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BHP Group Limited – Economic Contribution Report 2023

Introduction

Our Economic Contribution Report (Report) for the year ended 30 June 2023 was released today.

BHP has delivered a strong set of results in FY2023, against a backdrop of economic uncertainty. In FY2023, BHP achieved both production guidance and growth across each of our commodities, including record annual production at Western Australia Iron Ore, Olympic Dam and Spence. Overall, we saw lower revenue in FY2023 due to weaker prices in key commodities. On the cost side, we managed the impact of inflation well, relative to the market, through disciplined cost control.

The strength of our portfolio, our operating excellence, our people and ongoing commitment to social value should position us well to continue growing value for our shareholders and support the communities in the countries where we operate.

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 enables 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, and reduce poverty and inequality within and among countries. We have disclosed details of our tax and royalty payments for more than 20 years and we have continually updated and expanded our disclosures. The Economic Contribution Report 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.

BHP is subject to the different tax regimes and complies with applicable tax laws in all the countries where we operate, including the Organisation for Economic Co-operation and Development (OECD) Country-by-Country reporting. 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 2023 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/2023/230822_bhpeconomiccontributionreport2023.pdf

BHP's total direct economic contribution for FY2023 was US\$54.2 billion. This includes contribution to suppliers, wages and benefits for more than 80,000 employees and contractors, dividends, taxes, royalties and voluntary investment in social projects across the communities where we operate. In FY2023, our tax, royalty and other payments to governments totalled US\$13.8 billion. Of this, 88 per cent or US\$12.1 billion was paid in Australia. This made BHP one of the largest corporate taxpayers in Australia in FY2023. During the last decade, we paid

US\$94.2 billion globally in taxes, royalties and other payments to governments, including US\$74.9 billion (approximately A\$101.0 billion) in Australia.

Below are extracted sections of our full Economic Contribution Report 2023 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 Economic Contribution Report FY2023.

Payments made by country and level of government

US\$ millions	Corporate Income Tax	Royalty- related Income Tax	Total taxes paid	Royalties	Fees	Payments for infrastructure improvements	Total payments as defined by the UK Requirements	Other Payments	Total payments to governments
Total payments to governments	9,067.5	250.9	9,318.4	4,014.2	38.7	41.8	13,413.1	358.8	13,771.9
Australia	7,729.1	-	7,729.1	4,013.8	23.8	40.1	11,806.8	322.0	12,128.8
Australian Taxation Office	7,729.1	-	7,729.1	-	-	-	7,729.1	29.4	7,758.5
Central Highlands Regional Council	-	-	-	-	-	-	-	3.3	3.3
City of Kalgoorlie-Boulder	-	-	-	-	-	-	-	0.2	0.2
City of Rockingham	-	-	-	-	-	-	-	0.1	0.1
Coal Mining Industry Long Service	-	-	-	-	-	-	-	16.9	16.9
Isaac Regional Council (Queensland)	-	-	-	-	-	-	-	6.9	6.9
Mackay Regional Council (Queensland)	-	-	-	-	-	-	-	0.5	0.5
Municipal Council of Roxby Downs	-	-	-	-	-	-	-	1.0	1.0
Muswellbrook Shire Council (New South Wales)	-	-	-	-	-	0.1	0.1	3.7	3.8
Shire of Ashburton (Western Australia)	-	-	-	-	-	-	-	0.6	0.6
Shire of Dundas	-	-	-	-	-	-	-	0.1	0.1
Shire of East Pilbara (Western Australia)	-	-	-	-	-	-	-	4.9	4.9
Shire of Leonara (Western Australia)	-	-	-	-	-	-	-	0.9	0.9
Shire of Wiluna (Western Australia)	-	-	-	-	-	-	-	1.2	1.2
State of New South Wales	-	-	-	303.6	1.9	-	305.5	7.1	312.6
State of Queensland	-	-	-	1,755.9	1.5	3.0	1,760.4	70.0	1,830.4
State of South Australia	-	-	-	98.4	2.1	-	100.5	29.7	130.2
State of Victoria	-	-	-	-	-	-	-	(7.6)	(7.6)
State of Western Australia	-	-	-	1,855.9	17.6	37.0	1,910.5	134.6	2,045.1
Town of Port Hedland (Western Australia)	-	-	-	-	-	-	-	17.0	17.0
Other Australian Governments	-	-	-	-	0.7	-	0.7	1.5	2.2
Brazil	0.1	-	0.1	0.4	-	-	0.5	2.6	3.1

Federal Tax Revenue Ministry	0.1	-	0.1	-	-	-	0.1	2.6	2.7
National Mining Agency	-	-	-	0.4	-	-	0.4	-	0.4
Canada	11.9	-	11.9	-	8.6	1.1	21.6	5.2	26.8
Canada Revenue Agency	11.9	-	11.9	-	-	-	11.9	1.8	13.7
Finances Quebec	-	-	-	-	-	0.1	0.1	0.1	0.2
Government of Saskatchewan	-	-	-	-	8.6	-	8.6	0.1	8.7
Ministry of Finance - Ontario	-	-	-	-	-	-	-	0.1	0.1
Rural Municipality of Leroy (Saskatchewan)	-	-	-	-	-	0.2	0.2	3.0	3.2
Rural Municipality of Prairie Rose (Saskatchewan)	-	-	-	-	-	0.2	0.2	0.1	0.3
Rural Municipality of Usborne	-	-	-	-	-	0.6	0.6	-	0.6
Other Canadian Governments	-	-	-	-	-	-	-	-	-
Chile¹	1,195.3	250.9	1,446.2	-	5.4	-	1,451.6	22.0	1,473.6
Servicio De Impuestos Internos	1,195.3	250.9	1,446.2	-	5.4	-	1,451.6	22.0	1,473.6
China	3.1	-	3.1	-	-	-	3.1	-	3.1
China Tax Bureau	3.1	-	3.1	-	-	-	3.1	-	3.1
India	0.7	-	0.7	-	-	-	0.7	-	0.7
Income Tax Department	0.7	-	0.7	-	-	-	0.7	-	0.7
Japan	0.4	-	0.4	-	-	-	0.4	-	0.4
National Tax Agency	0.4	-	0.4	-	-	-	0.4	-	0.4
Malaysia	1.3	-	1.3	-	-	-	1.3	-	1.3
Inland Revenue Board	1.3	-	1.3	-	-	-	1.3	-	1.3
Netherlands	0.9	-	0.9	-	-	-	0.9	-	0.9
Tax and Customs Administration	0.9	-	0.9	-	-	-	0.9	-	0.9
Peru	16.4	-	16.4	-	-	-	16.4	0.2	16.6
National Superintendency of Customs And Tax Administration	16.4	-	16.4	-	-	-	16.4	-	16.4
Republica Del Peru	-	-	-	-	-	-	-	0.2	0.2
Philippines	0.7	-	0.7	-	-	-	0.7	0.4	1.1
Bureau of Internal Revenue	0.5	-	0.5	-	-	-	0.5	0.4	0.9
Other Philippines Governments	0.2	-	0.2	-	-	-	0.2	-	0.2
Singapore	92.2	-	92.2	-	-	-	92.2	-	92.2
Inland Revenue Authority of Singapore	92.2	-	92.2	-	-	-	92.2	-	92.2
Switzerland	0.2	-	0.2	-	-	-	0.2	-	0.2
Canton of Zug	0.2	-	0.2	-	-	-	0.2	-	0.2

United Kingdom	5.3	-	5.3	-	-	-	5.3	3.9	9.2
City of Westminster	-	-	-	-	-	-	-	0.9	0.9
HM Revenue & Customs	5.3	-	5.3	-	-	-	5.3	3.0	8.3
United States of America	9.9	-	9.9	-	0.9	0.6	11.4	2.5	13.9
Arizona Department of Revenue	-	-	-	-	0.1	-	0.1	-	0.1
Internal Revenue Service	-	-	-	-	-	-	-	2.0	2.0
U.S. Department of The Treasury	9.8	-	9.8	-	-	-	9.8	-	9.8
U.S. Nuclear Regulatory Commission	-	-	-	-	0.3	-	0.3	-	0.3
Utah State Tax Commission	-	-	-	-	0.2	-	0.2	-	0.2
State of New Mexico	0.1	-	0.1	-	0.1	-	0.2	-	0.2
Bureau of Land Management	-	-	-	-	0.1	-	0.1	-	0.1
Pinal County	-	-	-	-	-	-	-	0.4	0.4
Other US Governments	-	-	-	-	0.1	0.6	0.7	0.1	0.8

Figures are rounded to the nearest decimal point.

- 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 2022 to 30 June 2023). For reference, income tax and specific tax on mining activities paid by Escondida and Pampa Norte for CY2022 amount to US\$1,265.0 million (Escondida) and US\$1.3 million (Pampa Norte).

Payments made on a project-by-project basis

US\$ millions	Corporate Income Tax	Royalty-related Income Tax	Total taxes paid	Royalties	Fees	Payments for infrastructure improvements	Total payments as defined by the UK Requirements	Other Payments	Total payments to governments
Total payments to governments	9,067.5	250.9	9,318.4	4,014.2	38.7	41.8	13,413.1	358.8	13,771.9
Minerals Americas	1,207.6	250.9	1,458.5	0.4	14.2	1.0	1,474.1	29.4	1,503.5
Escondida	1,305.7	249.7	1,555.4	-	0.8	-	1,556.2	19.9	1,576.1
Other Copper	2.7	-	2.7	0.4	1.1	-	4.2	1.0	5.2
Pampa Norte	(118.3)	1.2	(117.1)	-	3.7	-	(113.4)	1.2	(112.2)
Potash Canada	-	-	-	-	8.6	1.0	9.6	4.7	14.3
BHP Billiton Brasil Ltda ¹	(0.3)	-	(0.3)	-	-	-	(0.3)	2.6	2.3
RAL Cayman Inc ²	17.8	-	17.8	-	-	-	17.8	-	17.8
Minerals Australia	7,670.1	-	7,670.1	4,013.8	23.5	40.1	11,747.5	319.4	12,066.9
New South Wales Energy Coal	590.8	-	590.8	303.6	1.9	0.1	896.4	14.1	910.5
Nickel West	99.3	-	99.3	34.2	3.6	-	137.1	28.2	165.3
Copper South Australia	78.3	-	78.3	98.4	2.1	-	178.8	31.3	210.1
Other Coal	(0.8)	-	(0.8)	-	-	-	(0.8)	28.7	27.9
BHP Mitsubishi Alliance ³	1,734.4	-	1,734.4	1,755.9	1.5	3.0	3,494.8	82.1	3,576.9
Western Australia Iron Ore	5,168.1	-	5,168.1	1,821.7	14.4	37.0	7,041.2	135.0	7,176.2
Group and Unallocated	189.8	-	189.8	-	1.0	0.7	191.5	10.0	201.5
Corporate ⁴	190.7	-	190.7	-	-	-	190.7	9.0	199.7
Commercial	18.3	-	18.3	-	-	-	18.3	-	18.3
Other	(19.2)	-	(19.2)	-	1.0	0.7	(17.5)	1.0	(16.5)

Figures are rounded to the nearest decimal point.

- 1 Holding company of Samarco equity accounted investment.
- 2 Holding company of Antamina equity accounted investment.
- 3 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.
- 4 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.