BHP recognises the responsibility and opportunity we have as a global resources company to work with our suppliers, employees and external stakeholders to mitigate risks of human rights abuses across our supply chain.

BHP recognises that many men, women and children are victims today of human rights abuses and a growth in regulatory instruments around the world is indicative of the increasing expectations on businesses to understand, address and mitigate applicable human rights risks.

Through our program we will engage with our suppliers in managing human rights risks through their supply chains, and in doing so we position ourselves to respond to the evolving human rights landscape across our supply chain. We take this responsibility very seriously and see it as not only critical to the sustainable operation of our business but as the right thing to do.

**BHP’s Ethical Supply Chain and Transparency Guide**

This Guide complements BHP’s *Our Requirements for Supply* standard and Ethical Supply Chain and Transparency due diligence processes. Adherence to our *Minimum requirements for suppliers* is a prerequisite to doing business with BHP.

The Guide reflects BHP’s *Our Charter* values and complements *Our Code of Conduct*, which outlines the human rights commitments applicable to our people, as well as our contractors, suppliers and maritime providers (where under relevant contractual obligations) and sets the standard for our commitment to working with integrity and respect.

To help us communicate our expectations, we ask you to share this Guide within your organisation and along your own supply chain to emphasise the importance of our shared commitment to mitigate against the risk of human rights abuses.

BHP asks you to join us and commit to the journey of upholding and advancing human rights, as we pursue our purpose ‘to bring people and resources together to build a better world.’

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Sundeep Singh
Group Procurement Officer
BHP’s Operations and Supply Chain

Our organisational structure and business
BHP is a global natural resources company. We extract and process minerals, oil and gas, with tens of thousands of employees and contractors, primarily in Australia and the Americas. Our products are sold worldwide, with sales and marketing led through Singapore and Houston, United States. Our global headquarters are in Melbourne, Australia.

Our approach
BHP’s strategy of owning and operating long-life assets means that we need to think and plan in decades. We can create long-term value only if we safeguard the sustainability of our operations with the support of our business relationships and the communities in which we work. To do that, we must form and maintain respectful and reciprocal partnerships with all of our stakeholders.

Respecting human rights and a commitment to strong governance and anti-corruption are critical to the sustainability of our business and significant enablers in understanding and addressing ethical business risks. They are also critical to our ability to contribute meaningful and ongoing social value to our stakeholders.

We demonstrate our commitment to respecting human rights by:

- Respecting internationally recognised human rights as set out in the Universal Declaration on Human Rights.
- Complying with applicable laws and regulations of the countries in which we operate and, where differences exist between Our Code of Conduct (Our Code) and local customs, norms, rules or regulations, we apply the higher standard.

Our supply chain
BHP is supported by a complex global supply network. Everyday our operations are supported by raw, direct and indirect materials, and skilled labour and services.

BHP is taking a systemic approach to integrating human rights due diligence throughout our supply chain. This approach will allow us to align, formalise and continuously review and deepen our understanding and assessment of our suppliers. At the centre of our approach is engaging with our direct (Level 1) suppliers to encourage continuous improvement in their own capacity to manage human rights risks (including modern slavery and human trafficking) in their subcontractors and broader supply chain including maritime freight.

For more information
Please click the links below for further information on BHP, its operations and its commitments to human rights and modern slavery risk mitigation.

BHP
BHP’s Charter Values
BHP’s Code of Conduct
BHP’s Human Rights Policy Statement
BHP’s Minimum requirements for suppliers
Universal Declaration on Human Rights
Voluntary Principles on Security and Human Rights
United Nations (UN) Guiding Principles on Business and Human Rights
10 UN Global Compact Principles
Ethical Supply Chain and Transparency

Implementation
BHP’s Ethical Supply Chain and Transparency processes are applicable to all current and new suppliers of non-traded (including maritime) goods and services, without exception. Within this Guide, “Suppliers” and related terms to provision goods and services are inclusive of any maritime industry equivalent terminology.

BHP expects suppliers to maintain effective management systems to address relevant human rights risks, including establishing appropriate policies, regularly assessing, monitoring and auditing performance and pursuing continual improvement.

Reviews and assessments of adherence will be conducted regularly with suppliers for the duration of their relationship with BHP.

Ethical Supply Chain and Transparency Life Cycle

Supplier Self-Assessment
Suppliers are required to complete a self-assessment questionnaire, and provide relevant supporting documentation as part of BHP due diligence that will identify management processes and controls.

Remediation
If BHP due diligence or verification audits indicate non-compliances, BHP will partner with the supplier to develop a remediation plan (at the supplier’s expense) with realistic timeframes. This remediation plan and its implementation will be communicated to BHP as part of a Supplier Development Plan.

Supplier Independent Third Party Audit
By sample or identified risk exposure, suppliers may be required to participate in an independent audit at operational facilities relevant to their supply to BHP. Follow up audits may be requested to ensure corrective actions have been undertaken to remedy issues identified and mitigate risk.

Accountability
BHP is committed to working with our suppliers to enhance and develop their understanding and support the implementation of Ethical Supply Chain and Transparency processes. BHP will not engage suppliers who refuse to comply with legal requirements and Ethical Supply Chain and Transparency requirements, or are unable to provide appropriate evidence of steps undertaken to remediate any non-compliance issues.

Guidance Documents
Links to external Guidance Documents1 (where applicable) are provided (refer to page 7 onwards) for broader context for the specific topics addressed in the second half of this Guide and as a potential reference or resource only.

Please refer to BHP’s Minimum requirements for suppliers and the ‘BHP’s Expectations’ part of each section in the second half of this Guide for BHP’s requirements.

Please note that BHP also applies additional health, safety, environment and community and business conduct minimum supplier performance requirements that are not the subject of this Guide. Refer to BHP Operating with Integrity for further information.

1 The Guidance Documents referred to in this Guide are provided for broader context and as a potential reference or resource only. They are not intended to be exclusive and may not be comprehensive nor applicable in all circumstances.
Safe to speak up – EthicsPoint
BHP encourages suppliers to take active responsibility for ensuring that all business conducted complies with legal requirements and the requirements identified in our Ethical Supply Chain and Transparency processes.

Suppliers and their employees, contractors and suppliers may use EthicsPoint, BHP’s globally accessible, multilingual service, to report any business conduct issues or behaviours alleged to be in breach of Our Code of Conduct. This includes issues relating to anti-bribery, competition, conflicts of interest, health and safety and respecting human rights. Information provided will be dealt with confidentially, and if desired, all reasonable steps will be taken to protect anonymity. BHP does not tolerate any form of retaliation, punishment or discipline against anyone who speaks up about potential misconduct or participates in an investigation.

EthicsPoint can be accessed online or over the phone 24/7, and users of the service can choose to remain anonymous.
Ethical Supply Chain and Transparency
Level 1 Suppliers/Direct Suppliers

Issue
A Level 1 Supplier (Direct Supplier) is a critical member of a supply chain, supplying components, goods, materials and or services directly to the original equipment manufacturer (OEM) or head entity that set up the chain.

BHP’s Expectation
1. Supplier will have a policy, procedure or process for selection of its Level 1 suppliers and sub-contractors that includes a review of compliance with regards to human rights standards.
2. Supplier will have identified its Level 1 suppliers and the origin of the goods and products provided by them.

Guidance Documents
- United Nations - The Corporate Responsibility To Respect Human Rights
Child Labour

Issue
BHP’s *Minimum requirements for suppliers*:
- prevent children being hired to work before completing their compulsory education (as determined by applicable local laws); and
- require a minimum age for entry into employment of not younger than 15 years of age, notwithstanding local requirements.

BHP’s Expectation
1. Supplier adopts and enforces a policy prohibiting child labour (consistent with BHP’s requirements, as above), including tracking efforts to prevent child labour in operations and, if applicable, compliance with any employment laws or regulations relating to young workers.
2. Supplier applies contractual terms to its suppliers and sub-contractors requiring compliance with minimum age of employment law and regulations (or not younger than 15 years of age, if the local minimum age is lower) or the Supplier’s child labour policy (if consistent with BHP’s requirements, as above), applying the highest standards.

Guidance Documents
- International Labour Standards on Child labour
- Convention on the Rights of the Child
Slavery, Forced or Compulsory Labour, Human Trafficking and Migrant Labour

Issue
Slave, forced or compulsory labour is work that is performed involuntarily and under the menace or threat of any penalty.

These are conditions where people are coerced to work by means such as the use of violence or intimidation, by manipulated debt, retention of identity papers, threats of denunciation to immigration authorities, restriction of freedom of movement, physical or sexual violence or withholding wages.

Forced labour can be imposed upon adults and children, by State authorities, private enterprises or individuals. It occurs in a variety of economic activity including construction, domestic work, agriculture, manufacturing and sexual exploitation.

Migrant workers (including refugees, dispossessed and displaced persons) can be particularly vulnerable to human trafficking and forced labour including but not limited to worker rights violations and a serious lack of labour standards and worker protections that meet the criteria above.

A significant contributory factor to the vulnerability of migrant workers can be labour brokers practices. Labour brokers may charge exorbitant fees for securing work that migrant workers cannot or are unlikely to repay, creating indentured workers. The less control and visibility a company has over the practices of labour brokers, the higher the potential risk of forced labour.

Forced labour is different from sub-standard or exploitative working conditions.

The exaction of forced labour is a criminal offence.

BHP’s Expectation
1. Supplier adopts and enforces a policy that prohibits forced labour in all its forms and demonstrates how this policy is communicated and enforced with its own employees, suppliers and sub-contractors.
2. Supplier imposes a contractual requirement on recruitment agencies, temporary agencies, labour dispatch agencies and related operators to not charge any fees to workers for the purpose of recruitment/placement.
3. Supplier has processes to escalate action with recruitment agencies, temporary agencies, labour dispatch agencies and related operators in case illegal fees have been paid by workers.
4. BHP does not condone the use of any prison labour whether voluntary or involuntary.
Freedom of Association

Issue
Recognising and respecting the right to freedom of association.

BHP’s Expectation
1. Supplier recognises and respects the right of all workers to freedom of association – including the right of an individual to elect (or not elect) to be a member of or otherwise associated or affiliated with any organisation.

2. Supplier has processes and practices in place that prohibit the harassment or intimidation of, or retaliation against, a worker because of:
   a. a worker’s membership, association/affiliation or responsibilities with an organisation (including, for example, a trade union); or
   b. any lawful and legitimate activities undertaken as part of that membership, association or affiliation with such an organisation.
   c. Similarly, the same protections must also be afforded to a worker who elects not to be a member of or associated / affiliated with any organisation.

3. Where a collective bargaining agreement is in place, Supplier must comply with the terms of the agreement.

4. Supplier must declare if it has been found by a Court or Tribunal to be in breach of any discrimination, freedom of association, employee consultation, or union right of entry laws in the last three (3) years.
Wages, Penalties and Working Conditions

Issue
In many parts of the world, access to adequate and regular wages is not guaranteed. Non-payment of adequate wages has led to wage arrears. Large wage arrears have been linked to debt bondage and slavery.

BHP Expectation
1. Wages and benefits, including overtime, paid must comply with any minimum legal requirements that apply.
2. In nation states where no minimum wage legislation exists, Supplier must seek to establish a living wage that provides an adequate standard of living for all its employees and their dependants.
3. Supplier must not deduct allowances or withhold wages for any reason that is not permitted by law.
4. Working hours shall not exceed maximum hours prescribed under legal and safety requirements.
5. Supplier places a contractual requirement on their suppliers and subcontractors to comply with applicable laws and regulations.

Guidance Documents
- Please refer to any applicable national, local or equivalent minimum wage legislation, or otherwise the definition of ‘living wage’ in BHP’s Minimum requirements for suppliers.
Worker Accommodation and Conditions

Issue
Where workers are provided with (or with access to) accommodation and communal services in connection with their employment or engagement, ensuring that they are clean and sanitary and meets the basic needs of the workers.

BHP’s Expectation
1. All accommodation provided to employees is clean and sanitary and meets the basic needs of the workers.
2. Supplier adopts and enforces an effective policy with regards to worker accommodation, outlining standards related to adequate living conditions and consistent with ILO housing standards.
3. Where accommodation provided is factored into compensation paid to a worker (either through a means of payment or if rent is charged), the worker’s interests are protected, including by ensuring that any arrangement goes no further than what is reasonable and ensures the worker is still reasonably remunerated for work performed in accordance with legal requirements.

Guidance Documents
- ILO – Workers Housing Standards
Biofuels

Issue
Biofuels can be sourced from a variety of plantation and agrifood commodities, including but not limited to canola, palm oil, cane sugar, grains and corn based feedstock.

These commodities have recognised risks including slavery, forced and migrant labour abuses, displacement of community, competition for food production or sourcing and negative impact on water and ecology (including biodiversity and other environmental values and greenhouse gas emissions).

BHP’s Expectation
BHP expects a Supplier utilising biofuels or components thereof, at a minimum:

1. Only sources biofuels from global companies that have policies or standards for the sustainable sourcing of biofuel components.
2. Demonstrates that the biofuels are not sourced in conflict with agricultural, biodiversity or other environmental values and have a positive lifecycle greenhouse gas emission profile.

Guidance Documents

- Palm oil
  RSPO Certified Sustainable Palm Oil
- Forestry Plantations
  Forestry Stewardship Council (FSC)
  Programme for the Endorsement of Forest Certifications
- Roundtable Sustainable Biomaterials
  The RSB Standard
Conflict Minerals: 3TGs

Issue
Conflict minerals are natural resources extracted and or processed in a conflict zone and sold to perpetuate fighting.

The four most commonly mined conflict minerals are tin, tungsten, tantalum, and gold, which are known as 3TGs. These conflict minerals are commonly used in technology production, including mobile devices, computers and associated technological components.

BHP works to ensure our technology and supply chain is conflict minerals free and that we do not directly or indirectly finance or benefit armed groups in conflict zone countries. Conflict zone countries include the Democratic Republic of the Congo and the nine countries with which it shares an internationally recognised border (Angola, Burundi, Central African Republic, Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda, Zambia)

BHP’s Expectation
1. Supplier adopts, disseminates and communicates to its Level 1 suppliers a supply chain policy for 3TGs originating from conflict mineral sources including review processes and corrective action management.
2. Supplier incorporates this policy (see point 1) into its supplier and sub-contractor contracts.
3. Supplier sources any 3TGs from smelters whose due diligence practices have been validated by an independent third party audit program.

Guidance Documents
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas
Security Services and Security Providers

Issue
Security risks can result from political, economic, civil or social factors putting people and/or assets in particular countries at greater risk than in others.

Suppliers often work in complex contexts, where there may be inadequate governance and rule of law, insecurity and conflict. One of the challenges facing suppliers in these situations is ensuring the security of their operations and personnel, whilst also meeting their responsibility to respect the rights of local and host community members.

BHP’s Expectation
A supplier must ensure that any public or private security forces engaged manage security in a way that is lawful and respects fundamental freedoms and human rights of all stakeholders.

Guidance Documents

- Voluntary Principles on Security and Human Rights
Access to Remedy

Issue
An operational-level grievance mechanism is a channel through which employees, contractors, suppliers and community members who feel they have been adversely affected by business activities can raise concerns to a company and have those concerns addressed in a prompt and professional manner.

BHP’s Expectation
BHP expects Supplier, at a minimum:
1. Has and monitors a functional grievance mechanism for employees, contractors, suppliers and host communities.
2. Ensures that employees are not victimised as a result of raising a grievance and ensure that confidentiality is respected to the highest degree possible (including as required by law).
3. Implements an effective means of grievance resolution established in a culturally appropriate manner and without barriers to access (e.g. language).

Guidance Documents
- Compliance Advisor Ombudsman – Grievance Mechanism Toolkit