



Building a better  
working world

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## Independent Assurance Report to the directors and management of BHP Group Limited, and the directors and management of Minera Spence S.A.

### Our Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that suggests that the disclosures made in the International Council on Mining and Metals (ICMM) Performance Expectations Self-Assessment completed by Minera Spence S.A. (Minera Spence) for the year ended 30 June 2024 (referred to as the 'Self-Assessment') have not been prepared and are fairly stated in accordance with the Criteria (as defined below).

### What our engagement covered

Ernst & Young (EY) was engaged by BHP Group Limited (BHP) to undertake limited assurance as defined by the International Auditing Standards, hereafter referred to as 'the engagement', over Minera Spence's Self-Assessment of its compliance with the ICMM Performance Expectations, as set out in Appendix A.

### Criteria

In preparing the Self-Assessment, Minera Spence has applied the requirements of the ICMM Mining Principles: Performance Expectations (June 2023)<sup>1</sup> (Criteria).

### Key responsibilities

#### **EY's responsibility and independence**

Our responsibility was to express a limited assurance conclusion over the information in the Self-Assessment.

We were also responsible for maintaining our independence and confirm that we have met the requirements of the *APES 110 Code of Ethics for Professional Accountants*, including independence, and have the required competencies and experience to conduct this assurance engagement.

#### **BHP's responsibility**

BHP's management was responsible for selecting the Criteria and Minera Spence's management was responsible for preparing the information presented in the Self-Assessment in accordance with the Criteria. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates that are reasonable in the circumstances.

### Our approach to conducting the engagement

We conducted the engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* (ISAE 3000) and the terms of reference for the engagement as agreed with BHP on 19 February 2024.

The procedures we performed were based on our professional judgement and included, but were not limited to, the following:

- ▶ Reviewing referenced documents and policies
- ▶ Conducting in-person and virtual interviews with Minera Spence's management and workers
- ▶ Conducting in-person interviews with members of the local communities
- ▶ Conducting on-site inquiries and observations

- ▶ Reviewing the applicability of the ICMM Performance Expectations for Minera Spence
- ▶ Checking accuracy and completeness of the evaluated Criteria
- ▶ Reviewing the information disclosed in the self-assessment to confirm consistency with our understanding and knowledge of Minera Spence's management approach.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

### Other Matters

This assurance report does not extend to any disclosures or assertions made by Minera Spence relating to future performance plans and/or strategies disclosed in the Self-Assessment.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, the engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

### Limited assurance

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

### Use of our Assurance Report

We disclaim any assumption of responsibility for any reliance on this assurance report to any persons other than the directors and management of Minera Spence and the directors and management of BHP, or for any purpose other than that for which it was prepared.

Our assurance included web-based information that was available via web links as of the date of this conclusion. We provide no assurance over changes to the content of this web-based information after the date of this assurance report.

*Ernst & Young*

Ernst & Young  
Melbourne, Australia  
31 October 2024

*M. Fricke*

Meg Fricke  
Partner

<sup>1</sup><https://www.icmm.com/website/publications/pdfs/mining-principles/guidance-validation.pdf>

## Appendix A: ICMM PE Self-Assessment Assurance Results

The below table outlines the Mining Principles and Performance Expectations as defined by ICMM. The Performance Expectations ("PE") rating is the assured rating that Minera Spence has defined within the Self-Assessment. Each PE is rated as either:

- ▶ **Meets:** systems and/or practices related to this PE have been implemented and there is sufficient evidence to demonstrate that the intent of the PE is being met, however, opportunities for improvement may still remain.
- ▶ **Partially Meets:** Systems and/or practices related to meeting the intent of the PE have been only partially implemented. Gaps or weaknesses persist that may contribute to an inability to meet the intended outcome of the PE, or insufficient verifiable evidence can be provided to demonstrate that the activity is aligned to the intent of the PE.
- ▶ **Not Meets:** Systems and/or practices required to support implementation of PE are not in place or are not being implemented or cannot be evidenced.
- ▶ **Not Applicable (N/A):** This PE is either applicable at the corporate level only or not relevant to Minera Spence operations.

The final column within the table below represents findings from our limited assurance procedures, as described in the assurance report, relating to each PE. The observations listed below are in the context of our assurance of the Self-Assessment as a whole, and in forming our conclusion thereon, and we do not provide a separate conclusion on these matters.

Extract from Minera Spence Self-Assessment			
Mining Principles	Performance Expectations	PE Rating	EY Observations
1. Apply ethical business practices and sound systems of corporate governance and transparency to support sustainable development	1.1 Establish systems to maintain compliance with applicable law.	Meets	Minera Spence has a management system for legal compliance, which has established and maintained processes designed to ensure compliance with applicable laws, including regional, state, national and international law.
	1.2 Implement policies and practices to prevent bribery, corruption and to publicly disclose facilitation payments.	Meets	Minera Spence has policies and practices in place that are designed to prohibit and prevent bribery, including facilitation payments, corruption, and anticompetitive behaviour. Processes have been developed that aim to identify any contraventions to the policies. This system is in line with BHP's Code of Conduct and other BHP Group policies, standards and procedures that apply for all employees and contractors.
	1.3 Implement policies and standards consistent with the ICMM policy framework.	NA	This PE is applicable at a corporate level only.
	1.4 Assign accountability for sustainability performance at the Board and/or Executive Committee level.	NA	This PE is applicable at a corporate level only.
	1.5 Disclose the value and beneficiaries of financial and in-kind political contributions whether directly or through an intermediary.	NA	This PE is applicable at a corporate level only.
2. Integrate sustainable development in corporate strategy and decision-making processes	2.1 Integrate sustainable development principles into corporate strategy and decision-making processes relating to investments and in the design, operation and closure of facilities.	NA	This PE is applicable at a corporate level only.
	2.2 Support the adoption of responsible health and safety, environmental, human rights and labour policies and practices by joint venture partners, suppliers and contractors, based on risk.	Meets	Minera Spence has systems in place that are designed to promote responsible business conduct with business partners, including joint venture partners, suppliers and contractors.

Extract from Minera Spence Self-Assessment

Mining Principles	Performance Expectations	PE Rating	EY Observations
3. Respect human rights and the interests, cultures, customs and values of employees and communities affected by our activities	3.1 Support the UN Guiding Principles on Business and Human Rights by developing a policy commitment to respect human rights, undertaking human rights due diligence and providing for or cooperating in processes to enable the remediation of adverse human rights impacts that members have caused or contributed to.	Meets	Aligned with BHP's Human Rights Policy Statement, Minera Spence has a system to operate consistently with the UN Guiding Principles including human rights due diligence through risk identification, human rights impact assessments, and procedures to protect, respect, and remedy potentially adverse impacts. Due diligence tools have been implemented to assess and manage human rights risks, including modern slavery and human trafficking, in the supply chain.
	3.2 Avoid the involuntary physical or economic displacement of families and communities. Where this is not possible apply the mitigation hierarchy and implement actions or remedies that address residual adverse effects to restore or improve livelihoods and standards of living of displaced people.	NA	The reviewed documents verify that the operations of the Spence mining deposit have not led to the resettlement of human communities nor significant alteration of the system of life and customs of human groups, therefore, this PE is not applicable to Minera Spence.
	3.3 Implement, based on risk, a human rights and security approach consistent with the Voluntary Principles on Security and Human Rights.	Meets	Minera Spence has systems in place to implement a risk-based security approach aligned to the VPSHR, relying on Minera Spence level risk assessments and controls. Minera Spence has also established a procedure that prohibits the use of force by its industrial security personnel. This procedure applies to all individuals performing private security activities at the site and clearly outlines the general rules for the use of force.
	3.4 Respect the rights of workers by: not employing child or forced labour; avoiding human trafficking; not assigning hazardous/dangerous work to those under 18; eliminating harassment and discrimination; respecting freedom of association and collective bargaining and; providing a mechanism to address workers grievances.	Meets	Minera Spence has a management system in place that is designed with the objective to prevent the worst forms of child labour or forced labour, prevent the exposure of employees under the age of 18 to hazardous work and any form of participation in acts of human trafficking.  Minera Spence has also established and implemented a grievance mechanism in line with the United Nations Guiding Principles, accessible to all its workers.
	3.5 Remunerate employees with wages that equal or exceed legal requirements or represent a competitive wage within that job market (whichever is higher) and assign regular and overtime working hours within legally required limits.	Meets	Minera Spence has a management system, that assigns remuneration based on the level of responsibility, location, market comparators, individual ability, relevant experience and performance. The management system allows for the control of working hours and the different work shift options are defined according with the national law.
	3.6 Respect the rights, interests, aspirations, culture and natural resource based livelihoods of Indigenous Peoples in project design, development and operation; apply the mitigation hierarchy to address adverse impacts and; deliver sustainable benefits for Indigenous Peoples.	NA	According to official and public information from the National Indigenous Development Corporation (CONADI), Minera Spence does not have Indigenous peoples in its area of influence. At the local level, stakeholder mapping indicates that no Indigenous peoples have been identified, therefore, this PE is not applicable to Minera Spence.

Extract from Minera Spence Self-Assessment

Mining Principles	Performance Expectations	PE Rating	EY Observations
	3.7 Work to obtain the free, prior and informed consent of Indigenous Peoples where significant adverse impacts are likely to occur, as a result of relocation, disturbance of lands and territories or of critical cultural heritage, and capture the outcomes of engagement and consent processes in agreements.	NA	According to official and public information from the National Indigenous Development Corporation (CONADI), Minera Spence does not have Indigenous peoples in its area of influence. At the local level, stakeholder mapping indicates that no Indigenous peoples have been identified, therefore, this PE is not applicable to Minera Spence.
	3.8 Implement policies and practices to respect the rights and interests of women and support diversity in the workplace.	Meets	Minera Spence has an Inclusion and Diversity Policy and has developed initiatives to respect the rights and interests of women and support diversity in the workplace, such as the Graduate Program and the Women Miners Program (both focused on women) and the development of mandatory training for workers, which seek to eliminate harassing behaviours and generate an inclusive culture and work environment.
4. Implement effective risk-management strategies and systems based on sound science and which account for stakeholder perceptions of risks	4.1 Assess environmental and social risks and opportunities of new projects and of significant changes to existing operations in consultation with interested and affected stakeholders, and publicly disclose assessment results.	Meets	Minera Spence has a management system in place that is designed to manage environmental and social risk in line with legal requirements and internationally accepted frameworks
	4.2 Undertake risk-based due diligence on conflict and human rights that aligns with the OECD Due Diligence Guidance on Conflict-Affected and High-Risk Areas, when operating in, or sourcing from, a conflict-affected or high-risk area.	Meets	Minera Spence has a structured approach to mineral supply chain due diligence guided by BHP's Responsible Minerals Program, that has been designed in alignment with the OECD Due Diligence Guidelines for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, Annex I.  While the due diligence process has been developed and is available for implementation, Minera Spence did not purchase any mineral feed during the assessment period and therefore did not need to implement the process.
	4.3 Implement risk-based controls to avoid/prevent, minimise, mitigate and/or remedy health, safety and environmental impacts to workers, local communities, cultural heritage and the natural environment, based upon a recognised international standard or management system.	Meets	Minera Spence has policies in place designed to monitor, avoid, minimise, reduce, and compensate for adverse impacts on workers, community health and safety, cultural heritage and the natural environment.
	4.4 Develop, maintain and test emergency response plans. Where risks to external stakeholders are significant, this should be in collaboration with potentially affected stakeholders and consistent with established industry good practice.	Meets	Minera Spence has a management system in place to develop, test and maintain emergency response plans on a regular basis, designed to align with established industry good practice and in compliance with all relevant legal requirements.

Extract from Minera Spence Self-Assessment

Mining Principles	Performance Expectations	PE Rating	EY Observations
5. Pursue continual improvement in health and safety performance with the ultimate goal of zero harm	5.1 Implement practices aimed at continually improving workplace health and safety, and monitor performance for the elimination of workplace fatalities, serious injuries and prevention of occupational diseases, based upon a recognised international standard or management system.	Meets	Minera Spence has a management system in place that is designed to monitor and manage occupational health and safety and prevent workplace fatalities, occupational diseases and serious injuries in line with internationally accepted frameworks.
	5.2 Provide workers with training in accordance with their responsibilities for health and safety, and implement health surveillance and risk-based monitoring programmes based on occupational exposures.	Meets	Minera Spence has a management system in place that is designed to provide workers with training in accordance with their responsibilities for health and safety. The system includes policies and procedures, risk assessment process, emergency drills, accident investigations, among others. Minera Spence has implemented health surveillance activities to monitor and manage occupational exposures based on its exposure risk profile.
6. Pursue continual improvement in environmental performance issues, such as water stewardship, energy use and climate change	6.1 Plan and design for closure in consultation with relevant authorities and stakeholders, implement measures to address closure-related environmental and social aspects, and make financial provision to enable agreed closure and post-closure commitments to be realised.	Meets	Minera Spence has a mine closure plan for operations aligned with BHP's Global Standard, and which had been published and approved by the local regulatory entity. The plan includes specific reference to stakeholder consultation and has financial provisions associated with the closure and restoration.
	6.2 Implement water stewardship practices that provide for strong and transparent water governance, effective and efficient management of water at operations, and collaboration with stakeholders at a catchment level to achieve responsible and sustainable water use.	Meets	Minera Spence has a management system in place that is designed to manage water stewardship, including monitoring a water balance, consulting with external stakeholders, and identifying actions for more efficient water consumption, and has implemented measures to protect water availability for other users and the biodiversity within the catchment area in collaboration with relevant interest groups. These measures include the use of desalinated seawater.
	6.3 Design, construct, operate, monitor and decommission tailings disposal/ storage facilities using comprehensive, risk-based management and governance practices in line with internationally recognised good practice, to minimise the risk of catastrophic failure	Partially Meets	Minera Spence has begun to align with the Global Industry Standard on Tailings Management (GISTM). Minera Spence's self-assessment against the GISTM has identified some gaps to full conformance and has developed an action plan (GISTM Implementation Program) and continues to work on closing conformance gaps.  ICMM has issued guidance that requires operators to report a "partially meets" until the facility is in full conformance with GISTM.
	6.4 Apply the mitigation hierarchy to prevent pollution, manage releases and waste, and address potential impacts on human health and the environment.	Meets	Minera Spence has a system in place (based on the mitigation hierarchy) to prevent, minimize and address the effects of pollution, manage releases and waste, and address potential impacts on human health and the environment from its operations.
	6.5 Implement measures to improve energy efficiency and contribute to a low-carbon future, and report the outcomes based on internationally recognised protocols for measuring CO2 equivalent (GHG) emissions.	Meets	Minera Spence has management systems that are designed to improve energy efficiency and report the outcomes based on internationally recognized protocols for measuring CO <sub>2</sub> equivalent (GHG) emissions. Minera Spence has developed a decarbonization roadmap and is implementing projects aimed at reducing emissions such as renewable energy projects.

Extract from Minera Spence Self-Assessment

Mining Principles	Performance Expectations	PE Rating	EY Observations
7. Contribute to the conservation of biodiversity and integrated approaches to land-use planning	7.1 Neither explore nor develop new mines in World Heritage sites, respect legally designated protected areas, and design and operate any new operations or changes to existing operations to be compatible with the value for which such areas were designated.	Meets	Minera Spence has a management system in place designed to avoid developing new mines in World Heritage sites or in designated protected areas.
	7.2 Assess and address risks and impacts to biodiversity and ecosystem services by implementing the mitigation hierarchy, with the ambition of achieving no net loss of biodiversity	Meets	Minera Spence has a management system in place (referencing the mitigation hierarchy) designed to assess and address risks and impacts to biodiversity and ecosystems. Minera Spence has knowledge of the species in the area and nearby protected areas, and has procedures and strategies to manage the impacts on biodiversity. BHP has a publicly stated ambition to achieve no net loss of biodiversity.
8. Facilitate and support the knowledge-base and systems for responsible design, use, re-use, recycling and disposal of products containing metals and minerals	8.1 In project design, operation and de-commissioning, implement cost-effective measures for the recovery, re-use or recycling of energy, natural resources, and materials.	Meets	Minera Spence has a management system in place to implement cost-effective measures for the recovery, re-use or recycling of energy, natural resources and materials in project design, operations and de-commissioning. Minera Spence is implementing projects aimed at reducing energy consumption with renewable sources and energy efficiency measures, has implemented programs to recycle and promote circular economy, and has established measures and methods to control emissions and pollutants, primarily related to soil, water, and air.
	8.2 Assess the hazards of the products of mining according to UN Globally Harmonised System of Hazard Classification and Labelling or equivalent relevant regulatory systems and communicate through safety data sheets and labelling as appropriate.	Meets	Minera Spence has a management system in place to identify, assess and classify the hazards of products of mining in accordance with the UN Globally Harmonised System of Hazard Classification and Labelling or equivalent relevant regulatory mechanism. Minera Spence communicates product safety data sheets with customers and these are publicly available on BHP's website.
9. Pursue continual improvement in social performance and contribute to the social, economic and institutional development of host countries and communities	9.1 Implement inclusive approaches with local communities to identify their development priorities and support activities that contribute to their lasting social and economic wellbeing, in partnership with government, civil society and development agencies, as appropriate.	Meets	Minera Spence has a management system in place that is designed to identify the needs of the Minera Spence host communities and the support and activities that will be implemented to address these. Additionally, a Community Development Plan has been established, which includes health and well-being programs for the local communities, and the community actively participates in the design and co-design of these initiatives, ensuring their relevance and effectiveness.
	9.2 Enable access by local enterprises to procurement and contracting opportunities across the project life-cycle, both directly and by encouraging larger contractors and suppliers, and also by supporting initiatives to enhance economic opportunities for local communities.	Meets	Minera Spence has implemented a management system for community development, aligning with its global strategy. It has identified community needs in consultation with the affected communities and developed plans to address these needs through specific programs. The community actively participates in the design and co-design of these initiatives, ensuring their relevance and effectiveness.



Extract from Minera Spence Self-Assessment

Mining Principles	Performance Expectations	PE Rating	EY Observations
	9.3 Conduct stakeholder engagement based upon an analysis of the local context and provide local stakeholders with access to effective mechanisms for seeking resolution of grievances related to the company and its activities.	Meets	Minera Spence has developed a stakeholder identification map which is updated regularly and a Community Engagement Plan to identify key stakeholders, their level of influence, key concerns and preferred engagement mechanisms. Processes have been established to receive community complaints and provide resolution of grievances to local stakeholders. To monitor the compliance of the plan, monthly reports are produced that outline the main activities completed.
	9.4 Collaborate with government, where appropriate, to support improvements in environmental and social practices of local Artisanal and Small-scale Mining (ASM).	NA	This PE is not applicable because there is no evidence to suggest that artisanal and small-scale mining occurs in the area of influence of Minera Spence.
10. Proactively engage key stakeholders on sustainable development challenges and opportunities in an open and transparent manner. Effectively report and independently verify progress and performance	10.1 Identify and engage with key corporate-level external stakeholders on sustainable development issues in an open and transparent manner.	NA	This PE is applicable at a corporate level only.
	10.2 Publicly support the implementation of the Extractive Industries Transparency Initiative (EITI) and compile information on all material payments, at the appropriate levels of government, by country and by project.	Meets	BHP publicly supports the implementation of the EITI which can be viewed on BHP's website.
	10.3 Report annually on economic, social and environmental performance at the corporate level using the GRI Sustainability Reporting Standards.	Meets	Minera Spence's performance is reported within BHP's Annual Report, which is aligned with the GRI Sustainability Reporting Standard.
	10.4 Each year, conduct independent assurance of sustainability performance following the ICMM guidance on assuring and verifying membership requirements.	NA	This PE is applicable at a corporate level only.