

Social Value and Sustainability Global Standard

Purpose of Global Standard?

This Global Standard outlines the minimum requirements for meeting our sustainability targets, goals and commitments, developing social value plans, and undertaking social value assessments for BHP-operated assets and making social investments at BHP.

Social value is BHP's positive contribution to society and is about creating mutual benefit for BHP, our shareholders, Indigenous partners and the broader community. Social investment is our voluntary contribution towards projects or donations with the primary purpose of contributing to the resilience of the communities where we operate and the environment, aligned with our broader business priorities.

Who does this apply to?

This Global Standard applies to anyone involved in:

- planning for BHP-operated assets or BHP global functions;
- planning or delivering social investment activities;
- sustainability external reporting and disclosure; or
- implementing external sustainability standards.

Please note: Internal approval thresholds are in line with the level of risk.

This document has been prepared for external publication and may restate or omit elements of the internal version for clarity or brevity (including omission of internal process specification or guidance). Our *Global Standards* are reviewed at least each 12 months, and so this external version may be periodically updated.

Global Standard Requirements

Creating social value

Asset social value assessment

- As part of their life-of-asset planning, assets must complete a social value assessment. The asset must:
 - Engage a subject matter expert (SME) for each social value pillar¹. Each SME must identify (for their pillar) the priority areas, targets, goals and/or commitments / inputs, key initiatives and activities, risks (threats and opportunities) and current status of initiatives.
 - Conduct a social value assessment to:
 - review SME inputs
 - agree on the social value priorities for the asset
 - identify opportunities for collaboration or integration across pillars
 - understand social value risks (threats and opportunities) at the asset-level, and
 - consider potential conflicts between social value pillar priorities.
 - Document the outcomes of the social value assessment in the asset's social value plan.

Asset social value plan

- Assets must maintain an asset-level social value plan. The social value plan must:
 - include a social value commitment
 - identify social value risks (threats and opportunities)
 - list prioritised activities, each of which must have:
 - a stated objective
 - accountabilities
 - metrics with associated measurement plans and milestones
 - implementation timeframes, and
 - cost estimates
 - be approved.

Social investment

- Social investment must:
 - be voluntary
 - have the primary purpose to benefit the broader community or environment
 - meet the definition of a project or donation as described in Appendix 1.

Develop a Social Investment Plan

- If an asset, assets at region-level or a global function makes social investments, they must develop a social investment plan.
- For individual assets, the social investment plan must:
 - include all proposed social investments which would be wholly or partially charged to an asset.
 - align with the social value assessment and social value plan.
 - identify any ongoing asset-administered grants programs.

¹ BHP's social value pillars are focused on: decarbonisation, the environment, Indigenous partnerships, workforce, communities and supply chains.

- be approved.

Delivering social investment

- If a social investment is not already included in an approved social investment plan, develop a business case and obtain approval from the cost centre owner.
- For all other social investments, obtain approval in the internal compliance system prior to making a commitment. If there is any change to the agreed scope and/or a budget increase of more than 10% following approval, this must be reapproved.

Sustainability reporting and disclosure obligations

- Assets and global functions managing sustainability data must assign accountability for:
 - Data collection.
 - Participation in assurance activities.
 - Provision of evidence to support verification of disclosures.
 - Development of an improvement plan to address any findings and gaps identified during the annual reporting process.
- Functions teams managing material sustainability topics, must:
 - Prepare and apply a procedure to meet sustainability reporting requirements.
 - Implement controls to manage risks to the accuracy and completeness of disclosures.

Meeting our commitments to external sustainability standards

Sustainability standards assessments

- Assets and relevant functions must:
 - Develop a sustainability standards implementation roadmap.
 - Assign responsibility for assessment inputs at the appropriate level.
 - Use a fit-for-purpose BHP platform / tool to undertake assessments.
 - Schedule and conduct second line verification activities.
 - Seek approval for external assurance and have the assessment externally assured if required by the relevant sustainability standard.
- Following completion of the assessment, assets and relevant functions must:
 - Obtain approval of the assessment outcome and external disclosure of the results of the assessment.
 - Use the outcome of the assessment to develop a plan for continuous improvement activities.
 - Report results of sustainability standards assessments to relevant standards bodies.
 - Provide assessment results to enable external disclosure.
- For acquisitions, divestments and site closures, the relevant asset or function team must develop a timeline for the implementation of standards based on a risk assessment.

New sustainability standards or updates to existing commitments

- Follow BHP's mandatory minimum performance requirements for business conduct when considering any organisation memberships and get approval:
 - before a commitment is made to any new sustainability standard or membership, or
 - to maintain BHP's commitment where there is a material change to an existing standard or membership.

Appendices

Appendix 1 – Social Investment Classification Criteria

Category	Description
Social investment spend types	
Projects	Social investment projects include the delivery of more than one activity and may be multi-year with milestones attached.
Donations	Donations are one-off contributions to a nonprofit or community organisation for a single or non-complex activity. They include: <ul style="list-style-type: none"> • Crisis donations. • In-kind donations. • Grants. • Industry-nonprofit partnerships.
Exclusions	
Required contributions or for BHP's benefit	Contributions to governments, infrastructure or programs which BHP is required to make or is the primary/only beneficiary.
Commercial Sponsorships	Sponsorships with the primary purpose (>50% of expenditure) of commercially benefiting BHP through the promotion of the BHP brand. It involves cash and/or in-kind contributions and may involve the provision of hospitality to company guests.
Organisation Memberships	Membership of any organisation on behalf of BHP, including where an individual is representing BHP, whether BHP pays for the membership or not. Examples of Organisation Memberships include commodity, sector or business organisations.