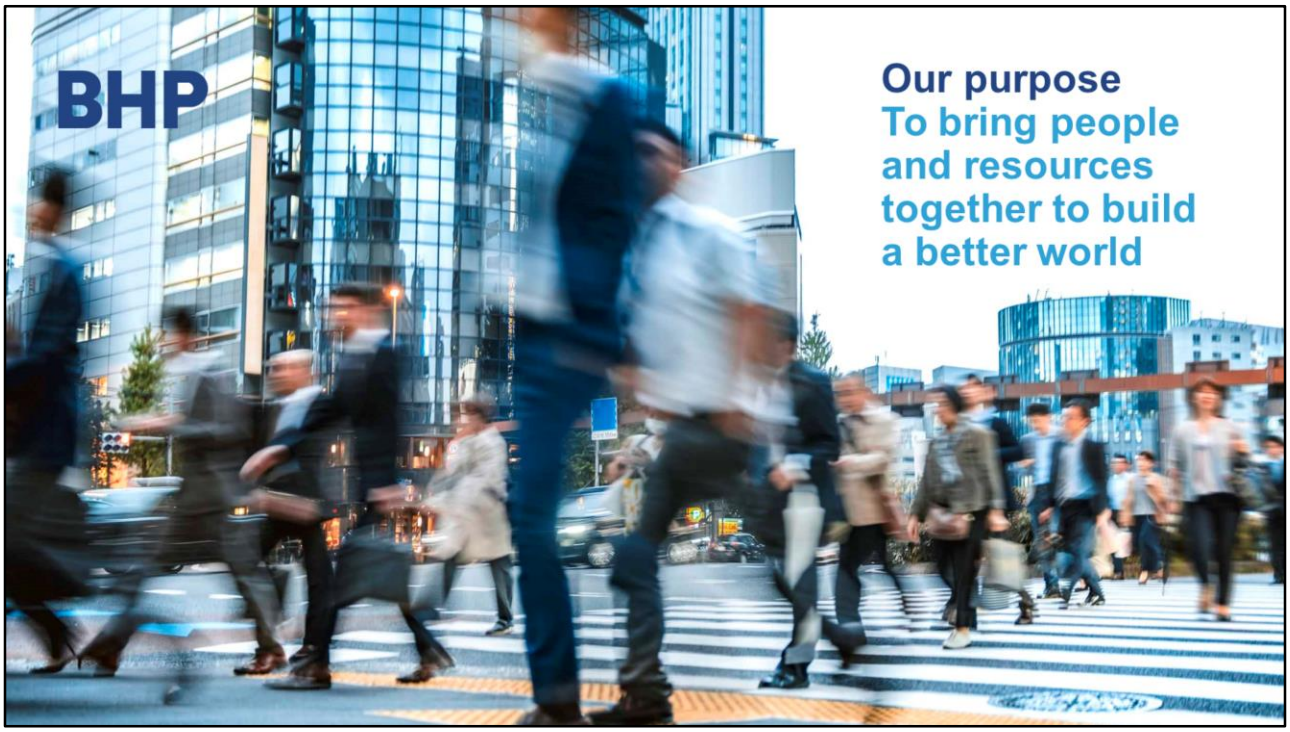
Firstly, we are a company of substance and our actions must also be of substance. Real, tangible actions to drive emissions down.

Secondly, we must focus on what we can control inside our business, and work with others to help them reduce emissions from the things that they control. This includes sharing our insights and expertise to amplify impact.

And finally, portfolio. We are a long-term company that creates value and returns over generations. We do this by striving to be exceptionally good operators, by maintaining financial discipline, and by ensuring exposure to commodities that benefit from the megatrends playing out in the world around us.

We exercise judgement about how to stage the shaping of our portfolio over time. We assess individual commodities for attractiveness over multiple time horizons. We grow value in the near term including by continuing to invest in commodities that have strong fundamentals in the short to medium term, like oil, while building up a richer set of options in commodities that will remain attractive into the longer term, like copper, nickel and potash.

This is why we have been clear that we intend to create and secure more options in future facing commodities. We already have very significant exposure to these, but we want to ensure stakeholders benefit further from the growth in demand we expect as decarbonisation and electrification play out.



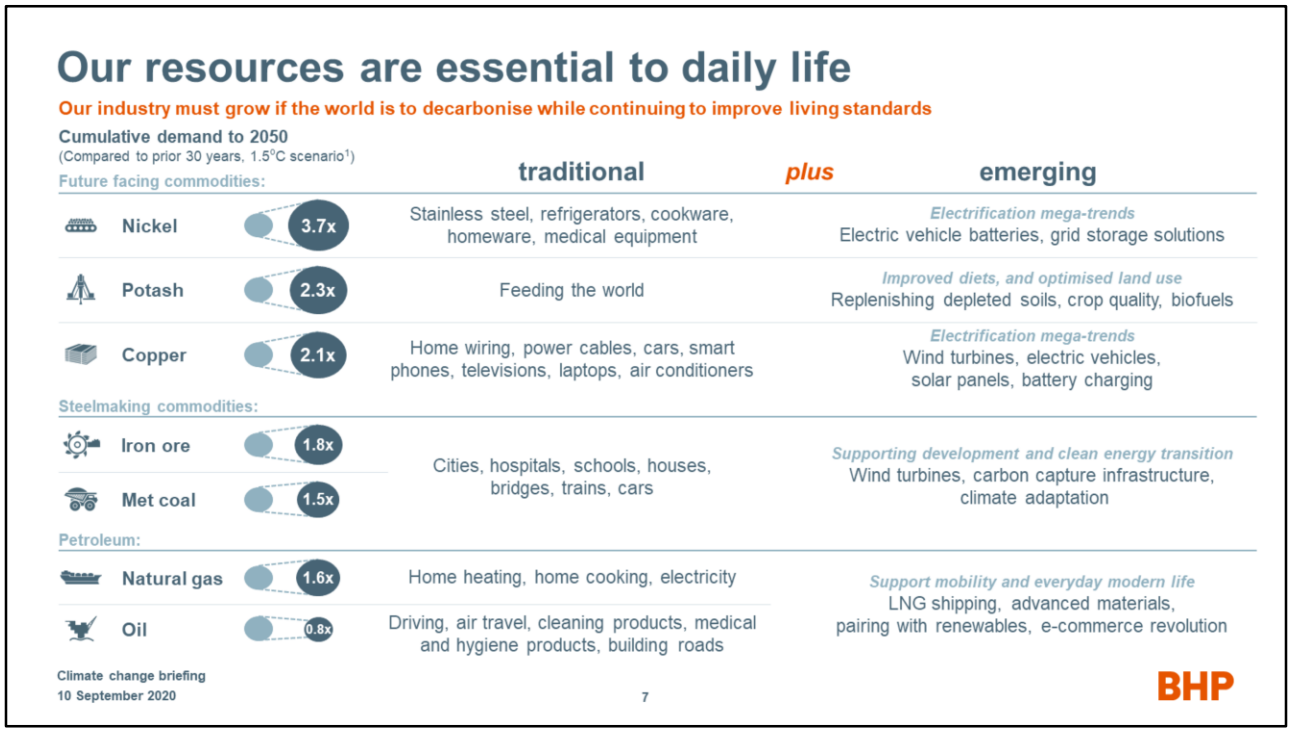
For more than 130 years BHP has been producing the resources that have supported economic growth and made countless lives better, around the world.

Everything we produce – including iron ore, coal, petroleum, copper and nickel – help to deliver these outcomes.

But the production of resources is not an end in itself; it is what these resources enable that makes the real difference: driving growth and development; underpinning materials for sanitation and healthcare; sustainable food production; developing industry; building vital infrastructure and allowing broad based wealth creation.

As our Purpose says, we exist to ‘bring people and resources together to build a better world’.

Our approach to climate change is entirely consistent with this Purpose. Because a world that decarbonises while sharing the benefits of economic growth is a better world.



Our portfolio is already well positioned to support the transition to a lower carbon world aligned with the Paris Agreement while creating value for our shareholders and our broader stakeholders.

As Johan will explain further shortly, our scenario analysis indicates that BHP will do best in a transition to a world where warming is limited to no more than 1.5°C above pre-industrial levels.

In a 1.5 degree scenario the world is expected to need almost twice as much steel in the next 30 years as it did in the last 30 and so the world will rely on the iron ore and coking coal we produce.

If we want to keep pace with the development of renewable technologies such as electric vehicles and solar energy, then Copper production will have to double over the next 30 years.

And nickel production will have to increase nearly four-fold to power the next generation of battery technology.

And while the shift to cleaner energy sources is clear, the world will still need oil and gas to power mobility and everyday modern life on the pathway to decarbonisation.

Finally, Potash will be vital for more efficient agricultural practices, and to ease pressure on scarce arable land.

Under any scenario, our industry will be critical to ensuring the rise of global living standards.

So, our conclusion is clear: whichever way the world evolves, we will create substantial value well into the future, even more so in a lower carbon world.

We are, however, realistic about the magnitude of the task that the world faces in meeting the Paris goals. Unfortunately, today the world is not currently on track. Neither the current aggregate commitments of nations, nor progress against those commitments, is sufficient. The world will need to increase action if it is to achieve the ambitions of Paris.

This makes it all the more important that the focus is at all times on actions that result in actual reduction in emissions – and not simply the optics of reduction. Sustained action, not symbolism.

Our resources are essential to daily life (continued)

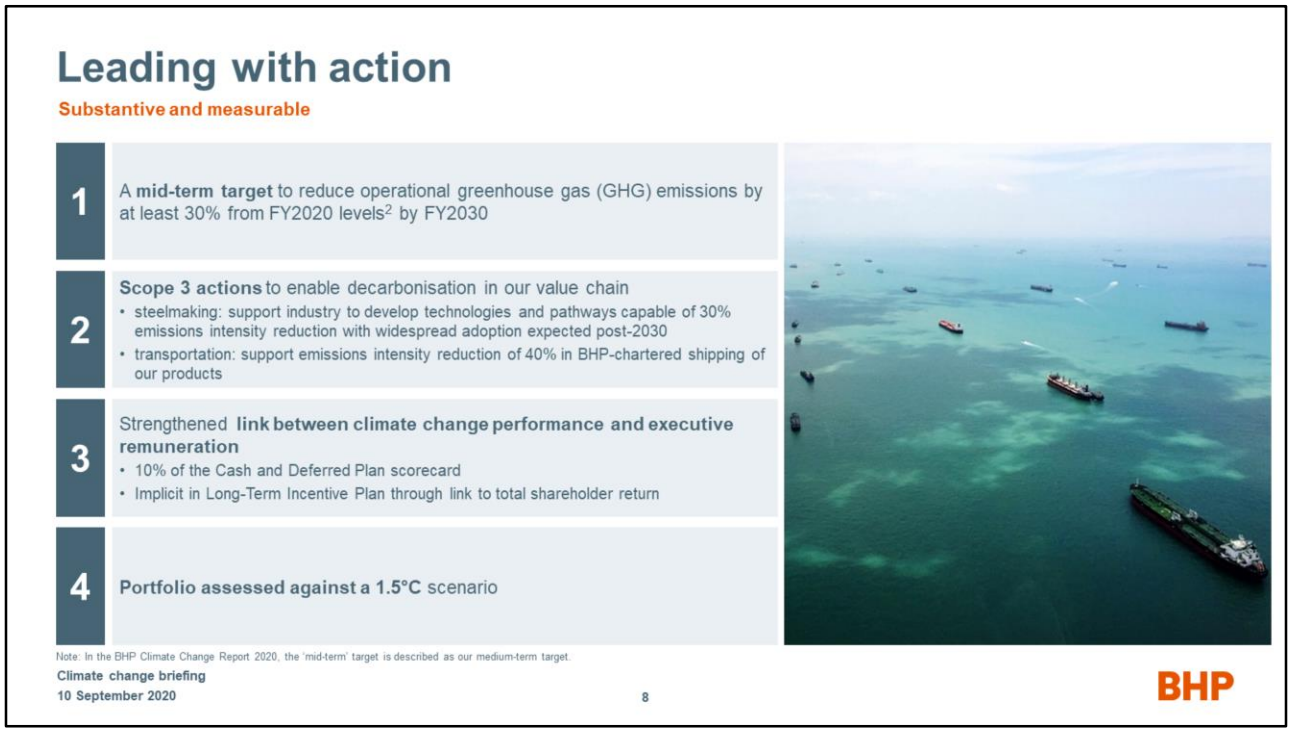
We must also acknowledge that we cannot leave large segments of the world's people behind on the road to decarbonisation. Not only would that not be just, but it would make the achievability of these aims impractical. A better world requires a fair transition that sees decarbonisation while ensuring that people maintain access to the resources that they need for their daily lives and support improvement in their economic wellbeing.

Our challenge – the world's challenge – is to ensure that we all benefit from natural resource use in a manner that supports the transition to a low carbon future.

We come to this challenge with a number of important perspectives on ourselves:

- We are good at stepping up to tackle big challenges – and we are ready and willing to face into this one.
- We have the people and know-how to make a difference – to improve our own performance and help others improve theirs.
- We have a portfolio that can help speed the carbon transition while meeting the essential needs of daily life.
- We have the strategy and systems that will help us identify and secure value-creating opportunities consistent with pursuit of a 1.5 degree world.

We are ready to bring these capabilities to bear in helping to lead the solving of this critical global challenge.



I'm therefore pleased today to share how we will accelerate our own actions and helps others to do the same – by adding detail and delivering on the promises we made in July last year.

Today, I am announcing a firm, well-considered commitment to reduce our operational emissions by at least 30% by FY2030 compared to FY2020. This is a mid-term target on the way to meet our goal of being net zero in our operational emissions by 2050.

We will adjust our baseline for acquisitions and divestments – there will be no 'free pass' from any material divestments of higher-carbon operations.

We are also taking action to help enable reduction in Scope 3 emissions. We will support the steel industry to identify pathways and develop technologies by 2030 to reduce emissions intensity by 30%. And we will work with the maritime industry to support an intensity reduction of 40% in BHP-chartered shipping. We expect our actions to catalyse broader emissions reductions throughout the steel and maritime sectors.

We are also making a direct connection between these measures and executive remuneration, with 10% of the short-term incentive part of my remuneration, and those of our leaders, contingent on meeting targets and goals associated with these commitments. Every year. And of course given that we are also all BHP shareholders, we are incentivised to take action knowing the long-term importance for BHP value.

Finally, today we are delivering on our promise to provide greater insight into how our portfolio will fare in a transition to a 1.5 degree world and how we will allocate capital in the context of climate, through the release of our new Climate Change Report.

Johan and Fiona will talk through more detail of these elements shortly.

While we are announcing these measures today, we have not been waiting around to get started.

Last year we announced that our Chilean copper mines at Escondida and Spence would move to 100% renewable energy, and this is well on track for the mid-2020s.

And just last week we added to this push for renewables by announcing the awarding of significant new renewable energy contracts for our eastern Australia operations which will reduce our Scope 2 emissions in our Queensland operations by 50% by 2025.

We have also awarded the world's first LNG-fuelled bulk carrier tender which will reduce greenhouse gas emissions by more than 30% per voyage and help catalyse broader reductions in the global shipping industry.

These actions are only a start, but they do show our commitment to responsible operations and to supporting decarbonisation in our own right – as well as helping our partners to do the same with their emissions.

I said earlier today that our approach to decarbonisation is wholly consistent with our Purpose.

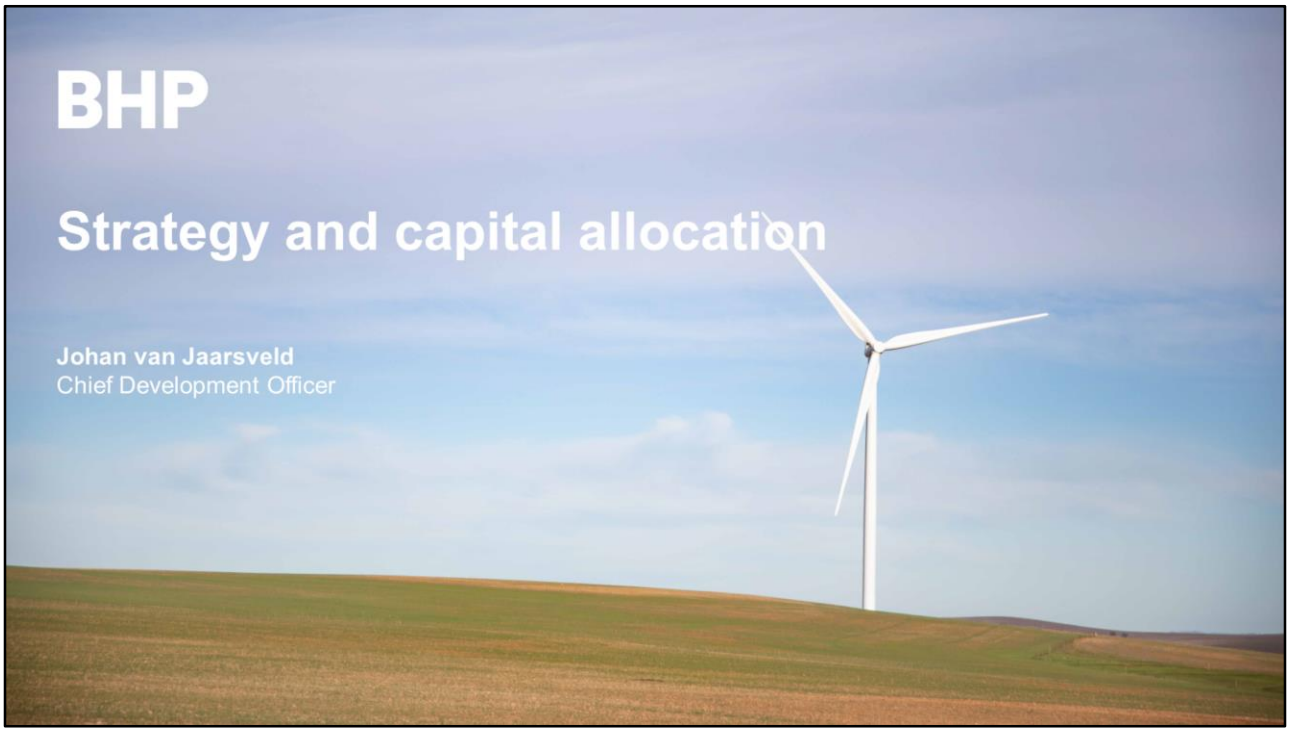
Our strategy then creates the framework through which we identify and capture the economic opportunities that come with financial discipline, operational excellence and constant vigilance towards the way in which the world will evolve.

Taken together, they enable BHP to help build a better world while generating superior returns, first from today's portfolio, and then from the way in which we shape our portfolio over time to create new value, as we meet the needs of the world in the decades to come.

I'd now like to ask Johan to talk through how we will deliver value specifically in a low carbon transition, and how we will be ready for what the world demands of us, in any scenario.

After Johan, Fiona will take you through the climate commitments I outlined earlier.

So with that, Johan, over to you.



Mike, thank you.

I will run through our scenario analysis process, how we use carbon pricing and our scenarios to shape our strategic decisions and finally, how those decisions are evaluated under our Capital Allocation Framework.

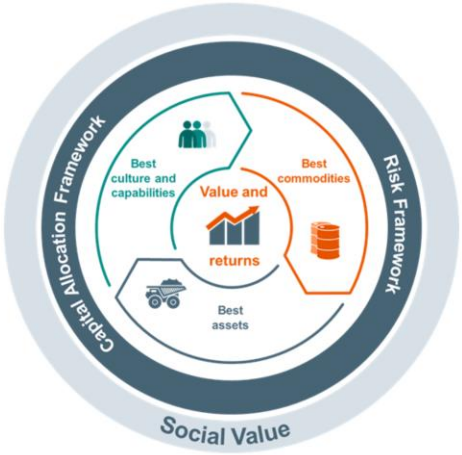
Climate change is core to everything we do

Consideration is critical to maximising value and returns

- Our **Strategy** is to have the best commodities, the best assets and the best culture and capabilities. We incorporate climate change scenarios into our strategic choices to guide our strategic direction and capital allocation

- **Social value** embeds a holistic approach to decision making to benefit all stakeholders and drive better business outcomes. Social value is an essential precondition to shareholder value

- Our **Capital Allocation Framework** incorporates climate change through ensuring transparent competition between decarbonisation opportunities and rigorously prioritising cash in alignment our Strategy



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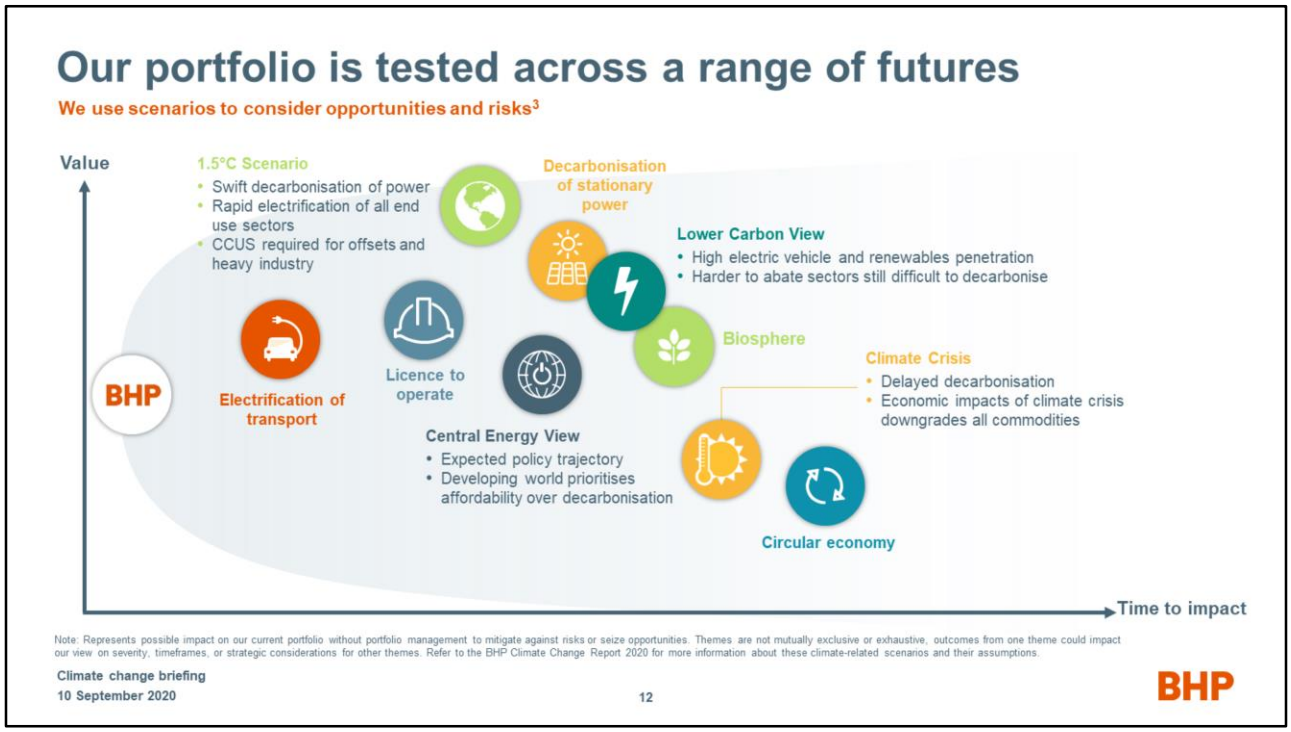
Our strategy, to have the Best Capabilities, Best Commodities and Best Assets, is integrated with the climate challenge and our ambition to grow value and returns in a decarbonising world.

Every element of our strategic framework: the capabilities we need, the commodities we prefer and the assets we choose – including how we run those assets – is driven by the Value we can create by positioning BHP to benefit from a world that is focussed on reducing greenhouse gas emissions.

Furthermore, they are driven by our Accountability to achieve our emissions targets and goals.



The time frames for the decisions we make are measured in decades. So, we must make choices in light of long-term trends and uncertainties.

We seek to manage our portfolio for value, risk and returns over multiple horizons.

To help guide our decision making, we have developed a range of long-term scenarios or views.

They cover multiple trends, but analysis of the climate challenge is the most important.

That is because it has the greatest impact on the outlook for our commodities and society's expectations of us to do our part to address global warming.

We have developed four climate-related scenarios to help guide us:

Firstly, a Paris-aligned 1.5 degree scenario.

Secondly, a less ambitious, Lower Carbon view, still predicated on rapid decarbonisation in easier to abate sectors.

Thirdly, a Central Energy view, based on the most likely policy mix, which is pointing towards decarbonisation in some of the more developed regions.

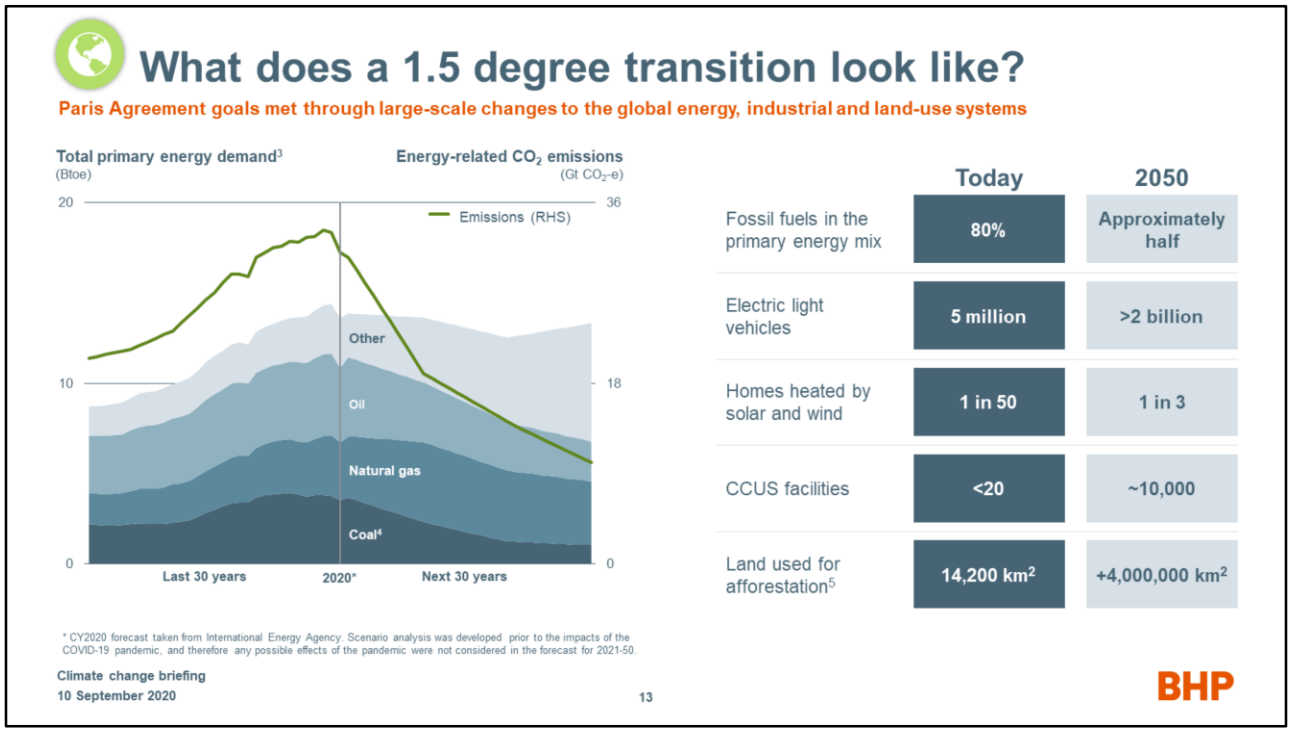
Finally an extreme "Climate Crisis" scenario, which involves an abandonment of existing global decarbonisation initiatives for a time, leading to a catastrophic climate crisis, which catalyses urgent subsequent decarbonisation.

The power of these scenarios is in the examination of their outcomes taken together, rather than the application of them on a standalone basis.

Together, they help us make judgements about the implications of each, their plausibility and ultimately, what they tell us about the likely direction of travel, and over what time horizons.

We are encouraged by what our scenario analysis tells us about the opportunities in front of us, but we are also clear-eyed about the challenges.

We will continue to evaluate the scenarios, the way they may evolve during the transition, and the implications for the management of our portfolio.



As Mike said, we believe the world must strive to achieve a well-below 2 degree outcome, consistent with the Paris Agreement. And we do see some momentum towards that outcome.

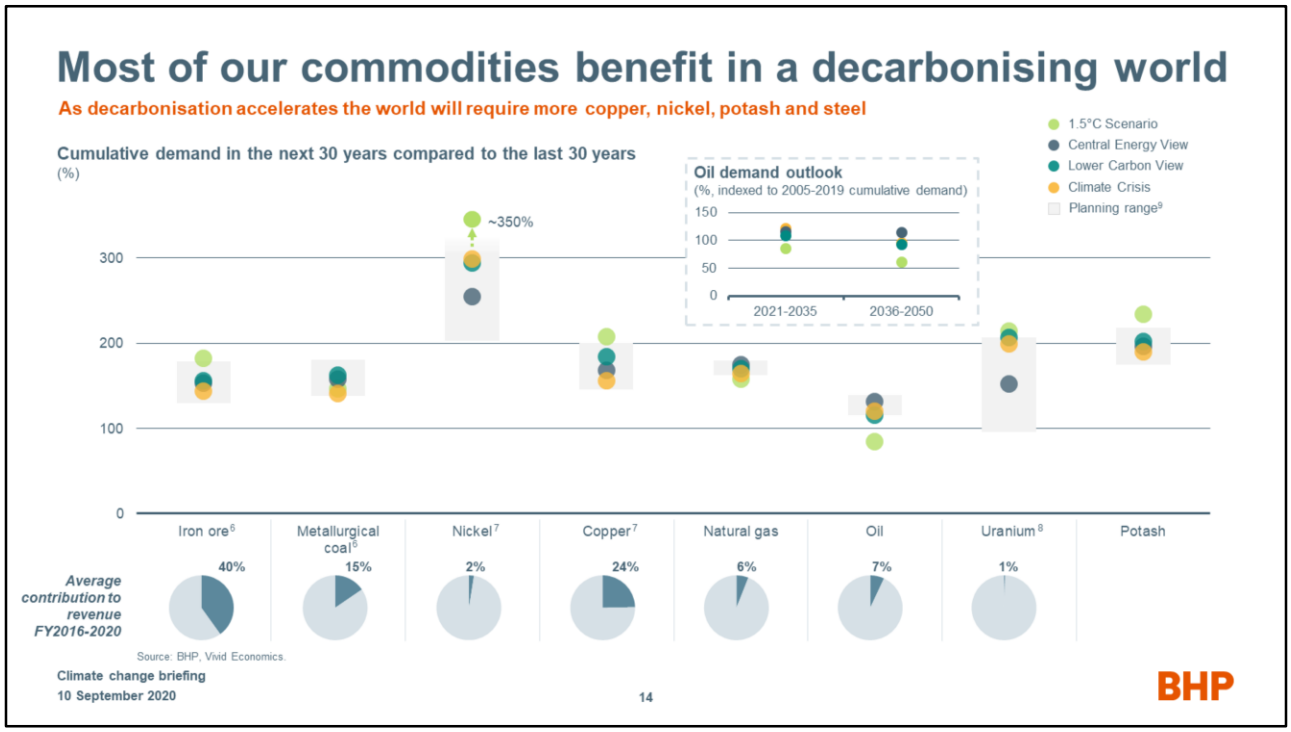
But the scale of the challenge to transition to a 1.5 degree world is huge. We will need steep annual emissions reductions, sustained for decades, and with every part of the economy needing to decarbonise.

Global energy system emissions will need to decrease by 70% and the fossil fuel share of primary energy decline to 50% by 2050, an ambitious task.

We expect that the calls for action will increase in urgency over the time frames we forecast, lagged by the actions themselves.

That is important for our strategic choices.

Whether or not we achieve 1.5 degrees, it is the steps that we expect the world to take that drives the commodities we choose, the way we will operate our assets and the capabilities we need to succeed.



BHP's portfolio is already well positioned to benefit from a world that seeks to achieve a low carbon future.

The greater the global efforts to decarbonise, the stronger the impact on demand for copper, nickel and potash. As well as the increasing need for more steel to build wind farms, pumped hydro and other decarbonisation-enabling infrastructure.

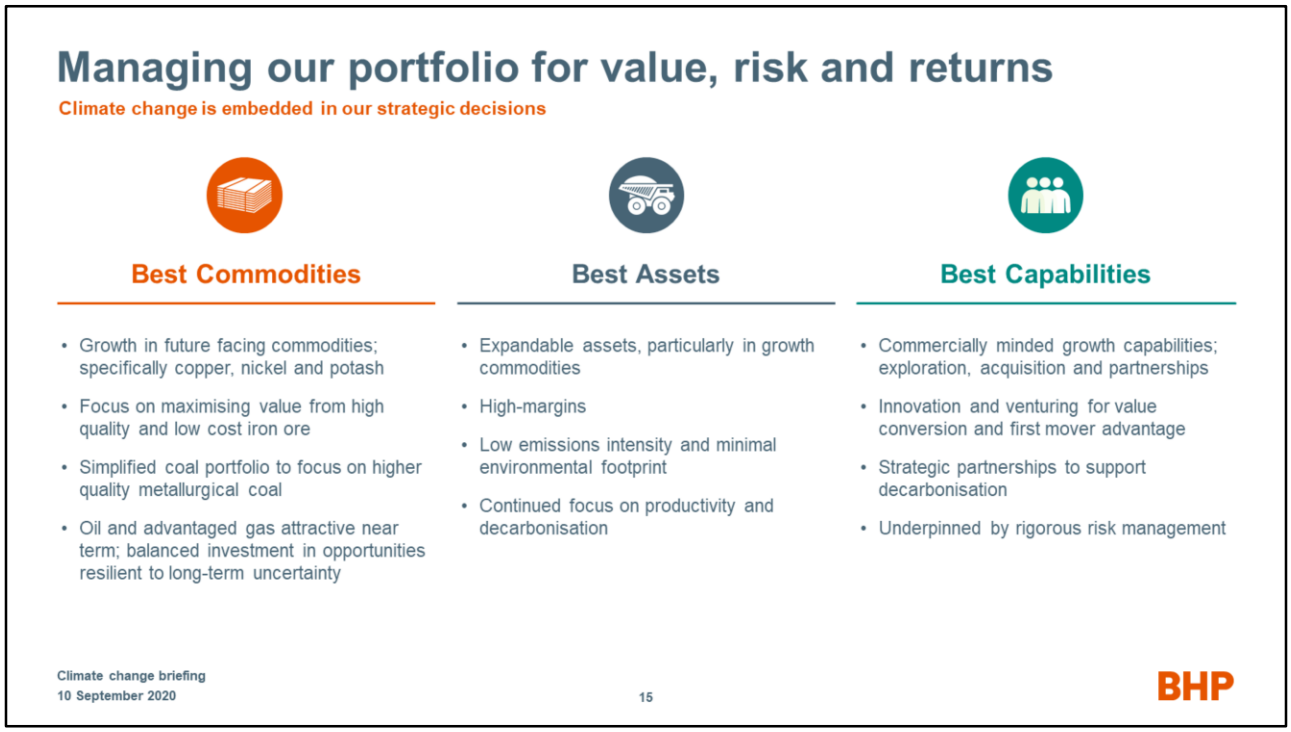
High quality, low impurity iron ore and high quality hard coking coal will both be critical to the steel industry as it seeks to improve efficiency and lower the emissions intensity of production while moving toward processes that rely on carbon capture or hydrogen injection.

As we transition to greater electrification, especially in transportation, nickel and copper are favoured, while headwinds will emerge in the demand for oil and then for gas.

We expect the world will need petroleum products for the foreseeable future.

Our oil and gas assets exhibit low emissions intensity, and we expect the supply gap we've spoken about previously to persist. We will continue to invest - in a disciplined and balanced way - in order to generate attractive returns for our shareholders.

As Mike has said, to achieve an equitable transition to a greener future and to maintain and continue to improve the living standards of billions of people during that transition, the world needs oil and gas.



Our portfolio may be well positioned today, but we are not resting on our laurels. We are rising to the challenge by reshaping our portfolio to outperform in a low carbon world, and to maximise value.

We are actively pursuing opportunities to grow our copper and nickel business and we have already announced an intention to reduce our footprint in coal, focussing only on high quality, hard coking coal.

And to fulfil our ambitions, we must have the capability to innovate, finding ways to increase the efficiency of our decarbonisation efforts and to unlock more resource in our portfolio.

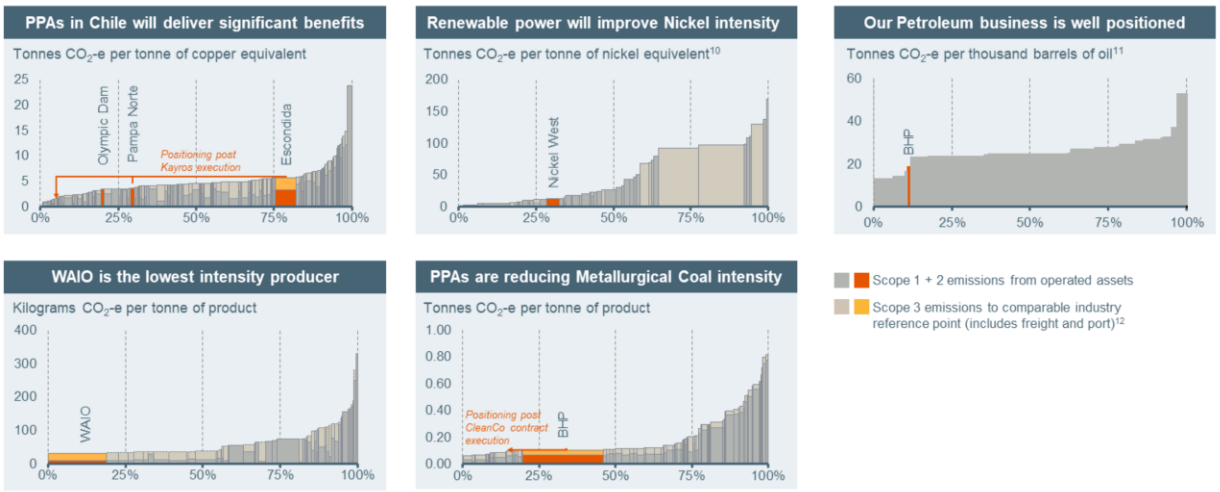
Our innovation team is prioritising each of these areas as a critical enabler of our strategy.

A key element of our strategy is to have the Best Assets. In the context of our climate scenarios, “Best” means producing commodities that help our customers transform them into end products in the most efficient, low-emission way possible.

Having the Best Assets also means addressing our Scope 1 and 2 emissions.

Amongst lowest operational emissions intensities

Our operated assets are well positioned and are set to continue reducing carbon emissions



Source: Skarn Associates, Wood Mackenzie and BHP internal analysis.

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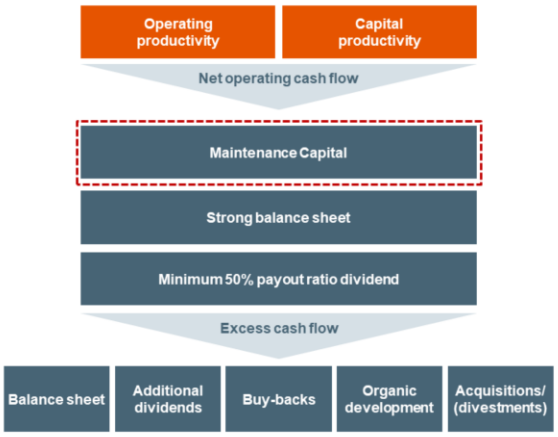
We are well placed in that regard. Most of our assets are already at the lower-end of their respective emissions intensity curves. And, as Mike said, we are moving them further to the left – significantly so in the case of our Chilean copper assets.

Accepting that the world will continue to need our commodities, we are well placed to provide these with amongst the lowest carbon footprints.

Disciplined assessment of decarbonisation opportunities

Decarbonisation is embedded within our strategic planning, capital allocation and investment decision processes



- Our Capital Allocation Framework enables us to align investment with our strategy and to respond to emerging risks and opportunities
- Climate-related forecasts (including carbon pricing) are incorporated into life of asset and project evaluations
- Emission reduction projects are considered as part of the maintenance capital category of the Capital Allocation Framework
- Examples of emission reduction projects considered include:
  - solar power installation
  - alternative material movement technologies such as overland conveyors and in-pit crush and convey
  - trolley assist to displace diesel for haul trucks

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In addressing our Scope 1 and 2 emissions, like all of our capital investments, we assess and rank each decarbonisation project through the rigour of our Capital Allocation Framework.

Achieving our Scope 1 and 2 reduction commitments ranks alongside maintenance capital in the hierarchy of our decisions. We are disciplined about ranking the projects we evaluate and optimising those that we execute.

In addition to initiatives such as contracting of renewable power, potential capital spend over the next 5 years is expected to be US$100-$200 million per annum and is already included within our existing capex guidance.

As you can see in our Climate Change Report, our investment decisions rely on valuations that embed carbon prices.

We use between US$10-40/t CO_2e in the Central Energy scenario and US$25-110/t CO_2e in the Lower Carbon scenario. This reflects our expectations of a regulatory, observable, third party price on carbon.

Importantly, we approach decarbonisation projects to meet our commitments in a manner similar to asset integrity spend.

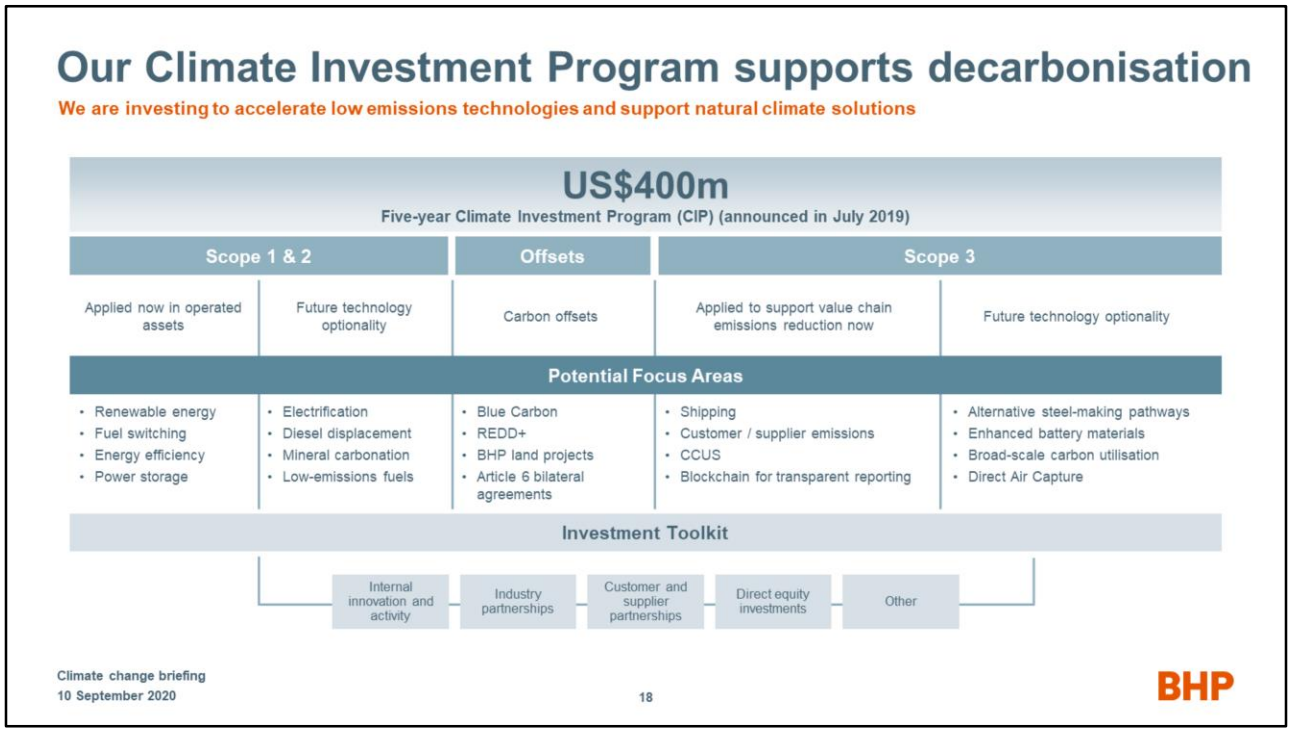
Not only do we seek to protect value, but we also work very hard to find ways to grow value and reduce risk as we execute these projects.

As we evaluate each project, we are focussed on optimising the significant benefits that would accrue from these investments.

The great thing is that in addition to the benefits to our sustainability, management of risk, licence to operate and the creation of Social Value, many of these projects will also bring with them a positive net present value. We will certainly be working very hard to make that the case.

At all times, our ranking process focusses on the most economically efficient and effective decarbonisation.

Consistent with our approach to all of our investments, we will be rigorous in our focus on value.



Finally, let me quickly touch on our Climate Investment Program.

In addition to our other efforts to decarbonise our business, this 5-year US$400 million program demonstrates our deep commitment to reducing Scope 1, 2 and 3 emissions, using multiple delivery channels including projects, partnerships, R&D and venture investments

Using our disciplined approach to capital allocation, we already have a robust pipeline of projects, via our annual corporate planning processes.

In closing, I want to emphasise that the climate challenge and the implications arising from our climate scenarios are fundamental to our strategic choices and to the execution of Our Strategy.

Now to tell you more about what we are doing on the ground, let me hand over to Fiona Wild.

Thank you, Johan.

As Mike outlined earlier, given the urgency of the climate challenge, we must take tangible, substantive, measurable actions.

So I'd like to share more detail about our targets and goals, and how they will drive the decarbonisation of BHP, and support decarbonisation in the value chains of which we are a part.

Our mid-term target, aligned with the Paris Agreement

An ambitious, yet achievable pathway for our business to meet our long-term net zero goal

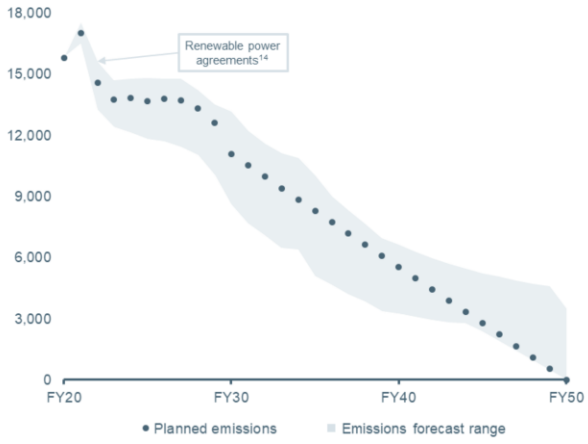
Our long-term goal

- To achieve net-zero operational emissions by 2050

Our new mid-term target

- To reduce our operational emissions by at least 30% from FY2020 levels[15] by FY2030
- This target falls within the range of emissions reductions required to be aligned with the goals of the Paris Agreement
- The target year of FY2030 provides scope for realising significant decarbonisation opportunities, while establishing a trajectory to meet our 2050 net-zero goal
- Our operated assets are developing decarbonisation plans in line with the proposed mid-term target

Emissions forecast range[13]
(kt of CO_2-e)



Source: BHP internal analysis.

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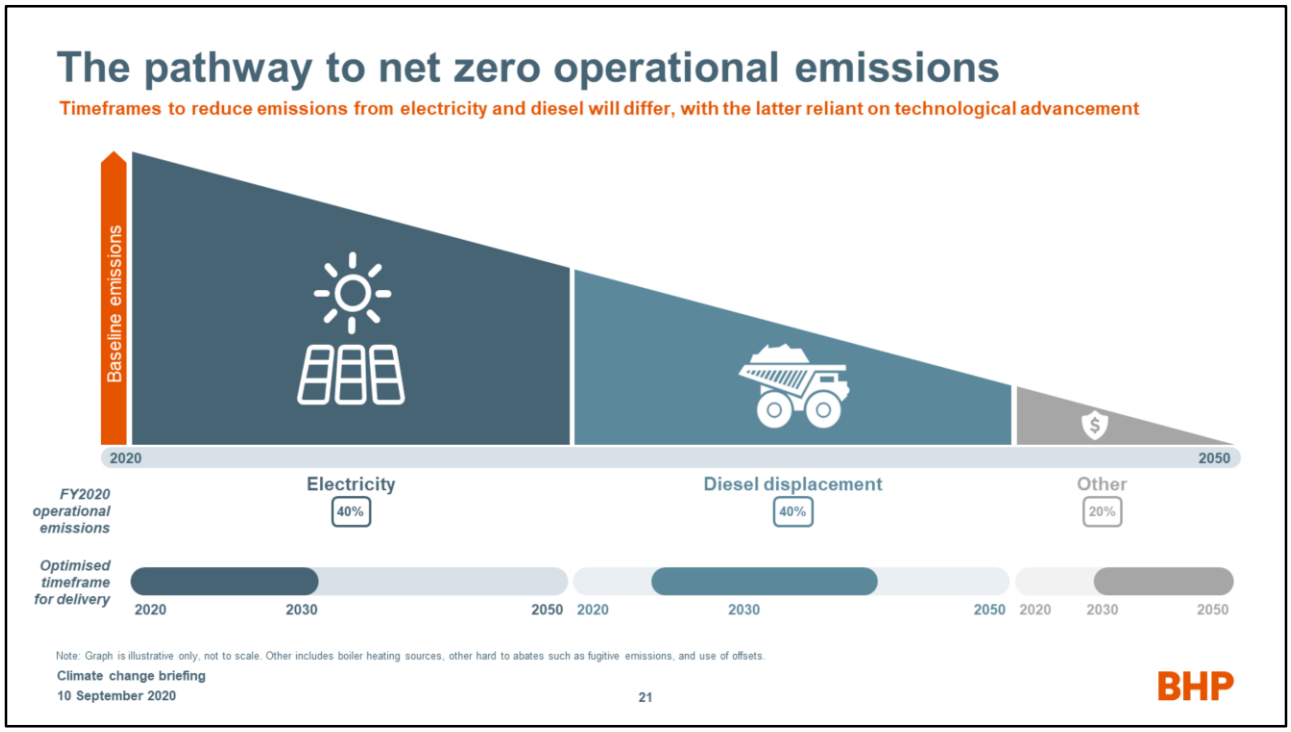
We have been setting targets to reduce emissions from our operations for decades, and we have consistently delivered against these targets.

Our long-term goal of net zero operational emissions by 2050 is clear. And today we are announcing our pathway to achieve it.

Setting a target of at least a 30% reduction in emissions by FY2030, from FY2020 levels, provides a clear expectation for our Assets and a clear demonstration to our stakeholders that behind our target is a considered and committed plan for delivery.

In developing the target, we applied the same rate of reduction to BHP's emissions that the world's emissions would need to contract by in order to meet the goals of the Paris Agreement. This is known as the 'absolute contraction method'.

This is a science-based target that reflects not just our commitment to decarbonising BHP, but the recognition that we must play our part in accelerating the global pathway to decarbonisation.



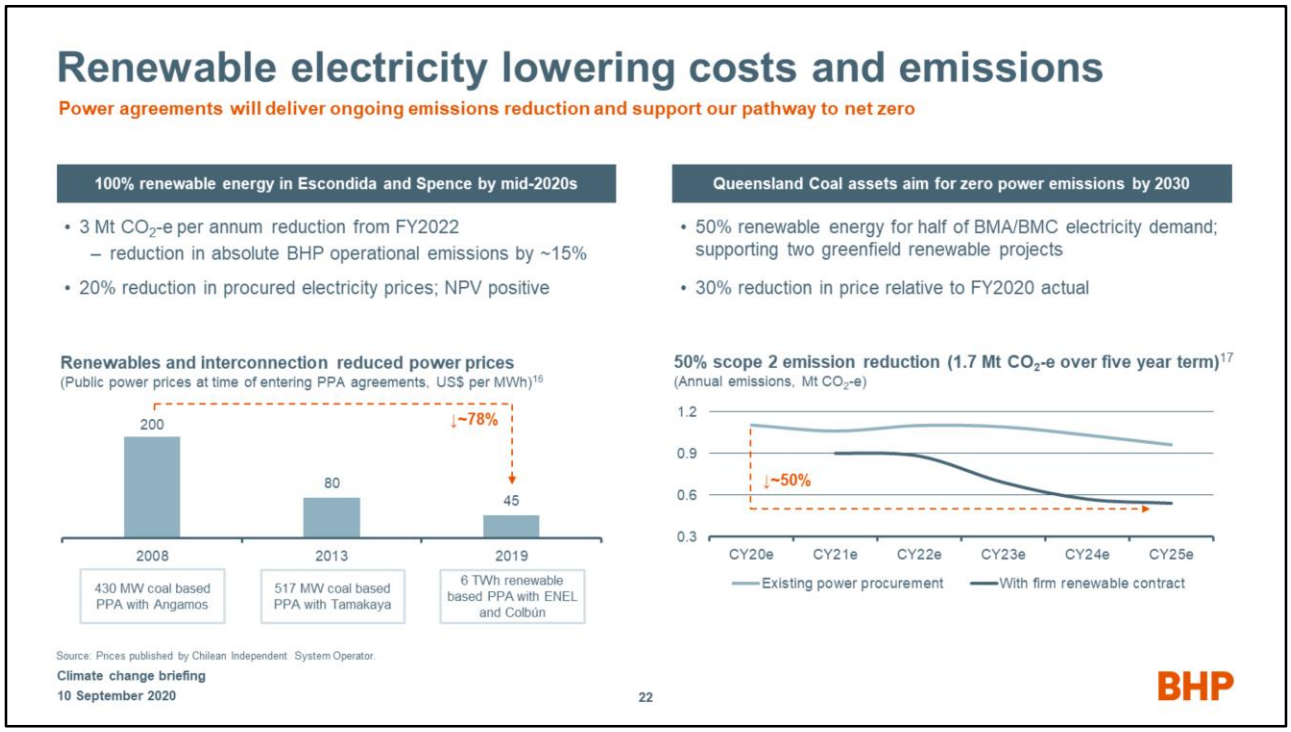
Our execution plan for this target includes two key focus areas.

The first is to decarbonise our electricity supplies. This is a relatively low risk step that can be achieved in a capital-efficient manner by leveraging commercial solutions, primarily in the form of Power Purchase Agreements or PPAs.

The second is to decarbonise our truck fleet. This is a more complex task, as displacing diesel requires partnership with others to test and develop new technologies, with significant lead times for implementation.

We will not set a target without a clear plan for delivery. This plan represents a balance between rapid implementation of renewable energy and prudent advancement of diesel displacement in a manner that preserves optionality and sets us up to achieve net zero emissions by 2050.

We believe the plan is aspirational but achievable, with further optimisation to continue over the coming years as new technologies emerge and commercial applications are better understood.



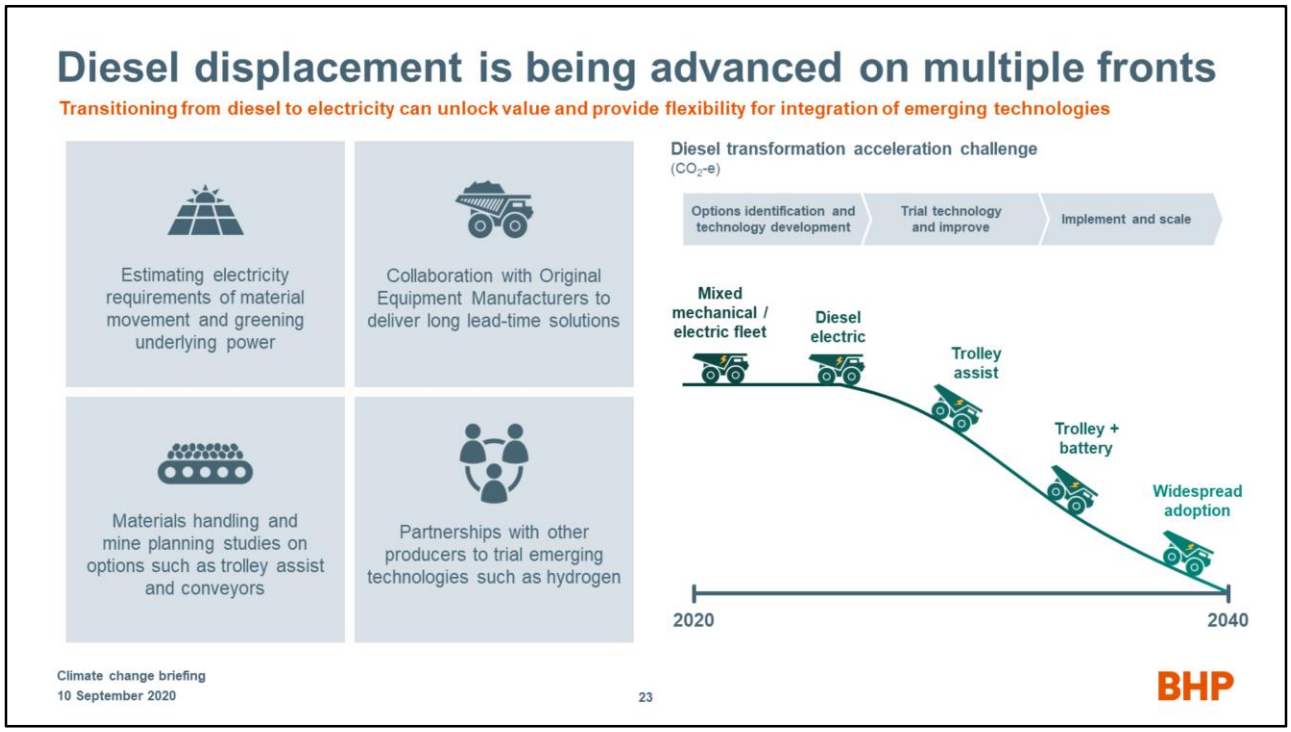
Let's now look at a case study on PPAs.

Last year, BHP entered into four new renewable power agreements for its Escondida and Spence copper operations in Chile.

The contracts will effectively displace over 3 million tonnes of CO_2e per year, compared with the fossil fuel-based contracts they are replacing. And our investment has directly triggered the development of new renewable generation capacity.

These assets are now on track to have 100% renewable supply by the mid-2020s, at lower cost than the supply it replaces.

Learning from our experience in Chile, we have just awarded a new renewables contract here in Australia. As Mike mentioned, these will reduce our Scope 2 emissions in our Queensland operations by 50% by 2025.



Greening our electricity supply will also facilitate the second phase of our pathway to net zero - decarbonising our truck fleet.

The path to electrification of mining equipment will include solutions such as trolley assist, overland conveyors and battery solutions. Taking a scalable approach provides flexibility for the rapid development of emerging technologies and resolves the complexities of integrating these into existing operations.

But just like our PPAs, transitioning our trucks from diesel to renewables can unlock value, given the higher efficiency of electric motors compared with internal combustion engines, and the low cost fuel source that will underpin supply.

Partnership with industry and equipment manufacturers will be key to this transition. We are already leading a collaboration between International Council on Mining and Metals members and equipment manufacturers to progress research, development and deployment of electrified mining equipment.

We also recently launched a cross-sectoral consortium on green hydrogen technologies and their application in mining and resources.

Partnerships like this are pivotal to accelerate the decarbonisation of BHP and drive decarbonisation in our value chains.

Addressing Scope 3 emissions

Supporting emission reductions across our value chains through partnership

	FY2021 actions	2030 goals	Long-term vision
Processing and use of sold products	• Two partnerships with customers in the steel-making sector • Additional CCUS and Direct Air Capture (DAC) investments and contributions	• Support industry to develop technologies and pathways capable of 30% emissions intensity reduction in integrated steelmaking, with widespread adoption expected post-2030	Supporting the economy-wide transition necessary to meet the Paris Agreement goals by working with customers and suppliers to achieve sectoral decarbonisation
Transportation of sold products	• Deliver initiatives on GHG emissions reductions (e.g. vessel selection, LNG-fuelled bulk carrier tender and study into biofuel bunkering)	• Support 40% emissions intensity reduction of BHP-chartered shipping of our products	

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We know that we also have a role to play to help support emissions reductions in our value chain.

By definition, value chain, or Scope 3 emissions occur outside of our operated assets and we have no direct control over their production. We must therefore seek opportunities to partner with others across our value chain to enable reductions.

Over the last year, we have investigated additional ways to do this in consultation with suppliers, customers, investors and other stakeholders.

Our approach is to focus on where we can make the biggest difference – through both scale and influence – and includes three elements

- annual actions;
- goals for 2030; and
- a long-term vision of steel sector and maritime sector decarbonisation, in line with the goals of the Paris Agreement.

So let's take a look at how we are partnering with others to deliver this.

Partnering to address Scope 3 emissions

Supporting industry decarbonisation in line with our Scope 3 goals

Carbon capture utilisation and storage (CCUS)

- The International CCS Knowledge Centre, founded by BHP and SaskPower, seeks to accelerate CCUS via shared learnings
- The Knowledge Centre has released a ground-breaking study of second-generation CCUS, demonstrating large cost savings
- The Knowledge Centre has engaged across multiple sectors:
  - ✓ A feasibility study of a 600 ktpa capture facility at a cement plant in Canada
  - ✓ Includes engagement across natural gas, power (including biomass) and other industrial sectors

LNG shipping

- World's first LNG-fuelled Newcastlemax from early 2022
- 5 year time charter of 5 LNG-fuelled Newcastlemax bulk carriers
- This partnership will:
  - ✓ Reduce emissions by up to 34% per voyage
  - ✓ Allow BHP to better manage fuel supply risk
  - ✓ Build LNG operations capability
  - ✓ Optimise voyage operations and fuel utilisation

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Over the last five years, we have supported the development of carbon capture and storage technology which can be applied to a range of sectors and is critical to achieving a 1.5 degree outcome.

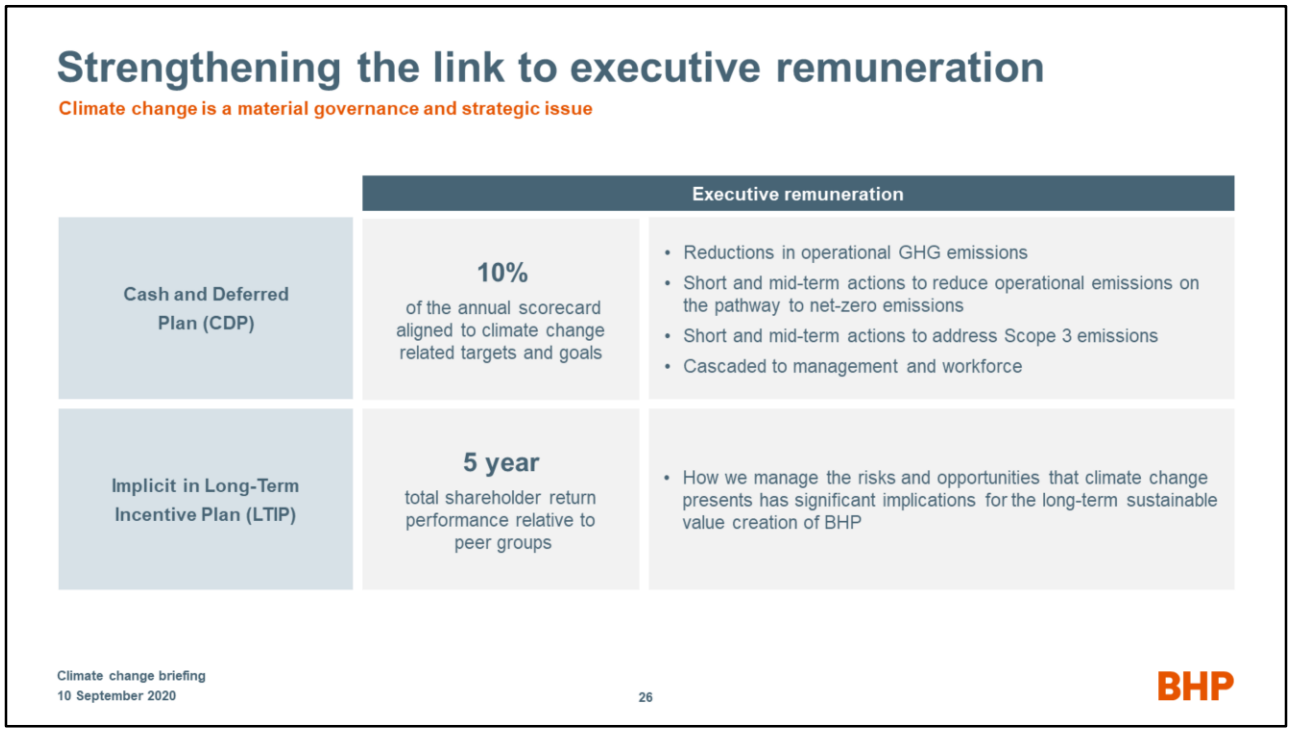
For example, we established the International CCS Knowledge Centre which has provided key insights into cost savings for the next generation of facilities.

CCS can play a key role in decarbonisation of the steel sector, and we are actively progressing partnerships that will demonstrate how it and other technologies can support this outcome.

In line with our goal to support decarbonisation of BHP-chartered shipping, we have awarded the world's first LNG-fuelled bulk carrier tender.

The tender will apply to the hire of five bulk carriers to carry iron ore between Western Australia and China, and will reduce emissions by more than 30% per voyage.

By developing and delivering these types of partnerships, we increase the chance that collectively, we can achieve the goals of the Paris Agreement to which we all aspire.



With targets in place, we must ‘close the loop’ by making sure delivery is incentivised and rewarded across BHP.

We have been setting emissions reduction targets and linking performance against them to executive remuneration for many years.

Last year, we committed to clarify and strengthen this link.

And the Board has now determined that performance against climate change measures will represent 10% of the outcome under the Cash and Deferred Plan, or CDP, for all Executive Leadership Team members.

The 10% component will include the key measures we have outlined today:

- Actual reductions in operational emissions;
- Actions on the pathway to net-zero operational emissions; and
- Actions to address value chain emissions.

These measures will directly cascade to other senior leaders and the broader workforce.

And as Mike said, this is on top of the incentive that our ELT already has, associated with the share-based component of their remuneration.

Transparency and disclosure are key

Our climate change strategy is supported by our commitment to transparent reporting and disclosure

- We have a record of sector-leading climate-related disclosure:
  - ✓ ISS QualityScore - top ranking
  - ✓ TPI - one of only 8 companies to receive the top rating of 4*
  - ✓ CDP - score of A-
- We were one of the first companies to align with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
- We provide more detail on our approach to climate change in our BHP Climate Change Report 2020 launched today, which aligns with TCFD recommendations

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To ensure we continue to respond to the expectations of our stakeholders, we must engage widely, actively and consistently.

We have prioritised transparency and disclosure for many years. For example:

- Our 2015 Portfolio Analysis set a new standard within the resources sector;
- We were one of the first companies to report in line with the recommendations of the TCFD;
- Our industry association reviews have led the sector and we continue to progress recent reforms; and
- We continue to score well in climate-related investor benchmarks such as CDP and TPI.

Today, we take our next step in transparency and disclosure by launching our Climate Change Report.

Following the recommendations of the TCFD, the Report outlines how climate change is considered in our governance, strategy, risk management and metrics and targets.

It is the culmination of extensive consultation, deep reflection and decades of leadership. We are committed to action, supported by costed and practical plans – the progress of which will be subject to ongoing, transparent disclosure.

I am very proud of the work we have done, and will continue to do. And as always, I welcome your input as it really helps us to evolve our approach.

And now back to Mike to conclude.

Thank you Fiona.

We have covered a lot of ground in today's presentation. And given the scale and complexity of the climate challenge, that is necessary and appropriate.

The world needs economic growth and Paris-aligned climate action.

I hope you will take away how we plan to contribute to a low carbon world, provide the commodities the world needs, and create substantial value in the process.

We stand ready to work with our communities, customers and partners to deliver the high growth-low carbon world to which we all aspire.

We approach this task guided by the elements of Accountability, Expectations and Value.

We are a company of substance and we will continue to step up to our Accountability and meet growing Expectations through actions that are founded on deep insight, well thought-through, rigorously planned and substantive when it comes to contributing to actual reduction of global emissions. We will protect and grow value through being deliberate in tending to our current portfolio while ensuring we shape it for the future.

Thank you.

Footnotes

1. Slide 7: To stay within a carbon budget that keeps global warming to no more than 1.5°C, the 1.5°C scenario requires steep global annual emissions reductions, sustained for decades. This pathway to 2050 represents a major departure from today's global trajectory.
2. Slide 8: FY2020 baseline will be adjusted for any material acquisitions and divestments based on GHG emissions at the time of the transaction. Carbon offsets will be used as required.
3. Slide 12&13: Scenarios were developed prior to the impacts of the COVID-19 pandemic, and therefore any possible effects of the pandemic were not considered in the modelling.
4. Slide 13: Represents combined global energy demand for metallurgical coal and thermal coal.
5. Slide 13: The UN Food and Agriculture Organization reports that 14,200 km^2 of forest was converted for other use over 2018-19. 2050 figure includes land converted for afforestation from 2020-50 (~4.3 million km^2).
6. Slide 14: Iron ore and metallurgical coal demand based on Contestable Market (Global seaborne market plus Chinese domestic demand).
7. Slide 14: Nickel and copper demand references primary metal
8. Slide 14: Nuclear power was used as a proxy for historic and future cumulative demand for uranium.
9. Slide 14: Our Planning Ranges reflect our deterministic view of future outcomes for commodity demand. The low and high end of the range are constructed to be both plausible and challenging, with the balance of risks around these boundary cases necessarily skewed back towards the body of the range.
10. Slide 16: Nickel curve normalised to single finished end product. End use application may impact relative intensities.
11. Slide 16: Petroleum chart represents corporate emissions intensity of select individual petroleum producers accounting for ~35% of total production but is considered a representative sample of the broader industry.
12. Slide 16: Select scope 3 emissions included to aid comparability: Met Coal includes Freight + Port, Iron Ore includes Freight + Port, Copper includes Freight + Downstream, and Nickel includes Freight + Port + Ocean + Downstream.
13. Slide 20: Emissions forecast range includes growth projects highlighting the targeted reduction in absolute emissions.
14. Slide 20: Renewable power agreements refer to power agreements coming into effect at our Escondida and Spence copper assets in Chile, and a power purchasing agreement to supply 50% of our electricity needs across our Queensland Coal mines.
15. Slide 20: FY2020 baseline will be adjusted for any material acquisitions and divestments based on GHG emissions at the time of the transaction. Carbon offsets will be used as required.
16. Slide 22: Power prices reflect annual public electricity prices and do not represent the specific PPA pricing. Stated power prices excludes other costs such as system charges and tolling fees.
17. Slide 22: A firm PPA agreement with CleanCo has been entered to meet 50% of Queensland Coal's electricity needs. Of this portion, newly operational solar and wind farms are expected to progressively contribute up to half, which is supported by CleanCo's low emissions portfolio. Combined with large-scale generation certificates, this will enable BHP to reduce Scope 2 emissions from its Queensland operations by 50% by 2025, based on FY2020 levels.


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