

BHP

Sustainability Committee Charter

Approved by the Board of BHP Group Limited to take effect on 1 July 2023

Role

1. The role of the Sustainability Committee (**Committee**) is to support and advise the Board of BHP Group Limited (**BHP**) (**Board**) on sustainability matters for BHP and its subsidiaries (the **Group**) as set out in this Charter. The Committee is accountable to the Board for its performance.
2. The Committee acts as an advisory body to the Board and has the authority of the Board as set out in this Charter or otherwise delegated by the Board.

Sustainability

3. The Committee will oversee the Group's health, safety, environment, climate and community performance.
4. The Committee will review and advise the Board on the adequacy of the Group's governance of health, safety, environment, climate and community matters and the Group's health, safety, environment, climate and community performance. This includes consideration of existing health, safety, environment, climate and community issues and emerging areas of risk which are related to the Group's operations and its engagement with customers, suppliers and communities, such as safety, water, biodiversity, security, cultural heritage and human rights.
5. The Committee will monitor the implementation of the Group's strategy, policies and processes in relation to health, safety, environment, climate and community matters. This involves reviewing data, reports and trends including in relation to performance against health, safety, environment, climate and community public targets and goals.
6. The Committee will review and report to the Board on the Group's material health, safety, environment, climate and community risks and legal and regulatory requirements.
7. The Committee Chair will provide feedback or recommendations in respect of the Group's sustainability related strategies and policies, including climate change strategy to the Nomination and Governance Committee as part of their membership of that Committee.
8. The Committee will review and recommend to the Risk and Audit Committee for approval the annual health, safety, environment and community audit plan.
9. The Committee will annually review and assess the framework for the identification, management and reporting of health, safety, environment, climate and community risks and the investigation of health, safety, environment and community incidents.
10. This will include a review of:
 - the effectiveness of the framework in facilitating the timely response to incidents, risks and hazards;
 - the effectiveness of the resources in place to support the effective implementation of the framework;
 - the performance of the Group HSE Officer and the Group health, safety, environment function; and
 - the independent assurance and audit process and the outcomes of that process.
11. The Committee will review the performance of the Group in relation to health, safety, environment, climate and community decisions and actions, including the impacts on employees and third parties and communities and on the reputation of the Group and will receive updates from the CEO (or nominee) on relevant regulatory compliance issues.
12. The Committee will:
 - at the beginning of each financial year, recommend to the People and Remuneration Committee for its consideration, appropriate health, safety, environment, climate and community performance measures for the CEO and other members of the Executive Leadership Team; and

- at the end of each financial year, evaluate the performance of the CEO and other members of the Executive Leadership Team against their health, safety, environment, climate and community performance measures, and recommend to the People and Remuneration Committee for its consideration the performance outcomes for the CEO and other members of the Executive Leadership Team.

The leadership of the Health, Safety and Environment function

13. The Committee will approve the appointment and termination of the Group HSE Officer. In the event of the proposed removal of the Group HSE Officer, the CEO will present the Committee with a statement of circumstances and seek the Committee's approval to terminate the appointment and pursue a proposed course of action to appoint a successor.
14. The Committee will review the three year plan for the health, safety and environment function as presented by the CEO and the CEO's nominees.
15. The Group HSE Officer will be accountable to the CEO (or nominee) for the performance of the Group health, safety and environment function.
16. The Group HSE Officer will have direct access to the Committee Chair and the Group Chair and may request the Secretary to call a meeting of the Committee.
17. The CEO (or nominee) will annually evaluate the performance of the Group HSE Officer and the health, safety and environment function and discuss the outcome with the Committee.

Disclosure

18. The Committee will review and recommend to the Board for approval disclosures regarding sustainability matters in the Annual Report and other public documents related to the Group's reporting on health, safety, environment, climate and community matters, including reviewing verification and assurance processes for their disclosure. The Risk and Audit Committee will review and recommend to the Board for approval public financial disclosures regarding sustainability matters (including but not limited to financial information contained in sustainability reports, climate change reports and climate transition action plans).
19. The Committee will review and recommend to the Board for approval the Modern Slavery Statement.

Committee procedures

Reporting

20. The Committee will report to the Board following each Committee meeting and must refer matters to other Committees where relevant.

Membership

21. The majority of Committee members must be independent non-executive Directors, as determined by the Board in accordance with the Policy on Independence of Directors.
22. All Committee members must be non-executive Directors, each of whom is appropriately skilled in health, safety, environment and community matters as determined by the Board.
23. The Committee must consist of at least three members.
24. Members are proposed by the Nomination and Governance Committee and approved by the Board. The Board will appoint a member of the Committee to be the Committee Chair.

Advice and resourcing

25. The Committee may appoint and instruct expert advisers who are advisers solely to the Committee. The Committee may meet with external advisers without management being present.
26. The Committee will have sufficient resources, as determined by the Committee, to run effectively.

27. The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise.
28. The Committee will determine the compensation payable to independent advisers, and the Group Company Secretary will assist the Committee in securing the service determined necessary and the cost of such advisers are to be borne by the Group.
29. Each Committee member, with the consent of the Committee Chair (whose consent must not be unreasonably withheld) and the assistance of the Group Company Secretary, may seek independent professional advice at the expense of the Group on any matter connected with the discharge of his or her responsibilities.
30. The Committee will have unrestricted access to personnel, records and senior management as appropriate.

Committee meeting procedures

31. The Group Company Secretary or a designate is the Secretary of the Committee.
32. The Committee will meet as frequently as required but not less than three times a year. Any Committee member may request the Secretary to call a meeting.
33. Any person may be invited to attend meetings of the Committee, but not necessarily for the full duration of the meeting. A standing invitation will be issued to all non-executive Directors, CEO, Chief Operating Officer, Chief Legal, Governance and External Affairs Officer and Group HSE Officer with the consent of the Committee Chair.
34. At the discretion of the Committee Chair, separate meetings may also be held with any member of management.
35. A quorum will comprise any two Committee members.
36. In the absence of the Committee Chair or an appointed delegate, the members must elect one of their number as Committee Chair for that meeting. The Committee Chair does not have a second or casting vote.

Review and planning

37. The Committee will approve its annual plan.
38. The Committee will evaluate its performance each year by reference to this Charter.
39. The Committee members will participate in a program of induction and ongoing training and development, with the objective of enabling Committee members to:
 - acquire knowledge of health, safety, environment, climate and community legal and regulatory requirements that are material to the Group;
 - seek to understand the health, safety, environment, climate and community risks and opportunities that are material to the Group;
 - review and evaluate Group health, safety, environment, climate and community performance; and
 - gain an understanding of industry practice and emerging issues.
40. Where practicable, the Committee members will undertake at least one site visit each year, and at each site visit Directors will engage with stakeholders, including employees and, where possible, representatives of the community, including indigenous community members. Engagement by Committee members with employees at each site visit will include time without senior management present.
41. This document will be reviewed by the Board as required and at least annually.