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BHP Group Limited – Economic Contribution Report 2022

Introduction

Our Economic Contribution Report (Report) for the year ended 30 June 2022 was released today.

BHP's performance this year has been strong. There has been increased economic volatility, inflationary pressures and global supply chain disruption, but managing uncertainty and risk is a core part of our business, and our systems and processes have allowed us to address these additional challenges in a disciplined way. This, along with our focus on operational excellence, the quality of our assets, and our leading approach to social value means that we remain better positioned to consistently deliver strong results through the cycle.

Our people have worked hard to support one another and keep our operations running safely and productively. This has enabled us to continue to provide significant support to local businesses, regional and Indigenous communities, to protect local jobs and pay taxes and royalties to governments.

BHP has a long-standing commitment to transparency. We recognise taxes are important sources of government revenue and are central to the fiscal policy and macroeconomic stability of countries. Paying the right amount of taxes and royalties enable governments to finance and deliver on national development plans for the benefit of the broader community to promote sustainable economic growth, full and productive employment, reducing poverty and inequality within and among countries. We have disclosed details of our tax and royalty payments for more than 20 years and during that time we have continually updated and expanded our disclosures. This Report meets the requirements of the Australian Voluntary Tax Transparency Code and aims to provide a greater understanding of BHP's global tax profile, tax contributions and the manner in which we govern and manage our tax obligations. Our Economic Contribution Report 2022 incorporates the requirements of the Global Reporting Initiative (GRI) Standard 207: Tax issued by the Global Sustainability Standards Board.

BHP is subject to the different tax regimes that apply in each of those countries and complies with applicable taxation laws in all the jurisdictions where we operate, including the Organisation for Economic Co-operation and Development (OECD) Country-by-Country reporting measures. This information provides tax authorities around the world with details of how we conduct our business and how BHP's entities transact with each other.

Our Economic Contribution Report 2022 has today been submitted to the FCA National Storage Mechanism and will shortly be available for inspection at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>. It is also available to be downloaded on the BHP website at:

https://www.bhp.com/-/media/Documents/Investors/Annual-Reports/2022/220914_bhpeconomiccontributionreport2022.pdf

BHP's total direct economic contribution for FY2022 was US\$78.1 billion. This includes payments to suppliers, wages and benefits for around 80,000 employees and contractors, dividends, taxes, royalties and voluntary investment in social projects across the communities where we operate.

In FY2022, our tax, royalty and other payments to governments totalled US\$17.3 billion. Of this, 77.5 per cent or US\$13.4 billion was paid in Australia. This makes BHP one of the largest corporate taxpayers in Australia in FY2022. During the last decade, we paid US\$90.5 billion globally in taxes, royalties and other payments, including US\$70.0 billion (approximately A\$90.1 billion) in Australia.

Below are extracted sections of our full Economic Contribution Report 2022 that together meet our UK regulatory obligations under DTR 4.3A of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules and, where required by DTR 4.3A, the Reports on Payments to Governments Regulations 2014 (as amended).

Our payments to governments

BHP has prepared this information on the basis set out in the Basis of Report preparation and Glossary sections of the Report.

Payments made by country and level of government

US\$ millions	Corporate income tax	Royalty-related income tax	Taxes levied on production	Total taxes paid	Royalties	Production entitlements	Fees	Payments for infrastructure improvements	Signature, discovery and production bonuses	Total payments as defined by the UK Requirement	Other payments	Total payments to governments
Total payments to governments	10,631.9	945.5	39.4	11,616.8	4,447.3	371.2	81.0	3.9	-	16,520.2	736.4	17,256.6
Algeria¹	-	-	-	-	-	93.3	1.5	-	-	94.8	-	94.8
Directorate General of Taxes	-	-	-	-	-	93.3	-	-	-	93.3	-	93.3
Government of Algeria	-	-	-	-	-	-	1.5	-	-	1.5	-	1.5
Australia²	8,193.0	560.1	39.4	8,792.5	4,199.0	-	21.6	3.3	-	13,016.4	362.8	13,379.2
Australian Taxation Office	8,193.0	560.1	39.4	8,792.5	-	-	-	-	-	8,792.5	24.8	8,817.3
Central Highlands Regional Council	-	-	-	-	-	-	-	-	-	-	4.4	4.4
City of Kalgoorlie-Boulder	-	-	-	-	-	-	-	-	-	-	0.2	0.2
City of Rockingham	-	-	-	-	-	-	-	-	-	-	0.1	0.1
Coal Mining Industry Long Service	-	-	-	-	-	-	-	-	-	-	17.9	17.9
Department of Mines, Industry Regulation and Safety (Western Australia)	-	-	-	-	170.5	-	-	-	-	170.5	-	170.5
Isaac Regional Council (Queensland)	-	-	-	-	-	-	-	-	-	-	9.8	9.8
Mackay Regional Council (Queensland)	-	-	-	-	-	-	-	-	-	-	0.6	0.6
Muswellbrook Shire Council (New South	-	-	-	-	-	-	-	0.1	-	0.1	3.9	4.0
Shire of Ashburton (Western Australia)	-	-	-	-	-	-	-	-	-	-	2.2	2.2
Shire of Dundas	-	-	-	-	-	-	-	-	-	-	0.1	0.1
Shire of East Pilbara (Western Australia)	-	-	-	-	-	-	-	-	-	-	3.5	3.5
Shire of Leonara (Western Australia)	-	-	-	-	-	-	-	-	-	-	0.8	0.8
Shire of Wiluna (Western Australia)	-	-	-	-	-	-	-	-	-	-	1.2	1.2
State of New South Wales ³	-	-	-	-	191.3	-	2.2	-	-	193.5	7.8	201.3
State of Queensland ³	-	-	-	-	1,351.4	-	2.1	3.2	-	1,356.7	84.3	1,441.0
State of South Australia	-	-	-	-	60.5	-	2.4	-	-	62.9	22.8	85.7
State of Victoria ³	-	-	-	-	-	-	-	-	-	-	23.6	23.6
State of Western Australia	-	-	-	-	2,425.3	-	13.0	-	-	2,438.3	136.2	2,574.5
Town of Port Hedland (Western Australia)	-	-	-	-	-	-	-	-	-	-	17.5	17.5

Municipal Council of Roxby Downs	-	-	-	-	-	-	-	-	-	-	1.0	1.0
Other Australian Governments	-	-	-	-	-	-	1.9	-	-	1.9	0.1	2.0
Barbados	-	-	-	-	-	-	0.7	-	-	0.7	-	0.7
Government of Barbados	-	-	-	-	-	-	0.7	-	-	0.7	-	0.7
Brazil	1.6	-	-	1.6	-	-	-	-	-	1.6	4.8	6.4
Federal Tax Revenue Ministry	1.6	-	-	1.6	-	-	-	-	-	1.6	4.8	6.4
Canada	105.4	-	-	105.4	-	-	10.3	0.6	-	116.3	4.8	121.1
Canada Revenue Agency	106.8	-	-	106.8	-	-	-	-	-	106.8	1.2	108.0
Finances Quebec	-	-	-	-	-	-	-	0.3	-	0.3	0.1	0.4
Government of Saskatchewan	-	-	-	-	-	-	9.2	-	-	9.2	0.1	9.3
Ministry of Finance - Ontario	-	-	-	-	-	-	-	-	-	-	0.1	0.1
Rural Municipality of Leroy (Saskatchewan)	-	-	-	-	-	-	1.1	0.1	-	1.2	2.9	4.1
Rural Municipality of Prairie Rose	-	-	-	-	-	-	-	0.2	-	0.2	0.1	0.3
Government of British Columbia	(1.4)	-	-	(1.4)	-	-	-	-	-	(1.4)	-	(1.4)
Other Canadian Governments	-	-	-	-	-	-	-	-	-	-	0.3	0.3
Chile⁴	2,197.9	385.4	-	2,583.3	-	-	13.7	-	-	2,597.0	7.4	2,604.4
Servicio de Impuestos Internos	2,197.9	385.4	-	2,583.3	-	-	13.7	-	-	2,597.0	7.4	2,604.4
China	1.7	-	-	1.7	-	-	-	-	-	1.7	-	1.7
China Tax Bureau	1.7	-	-	1.7	-	-	-	-	-	1.7	-	1.7
India	0.3	-	-	0.3	-	-	-	-	-	0.3	-	0.3
Income Tax Department	0.3	-	-	0.3	-	-	-	-	-	0.3	-	0.3
Japan	0.2	-	-	0.2	-	-	-	-	-	0.2	-	0.2
National Tax Agency	0.2	-	-	0.2	-	-	-	-	-	0.2	-	0.2
Malaysia	0.9	-	-	0.9	-	-	-	-	-	0.9	-	0.9
Inland Revenue Board	0.9	-	-	0.9	-	-	-	-	-	0.9	-	0.9
Mexico	2.0	-	-	2.0	-	-	2.6	-	-	4.6	0.2	4.8
Mexican Federal Tax Administration	2.0	-	-	2.0	-	-	2.6	-	-	4.6	0.2	4.8
Netherlands	0.1	-	-	0.1	-	-	-	-	-	0.1	-	0.1
Tax and Customs Administration	0.1	-	-	0.1	-	-	-	-	-	0.1	-	0.1
Peru	38.8	-	-	38.8	-	-	1.2	-	-	40.0	-	40.0
Republica Del Peru	-	-	-	-	-	-	0.7	-	-	0.7	-	0.7
National Superintendency of Customs and Tax Administration	38.8	-	-	38.8	-	-	0.5	-	-	39.3	-	39.3
Philippines	0.5	-	-	0.5	-	-	-	-	-	0.5	0.5	1.0
Bureau of Internal Revenue	0.5	-	-	0.5	-	-	-	-	-	0.5	0.5	1.0
Singapore	36.9	-	-	36.9	-	-	-	-	-	36.9	-	36.9
Inland Revenue Authority of Singapore	36.9	-	-	36.9	-	-	-	-	-	36.9	-	36.9
South Africa³	-	-	-	-	-	-	-	-	-	-	22.6	22.6
Receiver of Revenue	-	-	-	-	-	-	-	-	-	-	22.6	22.6
Switzerland	0.2	-	-	0.2	-	-	-	-	-	0.2	-	0.2
Canton of Zug	0.2	-	-	0.2	-	-	-	-	-	0.2	-	0.2

Trinidad and Tobago⁵	4.7	-	-	4.7	-	277.9	22.5	-	-	305.1	0.9	306.0
Board of Inland Revenue	4.7	-	-	4.7	-	277.9	22.5	-	-	305.1	0.9	306.0
United Kingdom³	1.3	-	-	1.3	-	-	-	-	-	1.3	311.5	312.8
City of Westminster	-	-	-	-	-	-	-	-	-	-	1.0	1.0
Her Majesty's Revenue & Customs	1.3	-	-	1.3	-	-	-	-	-	1.3	310.5	311.8
United States of America	46.4	-	-	46.4	248.3	-	6.9	-	-	301.6	20.9	322.5
Arizona Department of Revenue	-	-	-	-	-	-	0.2	-	-	0.2	-	0.2
Arizona State Land Department	-	-	-	-	-	-	-	-	-	-	0.5	0.5
Internal Revenue Service	-	-	-	-	-	-	0.1	-	-	0.1	-	0.1
Louisiana Department of Revenue	11.5	-	-	11.5	-	-	-	-	-	11.5	-	11.5
Texas Comptroller	(0.1)	-	-	(0.1)	-	-	-	-	-	(0.1)	3.0	2.9
US Nuclear Regulatory Commission	-	-	-	-	-	-	0.1	-	-	0.1	-	0.1
US Department of The Interior	-	-	-	-	248.3	-	6.3	-	-	254.6	-	254.6
US Department of The Treasury	34.6	-	-	34.6	-	-	-	-	-	34.6	16.7	51.3
Utah State Tax Commission	-	-	-	-	-	-	0.1	-	-	0.1	-	0.1
State of New Mexico	-	-	-	-	-	-	-	-	-	-	0.1	0.1
United States Treasury	-	-	-	-	-	-	0.1	-	-	0.1	-	0.1
State of Texas	-	-	-	-	-	-	-	-	-	-	0.6	0.6
Other US Governments	0.4	-	-	0.4	-	-	-	-	-	0.4	-	0.4
Total payments to governments comprising:												
Continuing operations	10,010.9	385.4	-	10,396.3	4,028.5	-	46.0	3.9	-	14,474.7	709.5	15,184.2
Discontinued operations	621.0	560.1	39.4	1,220.5	418.8	371.2	35.0	-	-	2,045.5	26.9	2,072.4

Figures are rounded to the nearest decimal point.

- 1 Production entitlements of 1.2 million barrels of oil equivalent (boe) paid in-kind.
- 2 Payments made for royalties in relation to the North West Shelf of US\$170.5 million relate to the ad valorem royalty over which the Commonwealth has jurisdiction. Under the Offshore Petroleum (Royalty) Act 2006, the royalties are assessed and collected on behalf of the Commonwealth by the Government of Western Australia Department of Mines, Industry Regulation and Safety. Payments are currently allocated between the Commonwealth (approximately one-third) and Western Australia (approximately two-thirds).
- 3 UK stamp duty of US\$307 million, South African securities transfer tax of US\$23 million and the total of US\$20 million stamp duty paid to the states of Queensland, Victoria and New South Wales were paid in relation to the unification of our corporate structure.
- 4 Income and mining taxes are paid in Chile on a calendar year basis. However, for the purpose of this Report, taxes paid are included for BHP's financial year (1 July 2021 to 30 June 2022). For reference, income tax and specific tax on mining activities paid by Escondida and Pampa Norte for CY2021 amount to US\$1,713.0 million (Escondida) and US\$30.6 million (Pampa Norte).
- 5 Production entitlements of 5.4 million boe paid in-kind.

Payments made on a project-by-project basis

US\$ millions	Corporate income tax	Royalty-related income tax	Taxes levied on production	Total taxes paid	Royalties	Production entitlements	Fees	Payments for infrastructure improvements	Signature, discovery and production bonuses	Total payments as defined by the UK Requirement	Other payments	Total payments to governments
Total payments to governments	10,631.9	945.5	39.4	11,616.8	4,447.3	371.2	81.0	3.9	-	16,520.2	736.4	17,256.6
Petroleum	621.0	560.1	39.4	1,220.5	418.8	371.2	35.0	-	-	2,045.5	26.9	2,072.4
Algeria Joint Interest Unit ¹	0.3	-	-	0.3	-	93.3	1.5	-	-	95.1	-	95.1
Australia Production Unit - Victoria	2.9	(0.8)	-	2.1	-	-	-	-	-	2.1	-	2.1
Australia Production Unit - Western Australia	(28.3)	126.3	-	98.0	-	-	1.4	-	-	99.4	6.0	105.4
Bass Strait	132.1	434.6	-	566.7	-	-	-	-	-	566.7	0.4	567.1
Gulf of Mexico	13.2	-	-	13.2	248.3	-	6.3	-	-	267.8	3.6	271.4
North West Shelf	471.2	-	39.4	510.6	170.5	-	-	-	-	681.1	-	681.1
Trinidad and Tobago Production Unit ²	0.9	-	-	0.9	-	277.9	22.5	-	-	301.3	0.9	302.2
UK Production Unit	0.1	-	-	0.1	-	-	-	-	-	0.1	-	0.1
Other	28.6	-	-	28.6	-	-	3.3	-	-	31.9	16.0	47.9
Minerals Americas	2,218.0	385.4	-	2,603.4	-	-	25.3	0.3	-	2,629.0	16.6	2,645.6
Escondida	1,774.7	375.0	-	2,149.7	-	-	10.3	-	-	2,160.0	5.1	2,165.1
Other Copper	3.7	-	-	3.7	-	-	2.2	-	-	5.9	0.3	6.2
Pampa Norte ³	400.3	10.4	-	410.7	-	-	2.5	-	-	413.2	2.0	415.2
Potash Canada	(1.3)	-	-	(1.3)	-	-	10.3	0.3	-	9.3	4.4	13.7
Head Office - BHP Billiton Brasil Ltda	1.6	-	-	1.6	-	-	-	-	-	1.6	4.8	6.4
Head Office - RAL Cayman Inc	39.0	-	-	39.0	-	-	-	-	-	39.0	-	39.0
Minerals Australia	7,780.4	-	-	7,780.4	4,028.5	-	20.3	3.3	-	11,832.5	324.4	12,156.9
New South Wales Energy Coal	(0.2)	-	-	(0.2)	191.3	-	2.2	0.1	-	193.4	12.5	205.9
Nickel West	72.5	-	-	72.5	28.2	-	3.1	-	-	103.8	24.6	128.4
Olympic Dam	16.9	-	-	16.9	60.5	-	2.5	-	-	79.9	24.8	104.7
Other Coal	12.1	-	-	12.1	-	-	-	-	-	12.1	36.9	49.0
Queensland Coal ⁴	785.1	-	-	785.1	1,351.4	-	2.1	3.2	-	2,141.8	92.2	2,234.0
Western Australia Iron Ore	6,894.0	-	-	6,894.0	2,397.1	-	10.4	-	-	9,301.5	133.4	9,434.9
Group and Unallocated	12.5	-	-	12.5	-	-	0.4	0.3	-	13.2	368.5	381.7
Closed Sites	17.3	-	-	17.3	-	-	0.4	0.3	-	18.0	1.0	19.0
Corporate ^{5 6}	(14.0)	-	-	(14.0)	-	-	-	-	-	(14.0)	367.5	353.5
Commercial	9.2	-	-	9.2	-	-	-	-	-	9.2	-	9.2
Total payments to governments comprising:												
Continuing operations	10,010.9	385.4	-	10,396.3	4,028.5	-	46.0	3.9	-	14,474.7	709.5	15,184.2

Discontinued operations	621.0	560.1	39.4	1,220.5	418.8	371.2	35.0	-	-	2,045.5	26.9	2,072.4
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Figures are rounded to the nearest decimal point.

- 1 Production entitlements of 1.2 million boe paid in-kind.
- 2 Production entitlements of 5.4 million boe paid in-kind.
- 3 Includes withholding tax of US\$286.3 million on the distribution of historical profits.
- 4 Royalties, fees and other payments made by BM Alliance Coal Operations Pty Limited have been included in total payments to the extent of BHP's ownership of the operating entity, being 50 per cent.
- 5 The corporate income tax amount predominantly reflects the allocation of the Australian corporate income tax liability among members of the Australian tax consolidated group. For more information refer to Basis of Report preparation section.
- 6 UK stamp duty of US\$307 million, South African securities transfer tax of US\$23 million and the total of US\$20 million stamp duty paid to the states of Queensland, Victoria and New South Wales were paid in relation to the unification of our corporate structure.