

ATO Corporate Transparency Disclosure

FY2022

Entity	ABN	Total Income (Item 6, Box S)	Taxable Income (Item 7, Box T)	Income Tax Payable (Box T5)
BHP Group Limited	49 004 028 077	A\$87,387,398,006	A\$40,298,379,937	A\$9,483,568,682
BHP Iron Ore (Jimblebar) Pty Ltd	95 009 114 210	A\$8,762,425,130	A\$6,206,271,556	A\$1,861,881,467
Hunter Valley Energy Coal Pty Ltd	39 062 894 464	A\$2,258,127,554	A\$1,378,007,863	A\$413,402,358
BHP Aluminium Australia Pty Ltd	65 063 671 349	A\$1,703,825,806	A\$668,543,918	A\$200,513,352
BM Alliance Coal Operations Pty Ltd	67 096 412 752	A\$987,585,152	n/a	n/a
Total				A\$11,959,365,859

Notes:

- ATO refers to the Australian Taxation Office.
- Entities included in this disclosure are limited to those that were either wholly-owned or majority-owned by BHP at 30 June 2022 for which the ATO is required by law to publish certain tax information because they are Australian public corporate entities with total income of \$100 million.
- BHP Group Limited is the head company of the BHP Group tax consolidated group in Australia.
- BHP Iron Ore (Jimblebar) Pty Ltd is majority owned by BHP Group Limited and is a separate taxpayer.
- BHP Aluminium Australia Pty Ltd was the head company of a multiple entry consolidated group (MEC group) until January 2022, when BHP Group unified its corporate structure and the MEC group ceased to exist. The company's FY2022 disclosures include the income and tax payable of all group member entities until January 2022.
- Hunter Valley Energy Coal Pty Ltd was a member of the MEC group headed by BHP Aluminium Australia Pty Ltd until January 2022, when BHP Group unified its corporate structure. The company's activities include the Mt Arthur operations of New South Wales Energy Coal. The company's FY2022 disclosures relate to the period from February 2022, when it became a standalone Australian taxpayer.
- BM Alliance Coal Operations Pty Ltd is the Joint Venture (JV) Manager for the unincorporated Central Queensland Coal Associates (CQCA) and Gregory (GJV) JV's. BM Alliance Coal Operations Pty Ltd is indirectly owned 50% by BHP Group Limited and 50% by Mitsubishi Corporation. BM Alliance Coal Operations Pty Ltd recharges all of its costs to the JV participants.

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Questions and answers

Q: Does this table illustrate all BHP Group companies?

A: The ATO data incorporates the relevant income tax amounts for BHP Group Limited and its wholly owned Australian tax resident direct subsidiaries; BHP Group Limited's wholly owned Australian tax resident indirect subsidiaries and any other Australian tax resident entities with total income exceeding \$100 million in which BHP holds a 50% or greater interest. BHP does have an interest in some entities which do not have total income exceeding \$100 million and which are not subject to these disclosure requirements.

Q: I cannot reconcile these amounts to the 2022 BHP Economic Contribution Report. Can you explain the difference?

A: There are several reasons why the ATO data is not the same as the BHP Economic Contribution Report 2022 ("the Report") including:

- The ATO data represents the corporate income tax liability related to the FY2022 income year whereas the Report represents corporate income tax that is paid in the FY2022 income year. Therefore, the ATO data includes tax payments/refunds relevant to the FY2022 income year that were made/received outside the 1 July 2021 to 30 June 2022 period, whereas the Report includes cash payments and refunds received during the FY2022 income year, even where they relate to a different income year.
- The ATO data is reported in AUD whilst the Report disclosures are reported in USD.
- The ATO data is limited to entities with an annual turnover exceeding A\$100 million whilst the Report includes all Australian BHP companies.

Q: What is the difference between 'Total Income' and 'Taxable Income'? Should they ordinarily be the same amount?

A: 'Total income' refers to gross income or revenue (e.g. the amount received from the sale of commodities) and is an accounting concept. 'Total income' does not take into account any of the expenses incurred in generating that income (e.g. mining costs) and which are taken into account in determining accounting profit.

'Taxable income' represents assessable income less allowable deductions incurred for the entity. Differences between accounting profit and taxable income routinely arise due to different treatments of amounts under the accounting standards and tax law (e.g. exploration deductions, carry forward losses, R&D concessions and accelerated depreciation).

Q: The corporate tax rate in Australia is 30%. Why is 'Tax Payable' not equal to 30% of 'Taxable Income'?

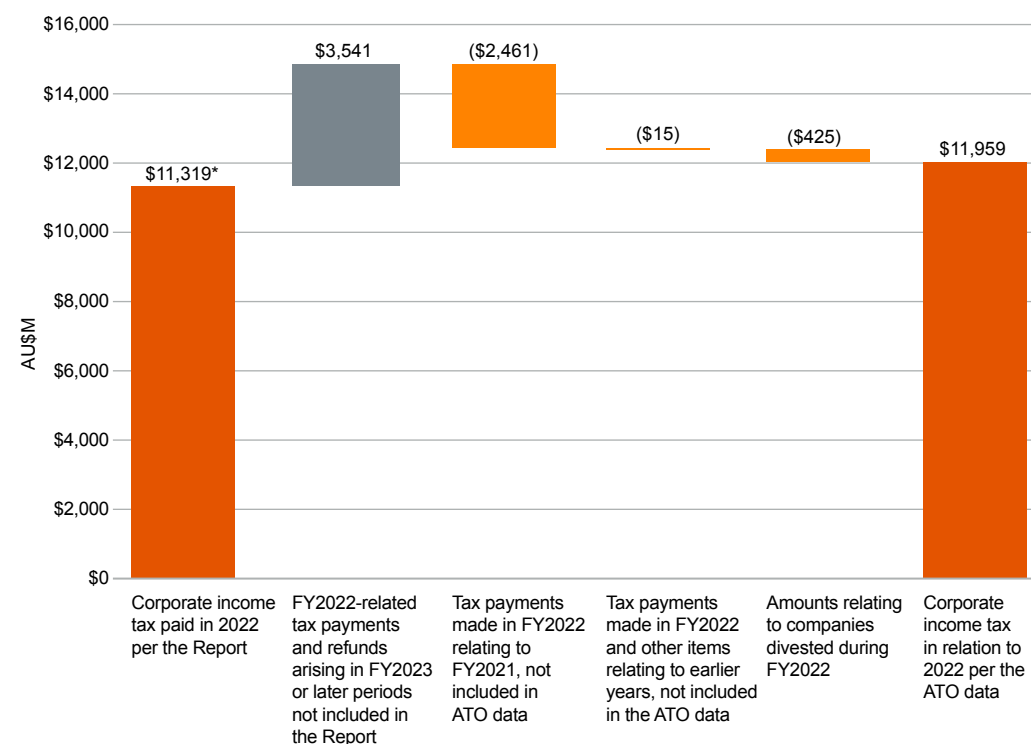
A: The ATO's Income Tax Payable number reflects offsets to which BHP is entitled. These offsets are applied to reduce Australian income tax payable by BHP. The tax offsets in FY2022 related primarily to franking credits associated with dividends received from, and reflecting tax paid by, Australian BHP Group companies (predominantly BHP Iron Ore (Jimblebar) Pty Ltd).

For example, BHP Group Limited receives, from its majority owned Australian subsidiaries, fully franked dividends paid out of the subsidiaries' Australian after-tax profits. For each \$70 of fully franked dividends received by BHP Group Limited, \$30 of Australian income tax has already been

paid by the subsidiary. The dividends (and franking credits) are included in Taxable Income, but are not subject to further tax in the hands of BHP Group Limited to avoid double taxation.

Excluding the effect of fully franked dividends received from the calculation, BHP Group Limited's tax payable on its taxable income is 29.54%.

Reconciliation between 2022 ATO data and the Report (income tax)



* Note: The ATO data is reported in AUD whilst the Report disclosures are in USD. The AUD equivalent of the USD amount (US\$8,193M) disclosed in the Report is A\$11,319M.