

A close-up, low-angle photograph of several parallel industrial metal bars. The bars are heavily weathered, showing significant rust and peeling paint in shades of orange, red, and grey. The lighting is dramatic, highlighting the textures and imperfections of the metal.

BHP

Sustainability Report 2020

**Minera Escondida
Pampa Norte**



Our Charter

**We are BHP,
a leading global resources company.**

Our Purpose

To bring people and resources together to build a better world.

Our Strategy

Our strategy is to have the best capabilities, best commodities and best assets, to create long-term value and high returns.

Our Values

Sustainability

Putting health and safety first, being environmentally responsible and supporting our communities.

Integrity

Doing what is right and doing what we say we will do.

Respect

Embracing openness, trust, teamwork, diversity and relationships that are mutually beneficial.

Performance

Achieving superior business results by stretching our capabilities.

Simplicity

Focusing our efforts on the things that matter most.

Accountability

Defining and accepting responsibility and delivering on our commitments.

We are successful when:

Our people start each day with a sense of purpose and end the day with a sense of accomplishment.

Our teams are inclusive and diverse.

Our communities, customers and suppliers value their relationships with us.

Our asset portfolio is world-class and sustainably developed.

Our operational discipline and financial strength enables our future growth.

Our shareholders receive a superior return on their investment.

Mike Henry
Chief Executive Officer

February 2020

Sustainability Report 2020

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Scope of report

The BHP Chile Sustainability Report covers the company's annual performance on the economic, social and environmental areas for the period from 1 January to 31 December 2020. This report considers restatements of information regarding the last report published in 2019.

The information covers the operations of BHP Chile and its assets Minera Escondida Ltda and Pampa Norte, the latter comprising Compañía Minera Cerro Colorado Ltda and Minera Spence S.A.

The document was prepared according to the latest version of the Global Reporting Initiative (GRI) Sustainability Reporting Standards in line with the core option and subjected to an external verification process.



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Message from the President



2020 was a year that marked us deeply. We faced the first phase of the COVID-19 pandemic, which has had profound social and economic impacts, while Chile continued to go through a period of historical change and transformation that will redefine its future. In this extremely challenging context, we present our Sustainability Report for BHP in Chile.

In each of our three operations – Escondida, Spence, and Cerro Colorado – we have committed teams and people who genuinely seek to help our company continue to generate economic and social benefits for the regions in which we operate and for the country.

Our strong corporate culture, robust systems, and high standards have enabled us to successfully navigate the pandemic. The safety and health of all our employees and contractors remained our highest priority: we implemented more than 100 measures to prevent the spread of COVID-19 and our goal has always been, and continues to be, to protect workers, their families and the communities in which we operate.

We have demonstrated that operational continuity in times of a health emergency is fully compatible with our emphasis on protecting health and safety. Our three operations maintained strong performances and, in some cases, achieved processing records, as was the case with throughput for the Escondida concentrators. In addition, in 2020 we completed construction of the new Spence concentrator and achieved first production in December of that year.

The pandemic also allowed us to create social value in new areas. Through the *Vamos Juntos* social investment plan, we were able to support the areas most affected by COVID-19, helping to strengthen the public health system in the Tarapacá and Antofagasta Regions and in Santiago, through the development of community testing campaigns, the inauguration of a vaccination centre in the city of Antofagasta and the donation of medical supplies. This plan is the result of collaborative work with authorities, the community, social organisations and national and regional universities, and is further proof that collective action is key to the present and future challenges we face as a society.

In 2020, we made progress on a range of matters. We saw the share of women in BHP Minerals Americas increase to 23 per cent of our employees, more than double the average number of women in the mining industry in Chile. In addition, we advanced our water and decarbonisation plans: we replaced fossil fuel power purchase agreements with contracts based on renewable energy and Escondida began to operate 100% with desalinated water, consolidating our position as pioneers in the matter in Chile. We also presented our Letter of Commitment to the Copper Mark Responsible Production Framework to certify the sustainability of our production practices.

Finally, in May 2021, we achieved a historic milestone: Escondida together with Chile's State Defence Council, the Indigenous Community of Peine and the Atacameño Peoples Council reached an unprecedented conciliation agreement that will guide the implementation of compensation and reparation actions of the Salar de Punta Negra.

As the world's largest producer of natural resources, we know that the future will require the copper we produce more than ever. Mining is essential as a driver of global development. I believe that we have a unique opportunity to build a future that incorporates the diversity of views in this development. Our purpose "To bring people and resources together to build a better world" makes more sense than ever.

A handwritten signature in black ink, appearing to read 'Rag Udd'.

Rag Udd
President
BHP Minerals Americas



Chapter 1

We are BHP

We are the largest global natural resources company. Our goal is to provide resources that are essential to the modern world and we are inspired by making a positive contribution to society.

In Chile, more than 24,000 people work in our Spence, Cerro Colorado and Escondida operations and corporate offices, seeking to fulfil on a daily basis BHP's purpose "To bring people and resources together to build a better world".

In complex times and in the midst of the pandemic, we have reaffirmed our passion for excellence and strengthened the values and principles that guide us as a company. We work together to expand our contribution to society and build the mining of the future.



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BHP at a glance: Sustainability highlights 2020



We maintained operational continuity and safeguarded the health and safety of employees and contractors during the pandemic

We managed to maintain operational continuity while keeping the health and safety of our workers as our first priority, implementing more than 100 health prevention measures at our sites and offices.



We successfully completed the construction of the new Spence concentrator

After 1,180 days of work and an investment of US\$2,460 million, we completed the Spence Growth Option (SGO) project, which involved the construction of the Spence concentrator plant. In December, we achieved the first production of copper concentrate.



We launched the VAMOS Juntos plan to address the pandemic and contribute to the economic recovery of the regions where we operate

We created a comprehensive program to help those who needed it most. In coordination with the health authority, we made an alliance with the Catholic University of Chile and the regional universities of Antofagasta and the Catholic University of the North to implement testing, tracing and research programs; support the public health system in the Antofagasta and Tarapacá regions; and implement plans to contribute to the social and economic reactivation of our host regions.



We achieved record performance in our Escondida concentrators

We obtained record throughput in our Escondida concentrators of 378 thousand tpd, which made it possible to offset the impact of expected ore grade decline.



We made progress in gender balance and reached female representation of 23%

We have strongly promoted Inclusion and Diversity. The representation of women in our operations in Chile reached 23 per cent, with 4,000 women joining the company since 2017.



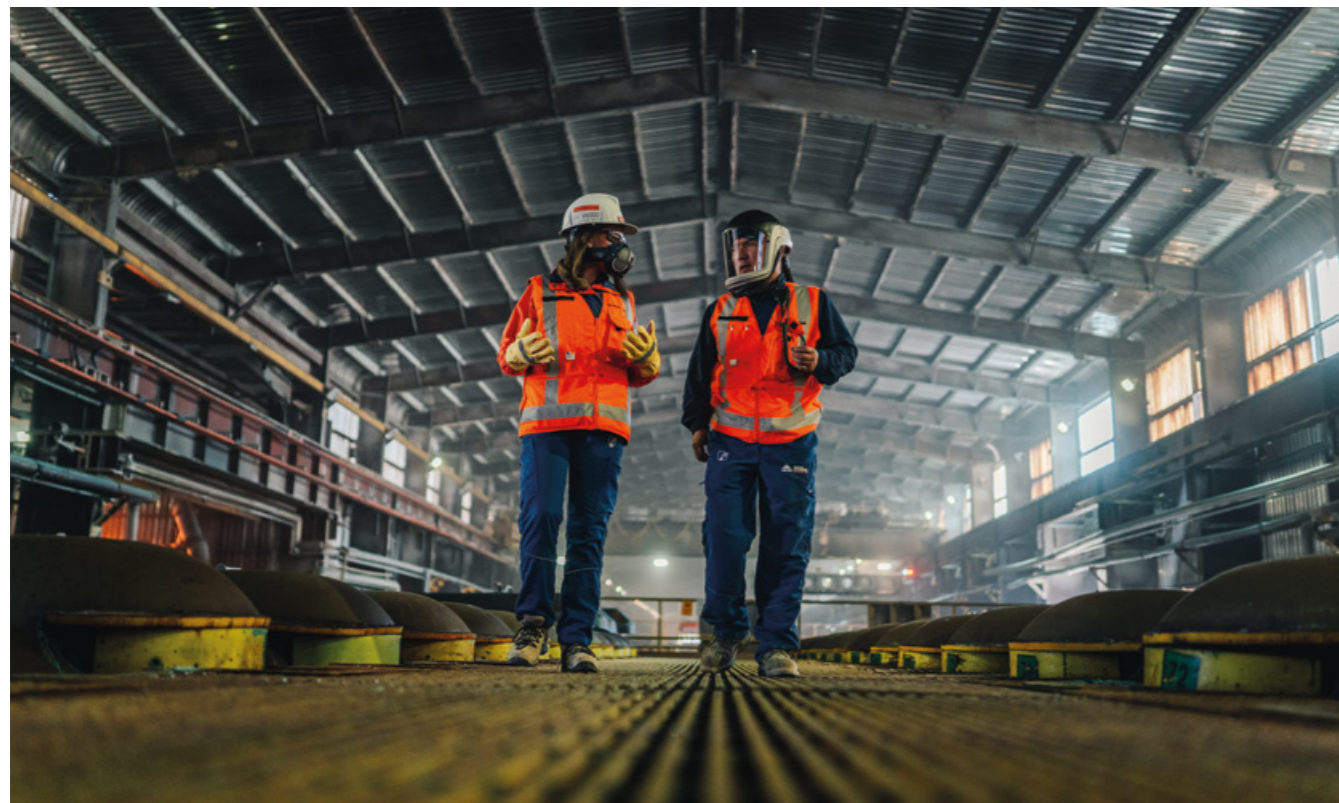
We significantly improved our safety ratings

We reduced our accident rate, with a Total Recordable Injury Frequency (TRIF) that decreased from 2.02 in 2019 to 1.43 in 2020.



Escondida began operating 100 per cent with desalinated water

Following the decision to cease water extraction from high Andean aquifers, Escondida began to be supplied entirely by desalinated water. Thus, we continued a more than 15-year path as pioneers in desalination with investment of more than US\$4,000 million.



Company profile

BHP Minerals Americas assets



BHP, a global company

We are the world's largest natural resources company, with a global portfolio that includes iron, metallurgical coal and copper. We also have a significant participation in oil, gas and nickel. Our strategy is based on owning and operating large, long-life, low-cost assets with potential for growth and diversification according to geographic location and market.

The company arose from the merger of BHP Limited and Billiton Plc. In 2017, the company returned to its original name: BHP. With 135 years of history, we are currently present in 12 countries and 90 locations.

The Chairman of the Board is Ken MacKenzie and, since January 2020, Mike Henry has served as CEO of the company. Its headquarters are in Melbourne, Australia.

Minerals Americas

Minerals Americas is the division of BHP that brings together operations, projects and Non-operated Joint Ventures in the Americas, excluding petroleum assets. Ragnar Udd has been President of Minerals Americas since November 2020.

Minerals Americas has 10 areas presided over by a Vice President: Human Resources, HSE (Health, Safety and Environment), Supply, Marketing, Corporate Affairs, Projects, Legal, Technology, Finance and Planning and Technical. In addition, at Minerals Americas we have an Inclusion and Diversity Council and a Leadership Team made up of the main executives of the company in the region.

BHP Minerals Americas assets

Country	Asset	Description	BHP ownership
Chile	Escondida	Open-cut copper mine	57,5%
Chile	Pampa Norte	Open-cut Cerro Colorado and Spence copper mines	100%
Canada	Jansen	Potash project in the Saskatchewan Province	100%
Peru	Antamina *	Open-cut copper and zinc mine	33,75%
Colombia	Cerrejón *	Open-cut energy coal mine with integrated rail and port operations	33,3%
Brasil	Samarco *	Open-cut iron ore mines with integrated infrastructure comprising pipelines, concentrators, pelletising facilities and port operations	50%
United States	Resolution *	Copper project located in Arizona	45%

(*) Non-operated Joint Ventures

Our operations in Chile

BHP has been in Chile for more than 37 years. We are now the main private copper producer in the country and industry leaders. We began operating in Chile in 1984 after the discovery of Minera Escondida, after which we acquired Cerro Colorado and Spence, which today make up the Pampa Norte business unit.

Minerals Americas' corporate offices are located in Santiago, Chile.



Minera Escondida	
Location	170 km south-east of the city of Antofagasta
Altitude	3,100 masl
Asset President	Mauro Neves
Products	Copper concentrate and cathodes
Infrastructure	<ul style="list-style-type: none"> Crushing and belt systems (5 crushers) Concentrator plants (3) Desalination plants (2) Sulphide and oxide leach pads Solvent extraction plants (2) Electrowinning plant Concentrate pipelines (2) Concentrate port facilities at Puerto Coloso

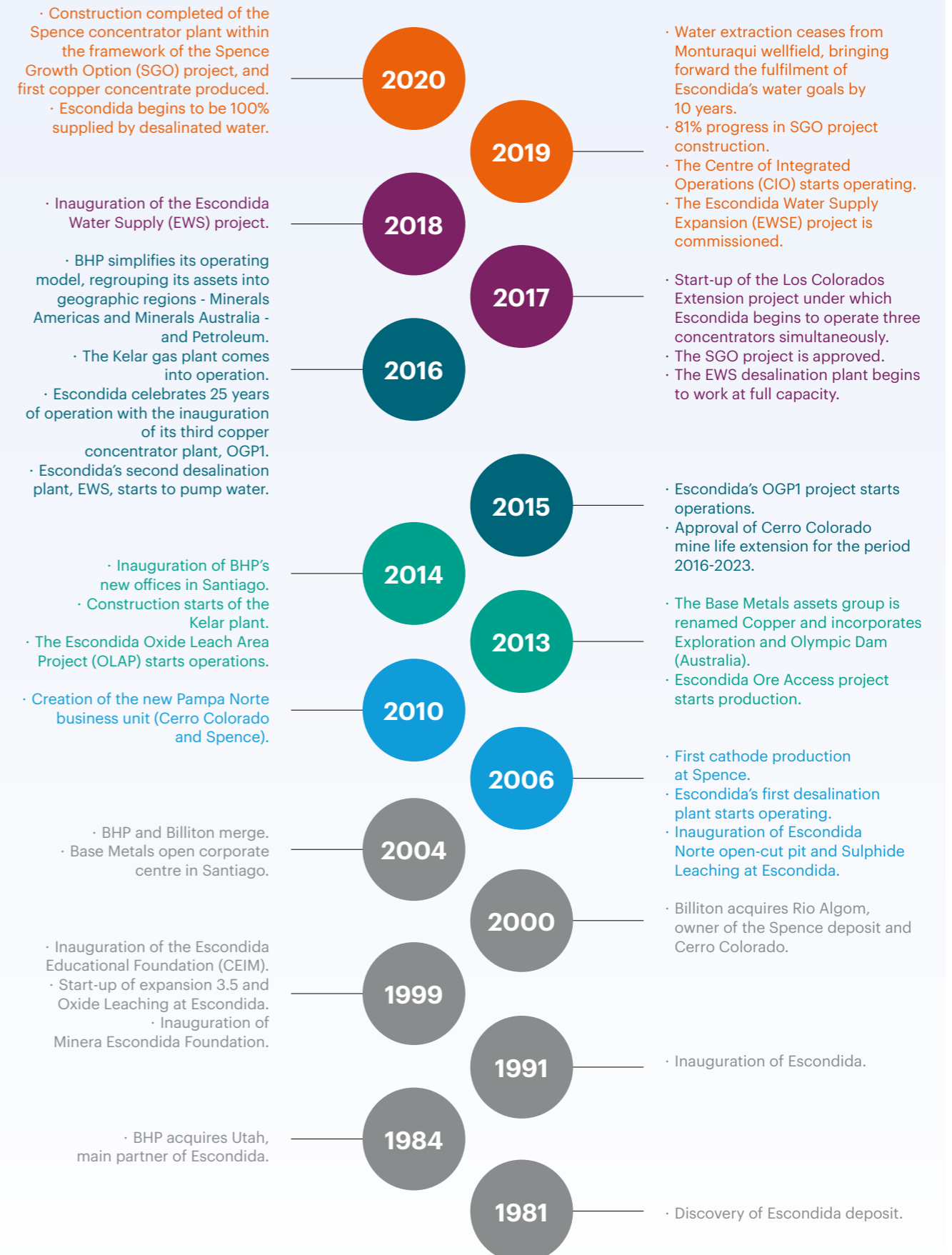


Pampa Norte Cerro Colorado	
Location	Pozo Almonte municipal district, Tarapacá Region
Altitude	2,600 masl
Asset President	Cristian Sandoval
Products	Copper cathodes via leaching and electrowinning process
Infrastructure	<ul style="list-style-type: none"> Crushing systems Leaching pads Solvent extraction plants Electrowinning plant



Spence	
Location	Sierra Gorda municipal district, Antofagasta Region
Altitude	1,750 masl
Asset President	Cristian Sandoval
Products	Copper cathodes via leaching and electrowinning process
Infrastructure	<ul style="list-style-type: none"> Crushing systems Leach pads Solvent extraction plants Electrowinning plant Concentrator plant

37 years of history in Chile



Our approach to Social Value

Social Value is a core part of BHP's values. It allows our purpose to come to life and gives meaning to the work that we do every day in Chile and the world. Building a better world implies having a comprehensive Social Value strategy that supports our vision now and in the long term.

At BHP, we define Social Value as the positive contribution we make to our workers, our surroundings, the environment, the economic development of the regions where we operate and society.

Social Value is a priority for the company. Today we have a new corporate structure at a group-wide level with roles dedicated to promoting the generation of Social Value and extending our contribution.

During 2020, we worked together with the teams at our operations in Chile to prepare five-year business plans that embed Social Value at the centre. This implies that each operated asset must consider local and global issues that are important to its stakeholders, assess its performance on those issues and develop a plan for how to proactively contribute Social Value in these areas, in partnership with our global functions and local stakeholders.

In addition, we established performance indicators to monitor the execution of each plan and to guarantee that the Social Value goals are correctly met.

Our Social Value strategy

Focus

1. Reduce our impact and improve our environmental performance.
2. Contribute to the empowerment and resilience of local, indigenous and regional communities.
3. Generate joint actions with government, industry and society.

Pillars of action

1. Generate respectful and reciprocal alliances with our stakeholders based on collaboration.
2. Incorporate a balanced approach to social, environmental and economic performance in our long-term planning and decision-making.
3. Promote transparency and traceability of processes and information.



Copper Mark: certification for sustainable mining

Making sustainability a non-negotiable value implies taking concrete actions. For this reason, in 2020 we decided to voluntarily submit the Letter of Commitment to obtain certification in the Copper Mark Responsible Production Framework.

The process involves our Escondida and Spence operations in Chile, and Olympic Dam in Australia, and seeks to demonstrate the sustainability practices and processes of our operations.

Copper Mark is a credible assurance process that aims to demonstrate the copper industry's responsible production practices and its contribution to the United Nations Sustainable Development Goals.

The certification of operations in Chile will be carried out during 2021.

Contribution to sustainable development

Our operations play a fundamental role for society and, as industry leaders, this entails being responsible in everything we do, taking on the challenge of raising our standards to address the potential impacts of our operations, and recognising sustainability as a critical factor for the future of our business.

In a scenario in which the demand for our products will increase steadily, we know that the copper we produce is essential to advance towards the energy transition, decarbonisation and fulfilment of our climate change goals.

We listen to our customers, investors, employees, communities and stakeholders throughout the value chain in order to be able to think about sustainability holistically. We are committed to responsible copper production aligned with the United Nations Sustainable Development Goals and the goals of the Paris Agreement.

Materiality

The index and contents of the Sustainability Report 2020 were defined based on an update of the materiality study. Although the pandemic emerged as a cross-cutting issue during the execution of the study, the 2020 analysis was based on the themes established in the previous year, prioritising each one according to management during the year.

The contents associated with health protocols and management are part of the section "Occupational health and safety". In addition, "Technology and innovation" was considered as a new topic, given the importance it has for both industry and BHP. The methodology applied is that indicated by the Global Reporting Initiative (GRI) standard.

BHP Chile material issues

- Operational and economic performance
- Contribution to national and local development
- Occupational health and safety
- Organisational culture
- Environmental management
- Inclusion and diversity
- Promotion of local suppliers
- Climate change
- Mining of the future
- Community engagement
- Relations with Indigenous Peoples
- Business conduct and ethics
- Technology and innovation

For more detail about the material issues, see the Appendices on page 55.

To define the material issues of BHP Chile, different instruments and sources were considered: interviews with company executives, stakeholder surveys, analysis of standards, and review of media coverage and corporate documents.

Stakeholders

We interact with different stakeholders, with whom we build ties based on dialogue, respect and mutual benefit. For this purpose, we have methods of engagement and listening that are adjusted to the context of each group.

Among our most relevant stakeholders are:

- Employees and their families
- Contractor companies
- Suppliers
- Indigenous communities and extended community
- Governments and regulatory bodies

A more detailed table of who makes up these groups and how we relate to each one is available in the Appendices on page 54.

Alliances and memberships

At BHP, we are convinced that collaboration is essential to move forward together towards building a better world, jointly solving current challenges. That is why we maintain alliances with various public institutions, private and academic organisations. In addition, we participate in the following entities at the national and regional level:

- National Mining Society (Sonami)
- Mining Council
- Antofagasta Industrialists' Association (AIA), and on its Board
- Iquique Industrialists' Association (AII), and on its Board
- Mussel Industry Association
- Regional Mining Safety Councils of the Antofagasta and Tarapacá Regions
- Global Compact
- Acción Empresas
- Chilean-Australian Chamber of Commerce

Voluntary initiatives and public commitments at the international level

At Minerals Americas, we constantly seek to improve our socio-environmental performance. That is why we strive to meet the most demanding global standards and practices, including the CEO Water Mandate, the United Nations Sustainable Development Goals, UN Global Compact, and the UN Guiding Principles on Business and Human Rights.

To review the details of our public commitments and voluntary initiatives, see the Appendices on page 55.



Chapter 2

Our response to COVID-19

During the pandemic, the health and safety of our workers was even more important than usual. We demonstrated that the implementation of strict hygiene measures was compatible with operational continuity, sustained by an organisational culture that is committed to excellence, and supported by a Social Value strategy that allowed us to go to the aid of those who needed it most.



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Our approach



The pandemic changed the world, Chile and our company. In 2020, we were surprised by a health emergency that forced us to adapt the way we work and bring forward processes that were beginning to take shape in our operations. Faced with a pandemic that is still underway, BHP's operations in Chile and its employees have not let their guard down.

At the beginning of the pandemic, we reacted by reaffirming our strong commitment to the health and safety of all our employees and contractors, which implied deploying immediate measures. We implemented more than 100 preventive and containment measures, and worked together with national and regional authorities to guarantee full compliance with the sanitary regulations in force in Chile.

As the health emergency advanced, we adapted our strategies and the way we work at sites and offices. We deepened flexible working and demonstrated that a strong and resilient organisational culture was key to maintaining our operational continuity. Escondida, Spence and Cerro Colorado continued operating and making their contribution to the country. In addition, it is worth noting the flexibility of the supply chain and the purchase of medical supplies through the SAWU local buying system.

We strengthened our links with the regions that host our operations. We innovated in the ways we engage with our stakeholders, we expanded our contribution, and we responded to people's urgent needs. In the Antofagasta and Tarapacá Regions, we worked together with communities, families, universities and indigenous peoples to collaborate and provide the necessary tools to address the health emergency.

Case study US\$25 million relief fund for contractor companies

The demobilisation of workers implied, among other things, limiting the access of contractors to our sites and offices. As a result, in March 2020 we created a US\$25 million relief fund to support companies facing difficult times.

We first classified contractor companies based on criteria such as the local and regional relevance of the source of work, company size and financial situation. Small and medium-sized companies, with a more fragile financial situation and whose local or regional workforce is important to BHP, continued to be voluntarily paid 70 per cent or 90 per cent - depending on the case - of the fixed salaries and pension contributions associated with the scope of the work contained in contracts until June 30, 2020.

This fund made it possible to protect the jobs of contractor workers whose services were interrupted as a result of the pandemic.

Our strategy: trace, test and isolate

Through multi-disciplinary work, we designed a solid strategy and activated critical controls in operations and offices to address the pandemic. This led to the deployment of a testing, tracing and isolation strategy that has involved implementing more than 100 virus preventive and containment measures.

Our strategy is based on eight main pillars, which correspond to critical controls strictly applied to minimise infection risk:

1. Physical distancing
2. Implementation of cleaning and hygiene practices
3. Use of Personal Protective Equipment (PPE)
4. Isolation, self-monitoring, and contact tracing practices
5. Implementation of control measures when entering the workplace and travel restrictions
6. Personal hygiene practices
7. Preventive testing campaigns, carried out before, during and after shifts
8. Provision of medical resources and response teams

Main prevention measures implemented

Demobilisation of workers

To reduce the probability of infections and to protect employees and contractors, we identified the health conditions that could imply a greater risk from potential COVID-19 infection. All employees and contractors at risk were demobilised, including all those over 60 years of age. In addition, those in non-critical roles for operations and who could work remotely operated from home offices.

In addition, we implemented measures to guarantee that all those workers who could access operations and offices had the maximum possible protection. For example, we provided charter flights and buses for those who had to travel to the regions, established social distancing in buses and designed a shift system for corporate offices, among many other measures.

In 2020, we carried out 331,317 preventive tests, including PCR, antigen and rapid tests

Testing and proactively searching for cases

We conducted preventive testing as a tool to detect and prevent possible infections among our workers and to avoid the entry into our operations and offices of those who could be infected. The search for cases involved taking regular nasopharyngeal or saliva PCR tests, antigen tests, and rapid tests.

This preventive approach and the proactive search for cases through testing resulted in actions such as:

- **Conducting testing campaigns** in the regions where we operate and in the home cities of employees and contractors.
- **Proactive search for cases in corporate offices**, with weekly tests.
- **Implementation of a self-assessment system**, in which each worker periodically and obligatorily reports possible symptoms and general health status.
- **COVID-19 monitors at sites and offices**, to ensure compliance with preventive measures and to assist employees and contractors.
- **Tracer system**: we have tracing teams in each operation made up of health professionals, who contact workers affected by the disease, clarifying doubts, offering support to resolve problems and identifying early warning signs and symptoms.
- **Design of an isolation system**, through the management of quarantine hotels to avoid the transfer of potentially infected workers.

Main testing results

Site	N° of PCR tests	N° of rapid tests	Preventive testing campaigns (accumulated)	
			N° of antigen tests	Total
Cerro Colorado	10,786	16,527	23,456	50,769
Spence	6,797	25,811	30,121	62,729
SGO	2,933	12,395	5,561	20,889
Escondida	137,242	38,721	14,834	190,797
BHP Chile	2,034	844	3,255	6,133
Total	159,792	94,298	77,227	331,317

* Figures as of 31 December 2020



Caring for people

The responsibility and commitment of BHP workers in Chile and the hygiene measures that the company implemented were essential to address the pandemic. The health emergency forced us to be flexible, which also facilitated and accelerated the remote work policies that BHP was already promoting.

Wellbeing and mental health

The pandemic imposed challenges that went beyond physical health. The wellbeing of people and their mental health became a focus of work that took immediate prominence. We reinforced our Intrafamily Violence program, carried out periodic surveys to monitor the wellbeing of workers and implemented conversation opportunities and workshops to provide mental health tools, among other actions.

The Employee Assistance Program (EAP) service, available to employees and contractors, operated as a support and containment system during the pandemic. In terms of mental health, BHP has a group-wide strategy and in Minerals Americas, specific strategies are currently being designed for each operation.

Vamos Juntos plan: Social Value in a pandemic

Social Value was a fundamental part of our response to COVID-19. In April 2020, we launched the *Vamos Juntos* social investment plan to help those who needed it most. With an initial investment of US\$8 million, the plan sought to contribute on different fronts:

- **Health:** We signed an agreement with the Catholic University's Faculty of Medicine to increase testing capacity and strengthened the Family Health Centres of the south-east area of the Metropolitan Region. We collaborated with the Ministry of Sciences and, together with the Confederation of Production and Trade (CPC), we funded the delivery of mechanical ventilators.
- **Economic:** In collaboration with regional authorities and local governments, we provided support to the communities where we operate and to at risk groups in the Antofagasta and Tarapacá Regions.

In the first phase, we focused on helping to strengthen the national and local response to the pandemic. Our focus was to increase PCR laboratory diagnosis capacity and, especially, to increase the capacity to detect people infected by COVID-19 in primary health care centres in Antofagasta, Pozo Almonte, Puente Alto and La Pintana.

In addition, in order to increase the volumes and speed up the diagnosis of COVID-19, we collaborated in a study by the Institute of Science and Innovation in Medicine, which is part of the Universidad de Desarrollo's Faculty of Medicine, aimed at analytically validating and optimising the techniques used for the detection of SARS-CoV-2.

As the pandemic advanced, the *Vamos Juntos* plan grew and evolved. We added funds to expand the contribution and provide more help to regions and their communities in the *Vamos Juntos* 2.0 version.

The project seeks to support the economic and social reactivation of Chile, with a focus on the safe return to educational establishments and of small businesses. Once again, owing to an alliance with the Catholic University of Chile, the University of Antofagasta and the Catholic University of the North, we deployed measures to facilitate the safe return to activities, which included the implementation of hygiene measures, regular testing and a tracing and effective isolation system.

In its second phase of execution, the *Vamos Juntos* plan comprises three lines of action:

- **Job creation in BHP projects in the region:** incorporation of new award criteria in tenders for investment projects that ensure operational performance. We seek to promote a greater participation of local employment, women and local companies.
- **Support for innovative ventures and digitisation of SMEs:** creation of a regional venture capital fund of US\$1 million to finance innovative business projects with growth potential. We seek to facilitate the digital transformation of small and medium-sized companies, with an emphasis on the development of new tools and processes and the opening of new sales channels.



- **Working with social organisations on community programs:** creation of a US\$500,000 fund to support social organisations in the region, favouring initiatives with a gender focus and aimed at addressing social vulnerability and mental health problems.

US\$10 million in social investment through the *Vamos Juntos* plan in 2020

During the pandemic, the mechanisms for creating ties with communities and social organisations were strengthened.

Since the beginning of the health emergency, we have been present in the Tarapacá, Antofagasta and the Metropolitan Regions, implementing different projects within the framework of the *Vamos Juntos* plan. We carried out testing campaigns, vaccination days, delivered medical supplies, strengthened the public health network, sanitised public places, organised food donations, among other actions.

Highlighted initiatives

Sierra Gorda

Working together in Sierra Gorda

In the towns of Sierra Gorda and Baquedano, we implemented the *Locales Conectados* program, an initiative that was developed by the Urbanismo Social Foundation in alliance with Spence and the Municipality of Sierra Gorda. Thanks to this program, all the households in Sierra Gorda received an economic contribution of CLP\$40,000, allowing them to acquire basic supplies in the district's shops, thus contributing to the reactivation of the local economy. In addition, the families received complementary support, such as the direct delivery of groceries and prevention and hygiene products.

We also deployed preventive health actions, such as the installation of 20 disinfection devices in places with a high influx of people in the district, a disinfection tunnel in Sierra Gorda operated by the local company Productora Medallas and by holding 76 disinfection days in the district with the support of the local company Control 911.

In addition, in collaboration with the Municipal Health Department, we donated medical supplies, antigen tests and influenza vaccines.

We also participated in the "Safe Home" initiative promoted by the community through the Technical Coordinator of the Sierra Gorda Good Neighbours Team, which led to the distribution of 130 hand sanitizer dispensers.

Tarapacá

Strengthening public health and primary health care

We have been active in different municipal districts in the Tarapacá Region. We contributed towards expanding the health care capacity of the Regional Hospital, located in the Tierra de Campeones Stadium, with the delivery of medical equipment and supplies. In addition, we inaugurated a room to take PCR tests at the Pozo Almonte primary health centre and we have conducted various testing campaigns in the region's communities.

In Pozo Almonte we provided support to improve the conditions of the Mamiña rural health centre and conducted maintenance on sanitary barriers and disinfection of public spaces in Parca and Mamiña.

Antofagasta

New vaccination centre for the whole community

With BHP contributions, through our Spence and Escondida operations, in April 2021 we inaugurated a vaccination centre in the city of Antofagasta that can receive up to a thousand people per day, according to the Ministry of Health's official vaccination schedule. Located in the Regional Stadium, the centre has the medical infrastructure and personnel to support the national vaccination plan.

This initiative complements other actions promoted in Antofagasta as part of *Vamos Juntos*: donations to the Antofagasta Regional Hospital, delivery of medical supplies, provision of PCR testing systems and financing of support staff for tracing and testing campaigns. In addition, we signed an agreement with the Catholic University of Chile's health care network (RED-UC) to facilitate medical care in various specialties in Calama, Sierra Gorda and Antofagasta.

BHP Foundation: Digital Education Network

With more than 3.6 million students not attending in-person classes due to the sanitary emergency, the COVID-19 pandemic has widened the gap in educational equity, especially affecting the most vulnerable sectors.

For this reason, the BHP Foundation contributed US\$1.6 million for a program to respond to the educational crisis, aimed at addressing the most urgent educational needs in this area. In collaboration with various institutions, the program supports six initiatives that seek for students and teachers to acquire the knowledge and skills necessary to face the challenges of the 21st century through the use of technology and digital tools, as well as supporting their emotional wellbeing and incorporating a gender perspective.

The organisations Aprendo en Casa, Fundación Chile, Fundación Kodea and Enseña Chile implemented projects to provide learning continuity through the creation of content on digital platforms, television and radio. The Adolfo Ibáñez University's School of Psychology implemented an emotional health and wellbeing program for the school community, including students, teachers and families, as well as a Diploma for Community Agents. Comunidad Mujer, an NGO, focused on girls, protecting schoolgirls and young women in situations of risk and facing potential loss of opportunities.

Additionally, the Digital Education Network (RED), promoted by the BHP Foundation and which brings together education experts, organisations and collaborators, has facilitated the exchange of learnings, increasing the scope and impact of these initiatives.



Chapter 3

Operational and financial performance

We are inspired to generate a positive impact on society. In Chile, as in the rest of the world, we seek to build a better world through excellent performance, tax payment, job creation, working together with suppliers and the fulfilment of a far-reaching Social Value strategy. Mining is central to the country's development and BHP is a fundamental part of that contribution.



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Ethical behaviour

Our performance

We are the world's largest natural resources company, with commodities that are essential to modern life. Our operations in Chile make a significant contribution to the success of our business and, owing to Spence, Escondida and Cerro Colorado, today we are positioned as the main private mining company in the country.

During 2020, we produced 1,371,383 tonnes of copper, 3.5% less than in 2019. Production at Escondida was almost the same as 2019 with a decrease of 0.1%. The highlights of the year were record concentrator throughput, the implementation of best maintenance practices and disciplined cost control, which offset the impact of a 4% drop in ore grade.

In the case of Pampa Norte, the decrease in production was due to the impact of planned maintenance at Spence in the July-September 2020 quarter.

The favourable evolution of the copper price had a positive impact on our results.

Production

In 2020, we produced 1,371,383 tonnes of copper:

- **1,155,854 tonnes at Escondida**
- **146,630 tonnes at Spence**
- **68,899 tonnes at Cerro Colorado**



This is equivalent to:

- **24.5% of copper production in Chile**
- **6.7% of copper production in the world**

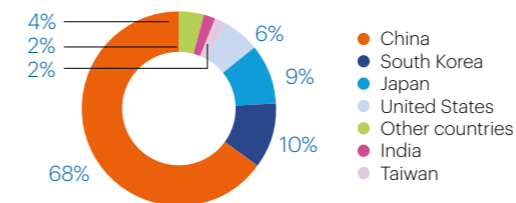


Source: Chilean Copper Commission (Cochilco)



Main markets

In 2020, we exported copper to 16 countries, of which six account for 96% of our sales:



Countries	Tonnes	%
China	928,470	68%
South Korea	134,857	10%
Japan	128,855	9%
United States	75,891	6%
India	22,887	2%
Taiwan	23,160	2%
Other countries: France, Malaysia, Spain, Panama, Thailand, United Arab Emirates, Germany, Italy, Brazil, Philippines	51,474	4%

Case study

New concentrator plant: Spence extends mine life by 50 years



After 1,180 days of work, in 2020 we completed the Spence Growth Option (SGO), a project that involved the construction of a concentrator plant at Spence for investment of US\$2,460 million by BHP. The plant has capacity of 95,000 tpd and will produce 185,000 tonnes per annum of copper in concentrate in the first 10 years of operation.

The health emergency did not prevent progress at SGO and it was the only mining project in Chile that was not suspended owing to the team's exceptional work in terms of health and safety care. In addition, the project reached a peak of more than 9,500 workers, with a leading presence of women.

In terms of sustainability, SGO represented significant progress: the project includes a desalination plant to supply the operation, built and operated by a third party. In addition, it incorporates a new flotation technology and processes that will reduce energy use.

The plant produced its first copper at the end of 2020 and, in March 2021, Spence made its first shipment of copper concentrate from the Port of Mejillones. It is estimated that the concentrator will reach full capacity by the end of 2021.

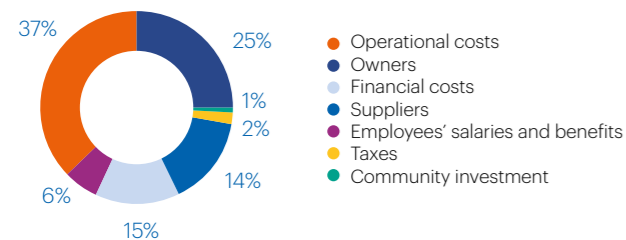
Spence's new concentrator marks a milestone for the company and for mining in Chile, as it advances sustainability and reflects the mining of the future.

Economic contribution in Chile



In 2020, BHP Chile generated an economic value of US\$9,094 million, 3% more than in 2019. Meanwhile, the distributed economic value was US\$7,693 million, 7% less than the previous year.

Distributed economic value



Mine materials handling program: autonomy for the challenges of the future

In 2020, Minerals Americas started the Copper Material Handling (CMH) program to address emerging challenges in terms of safety, sustainability and competitiveness. This program promotes the implementation of mine materials handling projects at Spence and Escondida, through innovative and disruptive solutions that challenge the way we work and contribute to solving operational challenges.

Spence Material Handling is CMH's local initiative at Spence, while Escondida began the development of the Escondida Material Handling initiative.

Cerro Colorado begins mine plan adjustment and resizing

In July 2020, we announced the start of a resizing process for Cerro Colorado. This decision implies implementing significant reductions in mine movement and mineral processing, as well as adjusting headcounts, for the remaining period of the mine's current environmental licence, which expires at the end of 2023.

The decision is based on the need to maintain a viable operation during the years remaining under the current permit and to sustain the contribution that Cerro Colorado makes to the Tarapacá Region and the country.

Supply Innovation

Moving towards more sustainable mining implies fostering collaboration to seek disruptive solutions to emerging problems.

For this reason, BHP's Supply function has an innovation area that aims specifically to develop the innovative capabilities of our suppliers and partners. Through an open innovation methodology, in 2020, as every year, we presented 18 new operational challenges for suppliers to solve collaboratively and creatively.

In addition, during 2020 we launched the following initiatives:

- **Hackamine:** in alliance with Expande, an initiative of the Fundación Chile, we set out to identify the best predictive models for the early detection of failures that would enable improvements in safety and productivity in mine and plant processes. We opened a call for small and medium-sized companies, local and international start-ups (with a presence in Chile), local universities and research centres to participate.

The ten finalist companies had the opportunity to work with real data, completing more than 30 hours of joint work with BHP mentors. Thanks to this, the company accessed ten "Viable Minimum Products" developed from more than 300 hours of programming.

- **BHP Tailings Challenge:** Together with Expande, we launched the global "Tailings Challenge" with the aim of finding solutions to repurpose and reuse fresh tailings of various minerals. We opened an international call and received 154 applications from 19 countries. During 2021, the validation processes of the solutions and the pilot tests will be carried out in order to announce the winners of the challenge in March 2023.

Ethical behaviour

Our business is sustained by the ethical conduct of all our employees. Our commitment is to always act according to the values that govern us: integrity, respect, accountability and performance.

Code of Conduct

Our Code of Conduct guides the behaviour of those who are part of BHP, demonstrating how to put into practice our Charter of Values. The document establishes the obligations of those who are exposed to situations in which compliance with our ethical standards and corporate values could be at risk.

During the year, we conducted training and communication campaigns that reinforced and promoted the Code of Conduct among executives, employees, contractors and suppliers, in accordance with their contractual obligations.

The Code of Conduct is available on [bhp.com](https://www.bhp.com), section About/Our Code of Conduct.

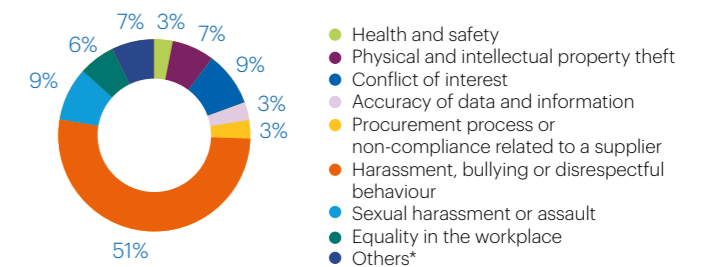
EthicsPoint

At BHP, we have a complaints channel for all of our internal and external stakeholders. The channel is multilingual, available 24 hours a day and managed by an independent third party.

Complaints are received anonymously, and are investigated thoroughly and confidentially, allowing the corresponding corrections and disciplinary measures to be carried out as appropriate, without retaliation for the complainants or those who conduct the investigation.

In 2020, new reporting categories were added to EthicsPoint, related to the material risk of sexual assault and harassment, as well as equality in the workplace. In total, 331 complaints were received, 78% more than in 2019.

Complaints received in 2020



* Others: Protecting BHP assets, equality in employment, unfair dismissal, ask a question, accepting gifts, absenteeism, alcohol, drug and tobacco use, competition, performance.

Compliance Program

This program allows the cultivation of an ethical and upright culture throughout the company and to identify and mitigate business risks associated to financial crimes, money laundering, financing of terrorism, corruption, transactions with sanctioned entities or individuals, and actions that affect free competition.

BHP's Crime Prevention Model seeks to fully comply with Chilean Law 20,393 on the Criminal Liability of Legal Persons. The model is reviewed regularly and updated. In 2020, our Crime Prevention Model was recertified by an external entity.

Risk management

The identification and management of risks is essential to achieve our strategic objectives. To this end, BHP has a global standard called "Our Requirements for Risk Management", which allows controls to be established to manage the company's specific risk areas. In addition, BHP's group-wide risk framework is aligned with the ISO 31000 standard.

Our risk management model considers three lines of defence:

- Verification by risk holders (first line)
- Analysis by the different functions (second line)
- Independent control by the Internal Audit and Advisory team (third line).

375 workers received training on anti-corruption and crime prevention issues

Anti-corruption

At BHP, we provide training on anti-corruption and crime prevention issues. The workers who must complete said training are defined according to our Risk Approach, which considers factors such as the worker's role, functional area, location and responsibilities, among other criteria. During 2020, 97% of Minerals Americas workers who should complete this training did so.



Chapter 4

Society and local development

Building a better world implies making a positive contribution to the regions where we operate, to their communities and to our social environment. We seek for our presence to be synonymous with collaboration and development, and we work every day to promote our Social Value strategy.



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Value chain and development of suppliers
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Our approach

Our company's contribution goes beyond the resources we produce. We have a genuine responsibility and commitment to the regions in which we have a presence, which means implementing different strategies and programs that seek to promote collaborative relationships with communities, social organisations, indigenous peoples, suppliers and all who are part of our value chain.

Our way of connecting with stakeholders had important challenges during 2020. The health emergency forced us to be creative in mechanisms to engage with communities and called us to reinforce our presence in regions that were going through difficult times. We worked hard to help communities face the pandemic and then to contribute to their economic and social reactivation.

For BHP, the generation of local employment, the permanent contribution to the revitalisation of the national and regional economy, the delivery of opportunities for growth, training and development to people and suppliers is a priority.

Supply chain and development of suppliers

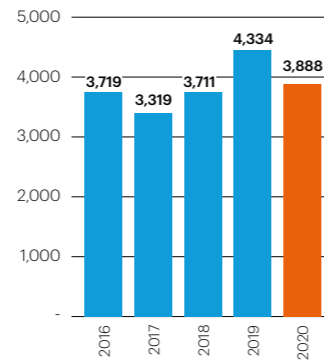
Our supply chain

Our suppliers are a fundamental part of the value chain and of achieving our business objectives. Our relationship with suppliers is governed by BHP's group-wide guidelines set out in Our Requirements for Supply, our Contract Management Framework and Minimum Requirements for Contractors.

In 2020, we worked with 1,745 local suppliers, for total spending of US\$3,888 million

Total spending on suppliers (US\$M)

Payments to national suppliers for the purchase of goods and services



Total spending on local suppliers (in US\$M)



Although total spending on suppliers decreased compared to the previous period, spending on local suppliers increased as a result of the implementation of a local buying strategy that is applied across the Supply area.

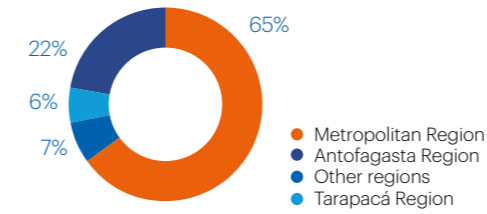
At BHP, we define local suppliers as those whose headquarters are in the regions where our mining operations are located: Antofagasta and Tarapacá. This definition was adjusted in 2018 in order to focus our efforts on the group of local suppliers that are directly connected to the regions in which we have a presence.

The decrease in total spending on suppliers compared to 2019 is mainly explained by the completion of major projects (Spence Growth Option and Escondida Water Supply Extension), which led to lower total spending.

Our spending on local suppliers corresponds to two types: direct and indirect.

- Direct local spending: spending directly contracted by BHP and its operations to local suppliers.
- Indirect local spending: spending implemented through non-local suppliers that recruited locally or purchased goods and services locally.

Proportion of suppliers by region



Local Buying Program

The Local Buying Program is an initiative launched in July 2019 to support local small and medium-sized companies to establish business relationships with BHP in Chile, facilitating their ability to supply goods and services to the company's operations in a simpler way, with competitive processes and reduced payment conditions.

The program is aimed at companies that have their headquarters in the Antofagasta and Tarapacá Regions to boost the local economy and generate business relationships and opportunities with our Escondida, Spence and Cerro Colorado operations.

In 2020, we generated 5,382 business opportunities with these companies, of which 79% are headquartered in the Antofagasta Region and 21% in the Tarapacá Region.

CLP\$39,687 million in purchases from local suppliers in 2020

BHP's Local Buying Program was recognised in the Sustainable Management category of the Antofagasta Industrialists Association's 2020 awards ceremony for its support and contribution to the region.

956 registered suppliers allowing us to meet our goal of having at least 900 suppliers signed up



Case study Support to realign local suppliers



In the context of the health emergency, we reinforced the work we do together with local suppliers. Through the SAWU platform, we finalised the purchase of medical supplies for more than CLP3,000 million to supply Spence, Escondida and Cerro Colorado with hand sanitiser, portable sinks, face masks and disinfectants, among other essential goods to address the pandemic.

In line with the work carried out as part of the Local Buying Program, this initiative allowed us to support 19 suppliers from Antofagasta and Iquique, who during the pandemic had to reskill and reinvent their businesses.

Engagement with communities



At BHP, working in partnership with host communities, our areas of influence and social organisations is at the basis of what we do: our business only makes sense if we are able to contribute comprehensively to our surrounding areas. All our contributions, programs and initiatives are undertaken through transparent dialogue with the communities, active collaboration and the permanent construction of social value.

In 2020, the Vamos Juntos social investment plan was a key pillar of our engagement with communities. To maintain our ties with our surrounding areas, an important challenge was to adapt to new ways of working and engagement, with mechanisms that allowed us to remain close to our stakeholders, maintaining fluid communication and providing support on issues such as economic development, health and education.

More details on the deployment and implementation of the Vamos Juntos plan can be found in the Appendices on page 56.

Although an important part of our efforts were focused on the health emergency, each of our operations in Chile continued implementing projects aimed at communities and their inhabitants, as well as community dialogue processes, fully continuing our Community Relations strategy and the BHP Indigenous Peoples Plan.

Our engagement map

We build lasting and authentic relationships with the regions, provinces and communities where we have a presence. In the Antofagasta and Tarapacá Regions our host communities are the following:

Cerro Colorado: Indigenous communities of Mamiña, Quipisca, Parca, Iquiuca, Collacagua, Lirima, Cancosa, and the Pozo Almonte municipal district.

Spence: Baquedano and Sierra Gorda communities.

Escondida: Antofagasta municipal district and the Coloso community. Together with the San Pedro de Atacama municipal district and the communities on the southern edge of the Salar de Atacama, especially the Peine community, we continue our engagement in the framework of the closure phase of our well fields.



At Cerro Colorado, we carry out projects with the different indigenous communities in our area of influence, as part of the Collaboration and Mutual Benefit Agreements in force since 2015, in addition to the implementation of the Participatory Archaeological Monitoring Program. We have also worked on different initiatives with communities in our area of influence to improve their quality of life, contributing through infrastructure improvements, education scholarships and relief measures to address the health emergency. In addition, we are on the board of the Tarapacá Circular Economy Centre.

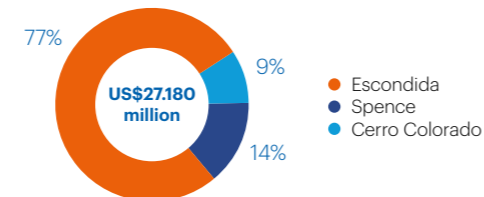
At Spence, we deepened collaboration in the towns of Sierra Gorda and Baquedano through dialogue with social organisations in both areas. One of the main initiatives was the clean energy work organised by the Sierra Gorda Neighbourhood Council No. 3 that resulted in the installation of solar collectors in all the town's homes. The Education Support Program was also continued, an initiative that benefited students and their families, through a comprehensive approach that includes an economic contribution and psychosocial work carried out in partnership with the Fundación Juventud Emprendedora.

Escondida provided an important online schedule of educational and cultural programs in the Antofagasta Region - such as the Identidades Festival, the FITZA International Theatre Festival, and the AntofaCine Festival - in addition to supporting the training of new regional talents for mining through the Heuma Consortium, implementing education programs and deepening links with regional universities. Within the framework of the closure of its last Andean aquifer, the company also continues discussions with the Atacameño communities to develop an adequate process in the closure phase of Monturaqui.

US\$27.2 million in social investment, 54% more than in 2019

The increase in social investment is due to the funds aimed at addressing the impacts of the COVID-19 health emergency.

Social investment in 2020



Social Impact and Opportunities Study

In 2020, there were no significant impacts on the communities in BHP's area of influence in Chile. We completed a Social Impact and Opportunities Assessment for BHP's operations in the Antofagasta Region. As a result, an action plan on social investment, a Management and Monitoring System for Social Investment Projects, and the design of quality-of-life indicators to be monitored and evaluated were presented.

New complaints system

In 2020, we updated the Community Concerns, Complaints and Grievances Procedure to strengthen communication with local communities. In addition to the permanent deployment in the field of our Communities and Corporate Affairs teams, we now have direct contact mechanisms through the free messaging WhatsApp mobile application with virtual assistance and an email address. This community complaint mechanism supports Human Rights due diligence processes and stakeholder participation, allowing us to carry out preventive actions, identify corrective or mitigation measures, and implement remediation when appropriate.

In 2020, we received four community complaints addressed to Escondida, two to Spence and four to Cerro Colorado. The corresponding investigations were carried out for each complaint and specific actions were taken to resolve them.

Human Rights approach

After conducting in 2019 a global pilot on human rights impact assessments, based on the requirements of the United Nations Guiding Principles on Business and Human Rights (UNGP), in 2020 we continued the work with human rights due diligence on all our operations in Chile.

The process involved the participation of different stakeholders from the Escondida, Cerro Colorado and Spence operations, including employees, contractors, suppliers, leadership teams, union representatives, and members of indigenous and local communities. At the same time, each operation worked with

Case study

Spence: supporting Sierra Gorda's entrepreneurial environment

One of Minera Spence's priorities has been to contribute to the growth of dozens of local businesses in the municipal district through the Local Development Support Program. During 2020, Spence refocused and strengthened the program through collaborative work with other players in the area to respond in a timely and effective manner to the needs of the district's residents.

In this context, in 2020 we implemented the Economic Support Plan, an initiative that was designed in partnership with the Sierra Gorda Community Development and Promotion Corporation to boost the entrepreneurial environment of the Sierra Gorda district. The plan provided a grant fund to micro and small entrepreneurs affected by the economic impacts of COVID-19. In addition, we co-financed an initiative by the government's economic development agency, CORFO, which helped businesses in the district.

Owing to these programs, self-employed workers and mini-SMEs in the district had access to advice and a total fund of CLP\$250 million.

the Risk Area to integrate the learnings from the Human Rights due diligence into the risk methodology, defining an action plan based on critical controls. The findings of the assessment will serve as the basis for the design and implementation of a Human Rights action plan.

In addition, in 2020 we conducted workshops on Human Rights for Minerals Americas' leaders.

Case study

Escondida: economic development for the Coloso community



Our relationship with the Coloso community in the Antofagasta Region is a high priority for our company.

For this reason, in 2020 we created through a participatory process the Productive and Fishing Development Fund that aims to improve the economic situation of Coloso's inhabitants by strengthening the artisanal fishing sector, allowing them to receive a contribution to their main economic activity and also, with the appropriate advice, to access public funds and engage with other economic and social sectors, providing a comprehensive and sustainable look at the future of the activity. The project also created a solidarity fund to support the community in case of emergencies.

The projects currently being implemented include initiatives such as the repopulation of algae, updating of marine management areas, tourism development, ecosystem recovery, infrastructure improvements to enhance productive operations and the provision of new public spaces. All these projects promote local employability and represent substantive progress in collaboration among the community's productive organisations. Among Coloso's three organisations, there are 124 benefited partners.

Indigenous Peoples Plan

In 2019, we launched the Indigenous Peoples Plan (IPP) for Chile, which defined our framework for relations with indigenous peoples through four priority areas: Governance, Economic Empowerment, Social and Cultural Support and Public Engagement.

We established specific goals, commitments, and actions in a five-year plan currently being implemented. This plan also contains guidelines for exploration activities that we carry out on indigenous lands.

During this period, we have made significant progress on Indigenous matters. We advanced in the identification of, and processes linked to, important cultural heritage sites and fostered the hiring of indigenous peoples. At the staffing level, we have increased the number of workers belonging to indigenous peoples in our operations from 6.6% in 2019 to 6.8% in 2020.

During 2020, there were no violations registered of the rights of indigenous peoples.

Case study

Cerro Colorado: Territorial development in partnership with the Quechua Indigenous Community of Quipisca



Since Cerro Colorado became part of BHP's portfolio in 2000, relations with the surrounding communities and Indigenous peoples have been a priority.

In 2015, Cerro Colorado signed a Collaboration and Mutual Benefit Agreement, which includes a fund to implement investment projects through different transfers agreed between both parties for the period 2016 to 2023.

We are currently implementing the Territorial Management and Development Plan, involving the provision of technical advisory work that has led to the generation of new sources

of employment, the creation of a work network for the implementation of the investment projects and the adjudication of resources associated with public competitive grant funds for projects.

In addition, we have jointly carried out social and cultural projects, initiatives to improve connectivity for the Quipisca community, and advanced in cultural and heritage development.

Culture and education



Minera Escondida Foundation

The purpose of the Minera Escondida Foundation is to support and contribute to the development of the Antofagasta Region through programs focused on education, social participation, cultural dissemination and the development of special projects.

During 2020, the Foundation focused on education and early childhood, working on improving the reading skills of children through digital applications with teachers and students. Along the same lines, a series of digital stories were designed and published, an online diploma course was prepared to support the work of teachers, conferences for education professionals were organised and tablets were given to the Integra preschool in Coloso.

In addition, the AntofaEmprende contest, which aims to support social entrepreneurs and contribute to the sustainable development of the region, received 357 projects from 12 regions of the country with solutions to challenges in areas such as health, economy and employment, education and environment.

Meanwhile, the Somos program, which aims to strengthen the capabilities of young local leaders, continued its work virtually and implemented seven projects in Antofagasta, Calama, San Pedro de Atacama and Tocopilla. The program had the active participation of 60 young people.

Industrial and Mining Training Centre

The Industrial and Mining Training Centre (CEIM), part of the Escondida Educational Foundation, is a leading technical training centre for the formation of mining professionals, based on the training standards of the Mining Competencies Council (CCM). The Minera Escondida Foundation awards scholarships to train at the CEIM as part of the company's Apprenticeship Program. In 2020, the CEIM continued its work with the challenge of transitioning to a virtual format, adjusting its traditional teaching model that was 70% practical and 30% online.

CREO Antofagasta

CREO Antofagasta is a dialogue space for public and private institutions, citizens and academia, which seeks to contribute to improving the quality of life in Antofagasta. It operates under a public-private framework, with the participation of the Regional Government, the Municipality of Antofagasta, community organisations and Minera Escondida. It works with a long-term vision which is set out in a Master Plan that outlines sustainable urban growth in Antofagasta until 2035. It considers four pillars: the coast, integration of coastal and hill areas, integration between neighbourhoods and the provision of services in the consolidated areas.

Strengthening culture

For more than 20 years, the BHP Culture Program has established itself as a space for creation, dissemination of ideas, free access to art, decentralisation of culture and generation of critical thinking. Through collaborative alliances, during the sanitary emergency new digital creation platforms were explored, in addition to radio and television, which allowed us to continue reaching thousands of people and provide a space for containment and resilience, through the following initiatives:

- **Santiago and Antofagasta in a 100 Words:** In 2020, online material and a library with 4,500 books from the "In 100 Words" projects were made available, which were downloaded more than 12,000 times during lockdown. In addition, support was provided to teachers with an e-learning course carried out in conjunction with Educar Chile, with classes to promote creativity and online meetings to train teachers in creative writing.
- **Antofagasta Puerto de Ideas Science Festival:** Due to the pandemic, the festival had to reinvent itself and explore new technologies. As a result, Puerto de Ideas Live was developed, a virtual space which transmitted the lectures via streaming. More than 100 free activities took place between April 12 and 18, 2020 and had 70,000 views.
- **Teatro a Mil:** In 2020, the Teatro a Mil Foundation provided cultural content digitally. Through the audio-visual platform Teatroamil.tv, the public was offered the possibility of free access to a large archive of the performing arts, making it possible to see emblematic shows, master classes and interviews with prominent artists. Important cultural activities were publicised through social networks, supporting various institutions and artists who were able to show their work.
- **The Chilean Museum of Pre-Columbian Art:** The museum had to close its doors due to the pandemic but digital content was created such as videos, sound archives, photographic material, books and downloadable family activities and made available from the museum's platforms. The museum's website has received more than 78,000 visits.



Chapter 5

Environment

Addressing climate change and caring for the environment is a priority for BHP. We work on a daily basis to promote environmentally responsible mining and seek to minimise and mitigate the impacts associated with our activity. As a pillar of our Social Value strategy, we have set ambitious goals and are making progress in meeting these commitments.



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Our approach

Caring for natural resources and protecting the balance of our natural environment are critical for BHP. We know that our business is only sustainable if we develop responsible mining and that being leaders in the industry comes with a great responsibility towards our environment and its people. We work every day to promote mining with a sustainable and long-term perspective.

In 2020, we continued initiatives and strategies to minimise and mitigate impacts and we also went further and established more ambitious targets at a group-wide level on climate change and decarbonisation. All of our operations in Chile play an essential role in meeting BHP's global objectives, and we have made substantial improvements that bring us ever closer to meeting our environmental goals.

In line with this, in Chile we brought forward our commitments on water, reinforced our work with communities to design solutions that support adaptation and resilience to climate change and implemented projects to reduce emissions and our carbon footprint.

Case study

Súmate: community actions to address climate change

In 2020, BHP launched an open call to seek collaborative and innovative solutions that contribute to the adaptation and resilience of communities of the Tarapacá and Antofagasta Regions to handle climate change.

The call, which was supported by ChileGlobal Ventures and Fundación Chile's venture capital area, received a total of 197 applications from entrepreneurs and academic institutions in Chile and 13 other countries.

In October 2020, the three winning initiatives were selected, which will receive a total of US\$3 million to implement the projects:

- **AcuyMinAgro:** Project led by the Catholic University of the North that seeks to develop capacities in coastal communities to generate a harmonious interaction between the processes of aquaculture, agriculture and mining.
- **Upcycling Water in the Atacama Desert (UWAD):** Initiative led by Global Bridges, an interdisciplinary team from Denmark, Sweden, Israel and Chile, which will work on a wastewater system separated into sources in order to reuse grey water in Antofagasta's public green spaces.
- **Kuskalla:** Project led by team comprised of EBP, SER Patrimonio, SMI ICE Chile and Power Ledger, which seeks to implement participatory community management solutions, through a solar micro-grid, a water monitoring system and an integrated recycling model, in remote communities of the Tarapacá and Antofagasta Regions.

Climate change

Climate change is a major global challenge and at BHP we are taking concrete steps to address it. In 2019, we announced the creation of a Climate Investment Program consisting of a fund of US\$400 million over 5 years to develop emission reduction projects at all our operated assets and in our value chain. Furthermore, we are committed to the goal set out in the Paris Agreement, which seeks to limit global warming to 1.5°C. As a company, we consider climate change as a critical factor in every investment decision and the design of our portfolio.

Acting on climate change means collaborating with others. For this reason, we have developed programs and plans that point in this direction, establishing alliances with regional universities and working with governments, companies, communities, universities, foundations and innovation centres, among others. Our strategy is also aligned with the National Climate Change Action Plan.

Global target of net zero emissions by 2050

In 2020, we updated our climate change targets, and established the group-wide goal of achieving net zero operational greenhouse gas (GHG) emissions by 2050. This implies keeping 2022 emissions below the levels reported in 2017 and using carbon offset mechanisms when necessary.

In our operations in Chile, we are developing different programs that seek to advance decarbonisation through the reduction of GHG emissions. These include initiatives such as the signing of new renewable energy contracts and projects such as the green hydrogen pilot in Spence. In addition, our operations now have specific emissions and decarbonisation targets.

Emissions

Emissions reduction is a key component of our climate change strategy. For this reason, the company's commitments on emissions seek to progressively replace the use of polluting fuels with alternatives that generate lower intensity emissions but which offer the same performance.

The total GHG emissions for our operations in Chile are comprised of 23% direct emissions (Scope 1, which correspond to emissions generated by sources controlled or owned by the company) and 77% indirect emissions (Scope 2, emissions associated with the generation or purchase of energy). In 2020, the methodology for calculating indirect emissions was adjusted to consider only sources that provide energy to our operations, together with their respective emission factors.

Our total emissions in Chile increased by 4% compared to the previous year. This is mainly explained by an increase in indirect emissions of 237 kilotonnes of carbon dioxide equivalent (CO₂-e) in 2020, due to two main factors: the 44% increase in the emission factor used in the calculation of indirect emissions due to the new methodology and the increase in electricity consumption at the Escondida Water Supply (EWS) desalination plant to compensate for the cessation of water extraction from the Monturaqui aquifer. This new emission calculation methodology began to be used in 2020 using the market-based method, and considers in the calculation only the sources that provide energy to our operations, together with their respective emission factors.

Case study

Spence: collaborative work to mitigate particulate matter emissions

In 2020, one of Spence's priorities was to address the generation of particulate matter associated with mining activity and mitigate the emission sources associated with both the Spence operation and the construction of the new concentrator plant.

With this in mind, we participated in the Sierra Gorda Air Quality Roundtable, led by the Antofagasta Ministerial Secretary for the Environment (SEREMI), together with the community, social organisations and other industry players. In addition, we established a plan to reduce PM10 emissions by 60% from the centres of Sierra Gorda and Spence by 2025 with the aim of mitigating emission sources and fully complying with current air quality regulations.

The actions carried out include the maintenance of mine roads, establishment of performance indicators associated with dust controls in the mine and dry area, implementation of the Zero Dust Challenge together with the company's Supply Innovation area, and the creation of a new material risk associated with exposure to silica and particulate matter. We also applied new technology when conducting mine road maintenance to balance water consumption with road maintenance to ensure efficient water consumption.

The results show that the annual average of particulate matter in the town of Sierra Gorda was 47.7 ug/m³, compared to a standard that establishes 50 ug/m³. In addition, a 24% reduction in MP10 was achieved compared to 2019.

In 2020, Spence reduced exposure to silica by 21% compared to the previous period, in line with the results of the Dust Plan.

Emissions continued

As a company, we understand that some sustainability decisions can generate unwanted effects, which we manage by making complementary decisions. This is the case of the increased electricity consumption caused by pumping a greater volume of seawater from the coast to Escondida, because of the decision to cease continental water extraction from the Monturaqui aquifer. However, the decision to replace the electricity supply with 100% renewable sources by FY2025 allows us to guarantee that the impact of the decision to cease groundwater extraction is temporary and limited.

We are also making progress on Scope 3 emissions (those that occur in our value chain outside of our operated assets and over which we do not have direct operational control). We are seeking to generate opportunities to partner with different participants along our value chain and industry players to achieve a reduction in these emissions, through the development of new technologies, considering that the most significant contributions to Scope 3 emissions come from the processing and use of our products.

BHP Chile annual emissions

Operation	Emission type	Unit	2018	2019	2020	Variation 2020-2019 (%)
Cerro Colorado	Direct emissions	KT CO ₂ equivalent	163	159	148	-7%
	Indirect emissions	KT CO ₂ equivalent	112	99	96	-3%
	Total emissions	KT CO₂ equivalente	275	258	244	-5%
Spence	Direct emissions	KT CO ₂ equivalent	179	189	181	-4%
	Indirect emissions	KT CO ₂ equivalent	449	476	419	-14%
	Total emissions	KT CO₂ equivalente	628	665	600	-11%
Escondida	Direct emissions	KT CO ₂ equivalent	917	896	853	-5%
	Indirect emissions	KT CO ₂ equivalent	3,280	3,132	3,429	9%
	Total emissions	KT CO₂ equivalente	4,197	4,028	4,282	6%
Total	Direct emissions	KT CO₂ equivalent	1,259	1,243	1,183	-5%
	Indirect emissions	KT CO₂ equivalent	3,840	3,707	3,944	6%
	Total emissions	KT CO₂ equivalent	5,099	4,950	5,127	3%

In 2020, the company adjusted its methodology for calculating emissions. For the calculation of indirect emissions (Scope 2), we previously used location-based (grid) emission factors that used as a reference the factor defined by the national electricity system, and reflected average emission factors weighted by the electricity system's different technologies. The new methodology uses market-based emission factors and reflects the portfolio structure of the electricity supply sources, weighing more precisely the supply emission factor through the type of generation technology behind the respective power purchase agreements (PPAs).

The data presented in the previous 2018 and 2019 reports were calculated using the old methodology and has been restated in this report. The table shows indirect emissions recalculated using the new methodology to allow the data presented to be comparable and coherent. The differences in Scope 2 emission values are explained due to the change in methodology and there are no variations in operations' energy consumption.

The variations recorded for Scope 1 emissions are explained by the data review processes and the updating of calculations carried out during the 2020 financial year.

As from 2021, all emissions reporting will be carried out using the market-based emission factor methodology.



Water stewardship

Access to safe, clean water is vital for people and ecosystems. As mining operations cannot function without water, we understand that we have an unavoidable responsibility with regards to water stewardship.

BHP's global water strategy and targets are embodied in the Water Stewardship Position Statement, which publicly establishes the aspiration to achieve a water secure world by 2030 and the commitment to establish local targets.

Thus, our water strategy, updated in 2019, is focused on changing water supply sources, ceasing the extraction of continental waters and prioritising the use of desalinated water. In this vein, in 2020 we began the Water Situation Analysis, which seeks to identify the water challenges in the areas where BHP interacts with this resource.

As a company we are aware of the potential impact that our operations and processes can generate. That is why, in order to identify and manage the main cumulative risks, we are developing a short and medium-term plan of activities to understand and proactively address the cumulative environmental impacts on the ecosystems of Coloso and Mejillones Bay. We have conducted studies of brine plume dispersion from our desalination plants, as well as ones on primary marine economic activity and a study on the influence on organic matter from brine discharges, in addition to strengthening our monitoring programs.

In Chile we have carried out different projects to meet BHP's water strategy. In February 2020, we announced the withdrawal of the Environmental Impact Study for the Monturaqui Project, which sought to extend water extraction from the aquifer located near the Salar de Atacama, with Escondida ceasing to extract water from Andean aquifers for operational purposes. In addition, we began commissioning the desalination plant for the Spence Growth Option (SGO) project at Spence, while Cerro Colorado maintains the commitment to cease water withdrawals for operational purposes in 2023.

In 2020, we extracted 231,975 megalitres of water, of which 93% corresponded to sea water. Meanwhile, our operations consumed 110,539 megalitres of water.

In addition, after a process of dialogue and collaborative work, in June 2021 we announced that a conciliation agreement had been reached on environmental matters between Escondida, the State Defence Council, the Indigenous Community of Peine and the Council of Atacameño Peoples in the Salar de Punta Negra. The conciliation agreement involves an environmental management plan and different compensation and reparation measures and will be implemented through a participatory governance mechanism. This unprecedented agreement marks a significant advance on environmental matters, reinforcing our long-term commitment to sustainability.

Case study

Monturaqui: cessation of groundwater withdrawal brought forward 10 years

A key milestone in 2020 was the announcement to withdraw from the environmental evaluation system the Environmental Impact Study for the Monturaqui Project, which sought to extend water extraction of 428 litres per second from the aquifer located in the Salar de Atacama. The announcement was preceded by the decision, made on 31 December 2019, to stop water extraction from the Monturaqui aquifer.

This decision also took into consideration the dialogue held with the Peine community, backed by the Council of Atacameño Peoples.

The announcement is part of a long journey in which BHP has pioneered the use of desalination over a period of 15 years and an investment in desalination plants of US\$4 billion.

In 2006, Escondida was the first Chilean mining company to commission a desalination plant with capacity of 525 litres per second. At the end of 2019, it completed an expansion project to increase desalinated water production capacity to 3,800 litres per second.

Energy management

The transition towards a clean and renewable energy supply is a key part of the path to responsible and sustainable mining. In 2020, our total energy consumption reached 39,668,798 gigajoules. Of the total, 41% corresponds to direct consumption, from diesel, gasoline and liquefied gas, while 59% comes from electricity consumption.

Energy consumption

	Unit	2018	2019	2020	Variation 2019-2020
Total direct energy consumed	GJ	17,513,616	17,305,570	16,433,856	-5%
Total indirect energy consumed	GJ	21,642,992	21,442,181	23,234,942	8%
Total energy consumption	GJ	39,156,609	38,747,752	39,668,798	2%

Case study

100 per cent renewable energy for Spence and Escondida

An important milestone in the transition to renewable energy was the early cancellation of non-renewable energy contracts. In 2019, BHP signed four new energy supply contracts to supply Escondida and Spence with the objective of significantly reducing CO₂ emissions.

Owing to these contracts, our electricity supply will be based completely on renewable sources by the middle of this decade.

The new contracts will take effect in mid-2021. They will increase the flexibility of our energy sources, reduce energy prices by approximately 20% and ensure security of supply. In addition, the new contracts will allow us to effectively displace three million tonnes of CO₂ per year starting in 2022, compared to the fossil fuel-based contracts they are replacing.

Land and biodiversity

At BHP, we acknowledge that our activities have the potential to alter ecosystems that are sensitive to biodiversity, which is why we have established the net impact of biodiversity as an objective of our environmental management. Likewise, we have set a goal to make a measurable contribution to the conservation, restoration and sustainable use of marine and land ecosystems in all places where we operate by 2030.

We are committed to the effective risk management and contributing to the resilience of the environment beyond the immediate areas of our operations. Support for conservation efforts is also a concrete way to create value for society.

A clear example is the implementation of the Lagunillas Ecosystem Management Plan. This plan seeks to ensure the sustainable management of the ecosystem and the wetland, whose aquifer is the source of water supply for Cerro Colorado until 2023. In addition, as part of our actions to mitigate the impact on biodiversity, we use artificial recharge systems for ecosystems. To date, the results show a progressive recovery of the ecosystem associated with the aquifer.



Waste management

As a company, we manage the waste from our operations through specific plans in order to progressively mitigate the effects of the waste generated.

This allows us to evaluate new opportunities for waste reduction and recycling aligned with both the objectives set out in Chile's Extended Producer Responsibility Act (REP Law), as well as the requirements for the Copper Mark certification. For this purpose, we have a strategic plan on waste that is currently being developed.

As part of this plan, in 2020 Escondida and Spence worked together to establish criteria, baselines and consistency in waste management. In addition, we have begun to develop, together with our suppliers, lines of work that aim to reduce the generation of waste and promote its recovery, in such a way as to enable and promote compliance with the goals established in the REP Law.

Waste by operation

Generated waste	Unit	Hazardous	Non-hazardous	Total
Spence	t	5,990.71	4,994.58	10,985.29
Cerro Colorado	t	1,887.82	487.65	2,375.47
Escondida	t	7,863.54	43,195.67	51,059.21

Large-scale mining waste

Large-scale mining waste	Unit	2018			2019			2020		
		Pampa Norte		Minera Escondida	Pampa Norte		Minera Escondida	Pampa Norte		Minera Escondida
		Cerro Colorado	Spence		Cerro Colorado	Spence		Cerro Colorado	Spence	
Waste rock	t	56,152,511	56,168,869	251,990,656	44,377,967	56,948,509	220,805,550	33,930,971	54,778,542	160,158,000
Tailings	t	NA	NA	121,465,087	NA	NA	128,601,014	NA	NA	135,596,963
Spent ore	t	19,448,171	17,289,513	16,900,404	16,997,082	21,161,912	19,538,342	16,330,315	16,266,614	19,046,667
Low grade ore	t	NA	0	45,355,287	NA	NA	57,656,355	NA	NA	55,734,639





Chapter 6

Organisational culture

People are the essence of our company. We promote safe, diverse, inclusive and respectful environments, where everyone is free to be who they are. The success of our business and the leadership we have in the industry lies in the strength of our organisational culture and in the practices of excellence that promote continuous improvement and the empowerment of workers.



In this chapter

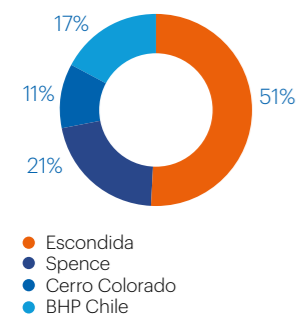
- 42 Our approach
Main figures
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Development and wellbeing
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Our approach

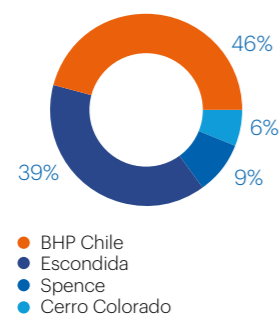
In a year marked by the pandemic, the strength of our organisational culture has been more important than ever. The health and safety of our workers, as always, was our priority, while we deployed new care, wellbeing and mental health measures to address the uncertain times. Our sites were only able to continue operating owing to the efforts of all those who work at BHP and its partner companies, and the prevention, tracing and isolation programs we implemented to protect our workers.

In 2020, we continued to advance in the promotion of Inclusion and Diversity, adapted our training programs to the new forms of work, made significant progress in preventing sexual harassment and assault in the workplace and deepened our support systems for contractor workers.

Employees in 2020



Contractor workers in 2020



Main figures

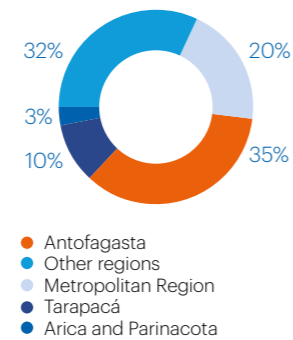
In 2020, BHP engaged 7,157 employees in Chile, almost the same as 2019. Of the total, 23% were women, 3.2% more than the previous year, and 45% were from the regions of Tarapacá and Antofagasta.

7,157 employees in 2020

17,782 contractor workers in 2020

45% of employees came from our host regions: 10% from Tarapacá and 35% from Antofagasta

Proportion of employees by region



Number of employees by region in 2020

Region	Escondida	Spence	Cerro Colorado	BHP Chile Inc.	Total
Arica and Parinacota Region	47	37	99	3	186
Tarapacá Region	130	107	454	28	719
Antofagasta Region	1,693	601	109	130	2,533
Metropolitan Region	368	141	31	858	1,398
Other regions	1,383	628	130	180	2,321
Total	3,621	1,514	823	1,199	7,157



Inclusion and Diversity

At BHP, we promote discrimination-free workplaces and for our workforce to reflect the diversity of the society of which we are a part. To achieve this, we have developed gender balance and inclusion programs for people with disabilities, LGBT+ communities, indigenous peoples, among others. Our company has zero tolerance for any type of sexual or workplace harassment or assault and we have prevention practices and protocols that allow us to address cases and establish sanctions when appropriate. EthicsPoint is a 24-hour speak-up hotline open to all workers and there is also the possibility of going to Human Resources and leaders when feeling harassed as our focus will always be on the impacted person.

At the group-wide level, we have a Global Inclusion and Diversity Council, formed in 2015, which plays a strategic role by supporting actions developed by the company's different areas and by promoting innovative thinking that is reflected in Inclusion and Diversity initiatives. In Minerals Americas, there is a Regional Council that, in line with the proposals of the Global Council, seeks to adapt our policies and practices according to our local context. Each operation also has teams and programs that are dedicated to promoting Inclusion and Diversity activities.

Inclusion Plan progress in 2020

- We launched the "Not at BHP" campaign against sexual harassment and assault, which has been considered a material risk in the company since 2020.
- In 2020, we launched the Gender Affirmation Policy, which describes the support that BHP will provide to employees who are going through this process.
- We increased the number of employees belonging to indigenous peoples, who accounted for 6.8% of our operations' workforce. In 2018, indigenous peoples represented 5.9% of our workforce.
- We strengthened recruitment processes to facilitate the incorporation of women in the company, with programs such as Female Operators and Maintenance Trainees. During 2020, 75 people participated in our Graduate and Apprenticeship programs.
- We implemented a leadership development plan for Minerals Americas to perfect understanding of BHP's leadership competencies and culture.

Gender balance

In 2016, we assumed the group-wide commitment to achieve gender balance by 2025. In Minerals Americas, over the last four years, we have almost tripled the representation of women, from 7.9% in 2016 to 20.6% in December 2020. Regarding our operations in Chile, 1,645 women are employed by the company, representing 23% of the total.

The aforementioned positions BHP as the mining company with the greatest gender diversity in the country, with more than double the national industry average of 9.7%, according to data from the National Mining Society (Sonami).

In addition, we work on the basis of a policy aimed at reducing gender bias in recruitment processes and eliminating gender pay gaps. We conduct an annual review of remuneration by gender to correct possible distortions.

23% of employees were women in 2020

52% of new hires during the year were women

Proportion of female employees in BHP Chile

	2016	2017	2018	2019	2020
Escondida	11%	12%	13%	16%	19%
Pampa Norte	7%	12%	15%	16%	19%
BHP Chile Inc.	32%	37%	38%	41%	43%
Total	11%	15%	18%	20%	23%

Case study

Apprentices program: female talent for the mining of the future



The Apprentices Program is central to fulfilling our commitment to Inclusion and Diversity. Through this program, we foster the development of competencies to reduce the gap in technical skills, in order to empower and strengthen women's position in the world of mining.

The company is also committed to promoting local recruitment and investing in skills development in the communities where we have a presence.

In 2020, we opened calls for the Apprenticeship Program aimed at female Operators and Maintenance workers in Spence, Escondida and Cerro Colorado, which resulted in 38 people joining the company.

Case study

Sexual harassment and sexual assault, a new material risk for BHP

At BHP, we do not tolerate sexual harassment or sexual assault under any circumstances. It is of such importance that, in 2020, sexual harassment and assault was added as a material risk for the company at a global level, in the understanding that all material risks have the potential to affect people's lives.

Sexual harassment and assault is understood as any improper sexual conduct: non-consensual advances, action or attention by the recipient, which makes them feel offended or humiliated. Sexual harassment is unwelcome, unwanted, and unsolicited.

Any inappropriate or disrespectful behaviour or conversation of a sexual nature is against our Charter of Values and the BHP Code of Conduct.

During 2020, we conducted training for leaders, as well as communication campaigns in all our offices and operations, to provide information about internal investigation procedures, encourage complaints and raise awareness about an issue that is a priority for us. In addition, we have made changes to infrastructure to ensure that every environment in the company is safe.

Certification and disability plan

At the end of 2020, we implemented new measures to increase the hiring of people with disabilities, promoting the certification and accreditation of employees with a disability, in order for them to access the benefits granted by the State and also the company. This is in line with compliance with the Labour Inclusion Law for People with Disabilities in Chile, which requires companies with more than 100 employees to reserve 1% of their payroll for people with disabilities. However, the company has set a goal of reaching 1.5%.

People with disabilities in 2020

BHP Chile Inc.	Escondida	Spence	Cerro Colorado	Total
8	10	7	0	25

Intrafamily Violence Plan Update

BHP launched a new policy for cases of domestic and family violence, which provides support to employees in the areas of health, safety, wellbeing and independence should they be facing this situation.

Likewise, we are developing preventive measures to avoid the occurrence of acts of violence and guarantee timely support when required. Regardless of the circumstances, all forms of domestic and family violence are unacceptable.



Labour relations

Our workers are represented by eight unions: three in Escondida (Union No. 1 of Operators and Maintenance Workers, Union No. 2 of Supervisors and Staff, and the Inter-Company Union of Mining, Operators and Maintenance Workers); two in Spence (Union of Supervisors and Union of Operators and Maintenance Workers), two in Cerro Colorado (Union No. 1 Minera Cerro Colorado Ltda and Union of Supervisors) and one in BHP Chile Inc., formed in January 2020. The latter mainly groups workers from the Centre of Integrated Operations (CIO), supervisors and specialists.

79.2% of employees are covered by a collective bargaining instrument

In 2020, the following collective bargaining processes took place:

- In 2020, the first regulated negotiation process occurred between Minera Escondida and Union No. 2 of Supervisors and Staff, a process that reached an agreement after a mediation process with the labour authority.
- Minera Spence and Union No. 2 began an early negotiation in October 2020 that successfully closed an agreement in November of the same year.
- Minera Spence and its Union of Operators and Maintenance Workers began an early negotiation process in November 2020 that did not reach an agreement. The parties went through the regulated negotiation process that successfully closed in 2021.

Development and wellbeing

At BHP, the development, health and safety of our people are the foundation of the company's success. For this reason, we have a training framework that facilitates and fosters workers' development as well as different support tools and health and safety management systems.

Employee Assistance Program

The Employee Assistance Program (EAP) is a platform available to employees and their families, 24 hours a day throughout the year, and provides professional guidance on psychological, medical, nutritional, financial and legal matters.

The provision of support tools was essential for employees and their families in the context of a sanitary emergency. In addition, in 2020 the use of the program was extended to the personnel of BHP contractor companies in Chile, which led to 619 actual users of the program during the year. In total, 852 inquiries were registered, an increase compared to 763 the previous year.

852 inquiries received in 2020, including employees and contractors

Training

At BHP, we have a Training Plan, which covers internal training plans that include in-person and online courses that are obligatory for the entire organisation –such as training on the Code of Conduct– as well as training for specific roles and responsibilities. There is also financial support for external training or courses that includes activities that are organised with the support of nationally accredited technical training organisations (OTECs) and universities such as technical courses, professional development courses and languages.

In 2020, 188,692 hours of training were given, 31 per cent less than in 2019, mainly due to fewer training hours given in the operator and administrative staff categories in Pampa Norte as a result of the health emergency.

26.4 hours of training on average per employee in 2020

Flexible work

Regarding the flexible work options offered by the company, the latest version of the Flexible Work Guide, updated in 2019, remained in force. However, given the context of the pandemic, the adoption of flexible work among workers accelerated significantly. In 2020, on average 19% of the total payroll adopted remote working arrangements.

Remote working in 2020

	BHP Chile	Escondida	Spence	Cerro Colorado	Total Chile
Remote working in 2020	795	369	141	30	1,334

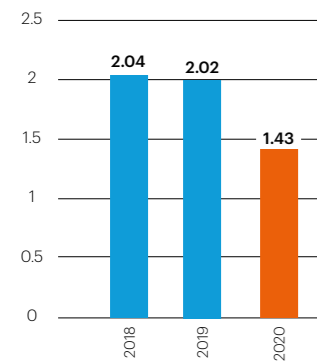


Labour safety

Our top priority is worker safety and during 2020 we continued to strengthen safety procedures and standards, and reinforced our approach to contractor management.

In 2020, our Total Recordable Injury Frequency (TRIF) decreased compared to the previous year.

Total TRIF of BHP Chile operations



The Total Recordable Injury Frequency (TRIF) is one of the indicators through which we measure our safety performance and it refers to the number of recordable injuries per million hours worked during the year.

Occupational health and safety

At the group-wide level we have an Occupational Health and Safety Management System to protect the safety and wellbeing of those who work at BHP. It considers the requirements and guidelines of current regulations in Chile and integrates risk prevention into each of the organisation's processes and activities. The scope covers the entire organisation including employees and contractors.

Our system is applied through a six-step model: foundation, identification, preventive controls, impacts, mitigation measures and continuous improvement. In addition, we conducted safety awareness campaigns, with a focus on operations, to reinforce the care and basic principles that all responsible safety management requires.

Safety risks

At BHP, it is critical to minimise and eliminate health and safety risks. As part of this work, we conduct hazard identification and risk assessment processes through risk inventories and matrices. The company has tools to conduct safety risk identification and assessments.

In addition, our Field Leadership Program is designed to generate cultural change and improve safety performance through visible leadership and committed work teams.

Case study Fatality Elimination Program

In 2020, BHP launched the global Fatality Elimination Program, which focuses on reducing events with fatality potential by 40% in the first two years, placing priority on the 10 main risks. This is part of a group-wide strategy that aims to reduce high potential injuries with fatality potential by 90% in five years.

The program is currently being rolled out at our operations in Chile.

Safety training

We have safety training programs that are aligned with the role of each worker. The courses are defined through a training matrix that is updated annually in accordance with the company's global training standard.

New workers at BHP undertake the global induction and the regional HSEC (Health, Safety, Environment and Communities) induction courses, depending on their workplace. These induction courses cover the company's different safety processes, as well as the risks and critical controls that each employee must apply.

Joint committees

The company has seven joint committees made up of representatives of workers and BHP: one in the corporate offices, four in Escondida, one in Cerro Colorado and one in Spence.

The committees represent 100% of workers and are focused on improving internal management, promoting a culture of health and safety through various initiatives, in coordination with contractor companies. In 2020, the committees carried out their activities in accordance with annual planning but placed particular emphasis on COVID-related health and safety issues, such as raising awareness and disseminating information about self-care.

Health

In a year marked by COVID-19, the company focused its efforts on minimising the potential effects on the health of our workers. Eight critical controls were implemented, including a team designed to actively search for cases on a weekly basis, both for employees and contractors.

The usual health services continued to be provided. In addition, the company has health services provided through mutual insurance companies or independent individual and institutional health providers.

In the corporate office, in 2020 an assessment was conducted of the workload in the Centre of Integrated Operations (CIO) and a health and safety risk assessment for remote working was implemented.

Mental health

We have a mental health program that seeks to raise awareness among workers of the importance of treating mental illnesses properly, providing support and fostering a culture of care.

In times of uncertainty, protecting the health of those who are part of BHP, both workers and their families, is a fundamental concern. For this reason, we have a Mental Health Program that provides help to address traumatic and crisis situations; support to manage issues related to health, wellbeing, the family and personal matters; advice on career planning and financial difficulties; and counselling and support in case of bullying, harassment or conflicts at work or at home.

Occupational exposures

Work at mining sites may involve health risks due to exposure to harmful agents, which are permanently monitored and subject to risk assessments in order to design measures that mitigate these risks and provide working conditions that protect the physical and mental health of workers.

We have plans to monitor, control and reduce the exposure to silica of our workers. According to Chilean regulations, the number of workers exposed to such hazards in 2020 was as follows:

Number of workers exposed to harmful agents

	2019			2020		
	Silica	Acid mist	Noise	Silica	Acid mist	Noise
Spence	206	0	556	162	70	589
Cerro Colorado	673	0	561	85	24	405
Escondida	2,006	110	2,008	937	563	1,726
Total	2,885	110	3,125	1,184	657	2,720

In 2020, we registered 23 cases of occupational illnesses, 21 per cent higher than the previous period, given that COVID-19-related illnesses were included in this category for the first time this year.





Chapter 7

Appendix



In this chapter

50	BHP Chile 2020 GRI Index
54	GRI Index and appendices
71	Independent assurance report

GRI 101: Foundation 2016

General Disclosures

GRI standard	Disclosure	Page number or URL	Not reported	Third-party checked	
GRI 102: General Disclosures 2016	102-1 Name of the organisation	7		✓	
	102-2 Activities, brands, products and/or services	7		✓	
	102-3 Location of organisation's headquarters	Back cover		✓	
	102-4 Location of operations	8		✓	
	102-5 Ownership and legal form	7		✓	
	102-14 Statement from the most senior decision-makers of the organisation	3		✓	
	102-16 Values, principles, standards and norms of behaviour	1		✓	
	102-17 Mechanisms for advice and concerns about ethics	23		✓	
	102-18 Governance structure	7		✓	
	102-23 Chair of the highest governance body	7		✓	
	102-30 Effectiveness of risk management processes	23		✓	
	102-40 List of stakeholder groups	54		✓	
	102-42 Identifying and selecting stakeholder groups	54		✓	
	102-43 Approach to stakeholder engagement	11		✓	
	102-44 Key topics and concerns raised	55		✓	
	102-46 Defining report content and topic boundaries	11		✓	
	102-47 List of material topics	11		✓	
	102-48 Restatements of information	2		✓	
	102-49 Changes in reporting	There are no significant changes with respect to previous reports regarding the coverage of material topics.			✓
	102-50 Reporting period	2		✓	
	102-51 Date of most recent report	2		✓	
	102-52 Reporting cycle	2		✓	
	102-53 Contact point for questions regarding the report	Back cover		✓	
	102-54 Claims of reporting in accordance with the GRI Standards	2		✓	
	102-55 GRI contents index	50		✓	
	102-56 External assurance	71		✓	

Material topics

GRI standard	Disclosure	Page number or URL	Not reported	Third-party checked
Economic and operational performance				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	55		✓
	103-2 Management approach and its components	19		✓
	103-3 Evaluation of the management approach	19		✓
GRI 102: General Disclosures 2016	102-6 Markets served	21		✓
	102-7 Scale of organisation	20		✓
Contribution to national and local development				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	55		✓
	103-2 Management approach and its components	10, 14		✓
	103-3 Evaluation of the management approach	10, 14		✓
GRI 102: General Disclosures 2016	102-12 External initiatives	54-55		✓
	102-13 Membership of associations	54-55		✓
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	22		✓
GRI 203: Indirect Economic Impacts	203-1 Infrastructure investments and services supported	20		✓
Own	Vamos Juntos plan	16-17		✓
Occupational health and safety				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	55		✓
	103-2 Management approach and its components	14, 46, 47		✓
	103-3 Evaluation of the management approach	14, 46, 47		✓
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	46		✓
	403-2 Management of risks, safety incidents	46		✓
	403-3 Occupational health services	47		✓
	403-4 Worker participation, consultation, and communication on occupational health and safety	46		✓
	403-5 Training on occupational health and safety	46		✓
	403-6 Promotion of worker health	47		✓
	403-8 Workers covered by an occupational health and safety management system	45		✓
	403-9 Work-related injuries	46, 66		✓
	403-10 Work-related ill health	65		✓
	Own	COVID-19	14	
Organisational culture				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	55		✓
	103-2 Management approach and its components	42		✓
	103-3 Evaluation of the management approach	42		✓
GRI 102: General Disclosures 2016	102-8 Information on employees and other workers	42		✓
	102-41 Percentage of employees covered by collective bargaining agreements	45		✓
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	68		✓
	202-2 Proportion of senior management hired from the local community	68		✓
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	65		✓
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	45		✓
	404-2 Programs for upgrading employee skills and transition assistance programs	45		✓
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	69		✓

GRI standard	Disclosure	Page number or URL	Not reported	Third-party checked
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	45		✓
Own	Flexible work	45		✓
Environmental management				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	55		✓
	103-2 Management approach and its components	34		✓
	103-3 Evaluation of the management approach	34		✓
GRI 102: General Disclosures 2016	102-11 Precautionary Principle or approach	23		✓
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	37		✓
	303-2 Management of water discharge-related impacts	60		✓
	303-3 Water withdrawal by source	60		✓
	303-4 Water discharge	60		✓
	303-5 Water consumption	60		✓
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	63-64		✓
	304-2 Significant impacts of activities, products, and services on biodiversity	63-64		✓
	304-3 Habitats protected or restored	63-64		✓
GRI 306: Waste 2020	306-3 Waste generated	39		✓
	306-4 Waste diverted from disposal	62		✓
	306-5 Waste directed to disposal	63		✓
Own	Waste rock, tailings, spent ore	39		✓
Inclusion and diversity				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	55		✓
	103-2 Management approach and its components	43		✓
	103-3 Evaluation of the management approach	43		✓
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of employees	42, 43, 44		✓
	405-2 Ratio of basic salary and remuneration of women to men	68		✓
Own	Inclusion plan	43		✓
Promoting local suppliers				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	55		✓
	103-2 Management approach and its components	26		✓
	103-3 Evaluation of the management approach	26		✓
GRI 102: General Disclosures 2016	102-9 Supply chain	26-27		✓
	102-10 Significant changes to the organisation and its supply chain	26-27		✓
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	26		✓
Own	Local Buying Program	27		✓
Climate change				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	55		✓
	103-2 Management approach and its components	35		✓
	103-3 Evaluation of the management approach	35		✓
GRI 102: General Disclosures 2016	201-2 Financial implications and other risks and opportunities due to climate change	35		✓
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	37		✓
	302-3 Energy intensity	61		✓
GRI 305: Emissions 2016	305-1 Direct GHG emissions (Scope 1)	36		✓
	305-2 Energy indirect GHG emissions (Scope 2)	36		✓
	305-4 GHG emissions intensity	61		✓
	305-7 Nitrogen oxides (NO _x), sulphur oxides (SO _x), and other significant air emissions	62		✓

GRI standard	Disclosure	Page number or URL	Not reported	Third-party checked
Technology and innovation				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	55		✓
	103-2 Management approach and its components	23		✓
	103-3 Evaluation of the management approach	23		✓
Own	Innovation	23		✓
Mining of the future				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	55		✓
	103-2 Management approach and its components	22,23		✓
	103-3 Evaluation of the management approach	22,23		✓
Own	Automation	22		✓
Community engagement				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	55		✓
	103-2 Management approach and its components	28		✓
	103-3 Evaluation of the management approach	28		✓
GRI 412: Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	29		✓
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	28-29		✓
	413-2 Operations with significant actual and potential negative impacts on local communities	29		✓
Indigenous Peoples engagement				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	55		✓
	103-2 Management approach and its components	30		✓
	103-3 Evaluation of the management approach	30		✓
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	30		✓
Own	Indigenous Peoples Plan	30		✓
Ethics and business conduct				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	55		✓
	103-2 Management approach and its components	23		✓
	103-3 Evaluation of the management approach	23		✓
GRI 102: General Disclosures 2016	102-17 Mechanisms for advice and concerns about ethics	23		✓
GRI 201: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	23		✓
	205-2 Communication and training about anti-corruption policies and procedures	23		✓
	102-25 Conflicts of interest	23		✓

Appendix: We are BHP

Stakeholder groups and engagement mechanisms

Who are they?	Engagement methods
Employees and their families	
Employees and their families; social, sports and union organisations	<ul style="list-style-type: none"> In-person meetings with managers to review issues ranging from the performance of the operation to the area's activities. Internal media channels (corporate magazines, newsletters, internal TV and radio, among others). Perception and Commitment Survey and other data. Meetings between Unions and Human Resources. Performance evaluations. Other instances such as talks; recreational, sports, social, and cultural activities; recognition ceremonies for years of service; celebration of national and international days; special events.
Contractor companies	
Contractor company workers	<ul style="list-style-type: none"> Communication between contract administrators of our company and the contractor company. Regular meetings between company professionals and contract administrator, risk prevention manager or related professional depending on the subject.
Suppliers	
Suppliers of goods and services	<ul style="list-style-type: none"> Local Buying Program. Antofagasta Industrialists' Association. Participation on its Board, Sustainable Development Council, Human Capital and Labour Relations Council and Business Development Council. SICEP: client company of the Approved Supplier Company System. Economic Development Committee of the Antofagasta Region Mining Cluster. Participation in the Expanded Board of Directors.
Communities	
<p>Communities in the area of influence of Cerro Colorado: Mamiña, Quipisca, Parca and Iquiuca, in the valleys of the Andean foothills of the Pozo Almonte municipal district.</p> <p>The town of Pozo Almonte in the Tamarugal plain.</p> <p>The towns of Lirima, Collacagua and Cancosa in the Andean altiplano in Pica municipal district.</p> <p>Spence: the Sierra Gorda municipal district, which includes the towns of Sierra Gorda and Baquedano.</p> <p>Escondida: the Antofagasta municipal district and the Coloso community, the San Pedro de Atacama municipal district and the communities on the southern edge of the salt lake: Peine, Socaire, Camar, Talabre and Toconao.</p>	<ul style="list-style-type: none"> Development of projects with the communities, in addition to regular field work with the different participants of the joint social investment programs and initiatives. Cooperation and sustainability agreements for mutual benefit with local Indigenous communities. Working groups and technical-environmental roundtables with Indigenous, territorial and local communities close to our operations. Alliances for the development of community activities. Process of participation and dialogue with Indigenous communities for the environmental evaluation of investment projects.
Government and regulatory bodies	
National, regional and local government authorities.	<ul style="list-style-type: none"> Protocol and technical meetings as the case may be. Joint projects through the establishment of partnerships.
National and regional directorates of public services.	
Associations, organisations, NGOs and others	
Industrialists' Associations of Iquique (AII), Mejillones (AIM) and Antofagasta (AIA).	<ul style="list-style-type: none"> Regular meetings with the participation of our representatives. Coordination to implement joint initiatives. In the case of NGOs, informative and technical meetings, as well as field visits and the delivery of reports, among other instances. Development of joint projects in some specific cases.
Regional Council of Mining Safety of Tarapacá and Antofagasta.	
Chile Australia Chamber of Commerce.	
At the national level, we are part of the Mining Council, the National Mining Society, Acción Empresas, Icare and other civil society organisations.	
Through specific projects, we engage with Casa de la Paz, Simón de Cirene and Fundación Juventud Emprendedora, both regional NGOs.	

Who are they?	Engagement methods
Voluntary initiatives and public commitments at the international level	
<ul style="list-style-type: none"> Global Reporting Initiative (GRI) Standards Sustainability Accounting Standards Board (SASB) Standards The International Council on Mining and Metals (ICMM) Task Force on Climate related Financial Disclosure (TCFD) UN Global Compact CEO Water Mandate Sustainable Development Goals (SDG) Extractive Industries Transparency Initiatives Carbon Disclosure Project (CDP) Paris Agreement Voluntary Principles on Security and Human Rights UN Guiding Principles on Business and Human Rights Global Industry Standard on Tailings Management (GISTM) 	

Materiality Study

Consulted sources

Documents

- BHP Annual Report 2020
- Internal communications

Interviews

- Daniel Arrieta, Vice President Human Resources, Minerals Americas
- Cecilia Azar, Manager Social Value
- Pedro Correa, Vice President Supply, Minerals Americas
- Laila Ellis, Vice President HSE, Minerals Americas
- Mia Gous, General Manager Plants, Spence
- Alejandro Heilbron, General Manager, Cerro Colorado
- Patricio Hidalgo, General Manager Mine and NPI, Spence
- Juan Cristóbal Marshall, Head Corporate Affairs, Escondida
- Carolina Merino, Practice Lead Corporate Affairs, Minerals Americas
- Santiago Montt, Vice President Corporate Affairs, Minerals Americas
- Mauro Neves, Asset President Escondida
- Anita Zúñiga, Head Corporate Affairs, Pampa Norte

Documents

- Digital media
- Written press
- Tendencies:
 - Deloitte, Tracking the Trends 2021: The key tendencies transforming the future of mining
 - World Economic Forum, Global Risks Report 2021, 16th Edition
- Standards:
 - Global Reporting Initiative (GRI)
 - Copper Mark

Prioritisation of topics

The material issues identified were subjected to evaluation based on an online survey in order to obtain the vision of the company and its stakeholders. Participants were asked to evaluate each topic on a scale of 1 to 5, where 1 is least important and 5 is most important.

In total, 26 external replies and 42 internal replies were received, resulting in the following evaluation:

Topic	Internal vision	External vision
Occupational health and safety	4.69	4.73
Ethics and business conduct	4.48	4.38
Economic and operational performance	4.45	4.31
Contribution to national and local development	4.40	4.23
Environmental management	4.27	4.31
Inclusion and diversity	4.10	4.35
Technology and innovation	4.07	4.27
Community relations	4.07	4.27
Mining of the future	4.02	4.19
Organisational culture	3.83	4.04
Engagement with Indigenous Peoples	3.98	3.88
Climate change	3.88	3.92
Promoting local suppliers	3.93	3.85

Appendix: Our response to COVID-19

Vamos Juntos plan

	Escondida	Cerro Colorado	Spence
Benefitted communities	Antofagasta Region: Shanty towns in Antofagasta Region, Coloso community and Atacameño communities; National Health System; Metropolitan Region: La Pintana, Puente Alto; Tarapacá Region.		
Amount invested in the local area	\$8,143,852	\$1,175,552	\$2,962,370
Implemented programs	Esperanza (Hope) project		
Agreements reached	<ul style="list-style-type: none"> Esperanza project Agreement with Fundación Techo Agreements with the Antofagasta Regional Government Agreement with Municipal Corporation of Social Development 	<ul style="list-style-type: none"> Esperanza project Agreement with Municipality of Pozo Almonte 	<ul style="list-style-type: none"> Esperanza project
N° of beneficiaries	Antofagasta community	Approximately 350,000 people (Tarapacá Region).	
Main results	<p>Provision of drinking water: A total of 3,500 mt³ to meet the weekly water requirement in five shanty towns in Antofagasta, benefitting about 400 families for three months.</p> <p>Provision of food boxes: Delivery of 2,760 food boxes to our host communities and shanty towns in the Antofagasta Region.</p> <p>Provision of hygiene kits: Delivery of 6,000 kits in the city of Antofagasta.</p> <p>Disinfection: Disinfection five days a week in sectors of the city of Antofagasta and Coloso from March to September 2020. Additionally, all public transport in the Antofagasta municipal district was disinfected.</p> <p>Provision of equipment and PPE to Antofagasta authorities: six 3D printers, 400 support kits for shopkeepers, cycles of talks about Covid-19 to the community, disinfection truck with electro-hydraulic spray gun, authorisation of two ambulances to support Indigenous communities in San Pedro de Atacama, donation of personal protective equipment (PPE).</p>	<p>Esperanza project: In alliance with the Catholic University of Chile, the program sought to increase access to medical consultations, increase sampling capacity and ensure the follow-up of COVID-19 cases in the Antofagasta and Tarapacá Regions as well as in Puente Alto and La Pintana in the Metropolitan Region. More than 30,000 PCR tests were taken, a health care call centre was implemented, along with a case tracing platform in Antofagasta with IT support from the University of Antofagasta, and support was provided to COVID hostels in the Antofagasta Region.</p> <p>Provision of drinking water: Delivery of 1,000 20-litre drums of drinking water to 30 families in the Parca community and 75 families in Quipisca.</p> <p>Provision of food boxes: Delivery of 1,821 food boxes to our host communities in the Tarapacá Region.</p> <p>Provision of hygiene kits: Delivery of 1,810 hygiene kits to our host communities in the Tarapacá Region.</p> <p>Disinfection: Weekly disinfection in public spaces in Mamiña and Parca from April to September 2020.</p> <p>Provision of PPE and services to authorities: Improvement of infrastructure and equipment in the Pozo Almonte Family Health Centre (CESFAM); medical equipment to improve rural health systems in host communities; sanitary barrier in Parca; donation to the Iquique Regional Health Service to equip the field hospital in the Tierra de Campeones regional stadium.</p>	<p>Provision of food boxes: Delivery of 1,400 food boxes to our communities in Sierra Gorda.</p> <p>Provision of hygiene kits: Delivery of 700 kits to the Sierra Gorda community.</p> <p>Disinfection: Disinfection two days a week in the towns of Sierra Gorda municipal district from March to September 2020.</p>

	Escondida	Cerro Colorado	Spence
Additional information	<p>Together with Minera Spence, the following contribution was made:</p> <p>Esperanza project: In alliance with the Catholic University of Chile, the program sought to increase access to medical consultations, increase sampling capacity and ensure the follow-up of COVID-19 cases in the Antofagasta and Tarapacá Regions as well as in Puente Alto and La Pintana in the Metropolitan Region. More than 30,000 PCR tests were taken, a health care call centre was implemented, along with a case tracing platform in Antofagasta with IT support from the University of Antofagasta, and support was provided to COVID hostels in the Antofagasta Region.</p> <p>Provision of equipment and PPE to Antofagasta authorities: Expansion of the capacity the University of Antofagasta's laboratory, two vans fully equipped as mobile laboratories to take PCR tests.</p> <p>Health System Equipment: Donation of 10 ventilators to the Antofagasta Region in coordination with the CPC and Mining Council; donation of 30 non-invasive ventilators, also known as high-flow oxygen machines, to the Antofagasta Regional Hospital; donation of six beds to the JJ Aguirre Clinical Hospital of the University of Chile; donation of 20 non-invasive ventilators with their cannulas, 61 head TUBE & Water Cha detection kits and 60 high-flow cannulas of various sizes to the Sótero del Río Hospital.</p>		<p>In addition to the initiatives carried out with Escondida, we worked on the following programs: Sierra Gorda Children's Mental Health Initiative; Sierra Gorda Senior Adult Recognition; Sierra Gorda prevention campaign.</p>

Appendix: Operational and financial performance

Economic Value generated and distributed

Generated economic value BHP in Chile (millions of US\$)	2018		2019		2020	
	Pampa Norte	Minera Escondida	Pampa Norte	Minera Escondida	Pampa Norte	Minera Escondida
Operational income	1,604	7,574	1,618	7,120	1,375	7,652
Financial income	82	13	72	9	26	2
Non-operational income	5	21	1	36	3	36
Generated Economic Value	1,691	7,608	1,691	7,165	1,404	7,690

Distributed economic value BHP in Chile (Millions of US\$)	2018		2019		2020	
	Pampa Norte	Minera Escondida	Pampa Norte	Minera Escondida	Pampa Norte	Minera Escondida
Operational costs	473	2,373	630	3,099	942	1,907
Employees' salaries and benefits	198	375	133	276	147	311
Suppliers	194	882	232	807	272	799
Taxes	134	794	118	509	117	1,055
Financial costs	18	173	20	167	29	138
Community investment	3	14	3	15	7	21
Owners		2,620	0	2,220	0	1,950
Distributed Economic Value	1,021	7,232	1,137	7,093	1,512	6,181
Retained Economic Value	670	376	554	72	-108*	1,509

Employees' salaries and benefits: Value distributed to employees through the payment of salaries, social laws, bonuses, social and medical benefits, vacations and training, among others.
 Other expenses to third parties: Considers the company's expenses to its partner companies in compensation for the services provided during the year.
 Taxes: Company's contribution to the treasury through Income Tax and the Specific Tax on Mining. It also considers disbursements such as patents, contributions and stamp duties.
 Financial costs: Derived from the payments of the company's financial obligations in addition to other disbursements from its financial operations.
 Community investment: Includes social programs, sponsorships and donations.
 Owners: Dividends paid to the company's shareholders.
 Environment: Includes expenses on environmental projects.
 Retained in the company: monies that are reinvested in the company to give continuity to operations. They include depreciation and amortisation for the period, in addition to the profit for the year. Corresponds to the difference between the Economic Value Generated and the Economic Value Distributed.
 The values of Pampa Norte correspond to the sum of the individual values of Spence and Cerro Colorado.

* Operating costs include an asset impairment loss. Due to the uncertainty of the current environment, management performed an impairment assessment of property, plant and equipment. The recoverable amount was estimated based on the present value of the expected future cash flows derived from the assets ('value in use') and was estimated to be less than their book value and the impairment of property, plant and equipment, resulting in an impairment loss of MUS\$408,911.

Fine copper production, sales and exports (tonnes) of BHP in Chile

	Minera Escondida		Spence		Cerro Colorado		Total	
	2019	2020	2019	2020	2019	2020	2019	2020
Production	1,156,875	1,370,672	193,379	1,370,672	71,710	1,370,672	1,421,964	1,370,672
Sales	1,152,971	1,365,594	192,121	1,365,594	72,464	1,365,594	1,417,556	1,365,594
Exports	1,111,257	1,365,594	187,089	1,365,594	72,464	1,365,594	1,370,810	1,365,594

Copper sales by product (tonnes) of BHP in Chile

Sales	2017	2018	2019	2020
Copper concentrates	688,602	934,275	906,718	914,490
Copper cathodes	502,533	511,272	515,246	451,104
Total copper	1,191,135	1,445,547	1,421,964	1,365,594

Appendix: Society and local development

Distribution of national suppliers

Region	2018	2019	2020	Suppliers by region (%)			2018	2019	2020	Spending by region (%)		
				2018	2019	2020				2018	2019	2020
Tarapacá Region	128	102	104	6.4	6	6	69	53	44	1.9	1.2	1.1
Antofagasta Region	413	343	382	20.7	20.2	22	585	577	594	16.0	13.3	15.3
Metropolitan Region	1,304	1,123	1,134	65.3	66.1	65	2,848	3,485	3,001	77.0	80.4	77.2
Other regions	152	132	125	7.6	7.7	7	207	219	249	5.5	5.1	6.4
Total	1,997	1,700	1,745	100	100	100	3,709	4,334	3,888	100	100	100

The 2020 amounts exclude payments associated with insurance companies and an advance payment of US\$109,619,991 for the early termination of the contract with Eléctrica Angamos, given the distortion it generated and that it is not a transaction related to the purchase of goods and services.

Detail of direct and indirect spending on local suppliers in 2020

Region	Spending (US\$)	% Spending	Adjustments for indirect spending	Adjusted total local spending (US\$)	% Spending (adjusted)	Variation
Tarapacá	\$44,136,714	1.1%	10,996,753	\$55,133,467	1.4%	0.3%
Antofagasta	\$593,530,855	15.3%	520,429,565	\$1,113,960,420	28.7%	13.4%
Otras regiones	\$3,250,198,722	83.6%	-531,426,318	\$2,718,772,404	69.9%	-13.7%
Total	\$3,887,866,291	100.0%	-	\$3,887,866,291	100.0%	-

Significant changes in the supply chain

The significant changes in BHP's value chain in Chile, associated with the number and nature of suppliers and contractors, are explained by the status and progress curve of the company's mega projects, such as EWSE and SGO. The progress of these projects implies greater spending on large suppliers of goods and services which, as they are not local, distort the measurement of local spending. Specifically, in 2020, spending on local suppliers (Tarapacá and Antofagasta) was impacted by 2.1 percentage points, because the calculation base (spending) is larger, and these contracts had already been awarded to non-local companies.

Appendix: Environment

Water discharges

BHP's operations in Chile do not have discharges of water or liquid industrial waste to surface waters. The data reported in GRI indicator 303-4 refer to surface waters. However, these do not correspond to liquid industrial waste from processes but to artificial water recharge systems to ecosystems. In the case of Cerro Colorado, these waters correspond to the Artificial Irrigation System covered in the Lagunillas Management Plan Res. Ex.N°. 67/2011 and, in the case of Escondida, to the irrigation system for the Salar de Punta Negra ecosystem.

Regarding discharges to sea water, it corresponds to rejections from the Escondida desalination plant and complies with the standards established in Supreme Decree No. 90 and its own follow-up and monitoring plan established in RCA N°. 77/2019.

In the case of groundwater, discharges correspond to seepage from the Escondida tailings dam, which are later captured by a hydraulic curtain. The control of seepage by means of a curtain of wells and a drain at the base of the wall is approved and contained in the framework of RCA N°. 048/1998, RCA N°. 0174/2008 and RCA N°. 398/2009. In addition, from an environmental point of view, the current extraction is covered under the RCAs mentioned above.

Water withdrawals

Operation	Water sources	Units	2018	2019	2020
Cerro Colorado	Dewatering	ML	22	88	364
	Lagunillas	ML	4,039	3,779	3,646
Spence	Water retained in ore	ML	597	510	525
	FCAB y ADASA	ML	6,154	6,549	6,400
Escondida	Monturaqui	ML	41,627	40,874	-
	Salar de Punta Negra	ML	371	373	390
	Hamburgo	ML	2,157	1,934	1,687
	Mine drainage	ML	2,828	1,948	1,757
	Seawater	ML	127,392	131,425	215,406
	Bottom of mine	ML	674	630	1,801
Total water withdrawals		ML	185,861	188,110	231,975
Total water returned to the source		ML	73,846	77,185	121,435
Total water consumption = Total water withdrawn - total water returned to the source		ML	112,014	110,925	110,540

Water discharges

Operation	Water discharges by destination	Units	2018	2019	2020
Cerro Colorado	Surface water	ML	789	790	786
	Total water discharged	ML	789	790	786
Spence	Total water discharged	ML	NA	NA	NA
Escondida	Surface water	ML	371	373	390
	Groundwater	ML	1,218	1,333	1,722
	Sea water	ML	72,686	76,022	120,259
	Total water discharged	ML	74,276	77,728	122,371
Total discharged		ML	75,064	78,518	123,157

Emissions

Type of emissions	Unit	2018		
		Cerro Colorado	Pampa Norte Spence	Minera Escondida
Direct emissions	KT CO ₂ eq	163	179	917
Indirect emissions	KT CO ₂ eq	112	449	3,280
Total emissions	KT CO₂ eq	275	628	4,197
Direct emissions intensity	KT CO ₂ eq/KT Cu Produced	2.46	1.01	0.74
Indirect emissions intensity	KT CO ₂ eq/KT Cu Produced	1.69	2.55	2.64
Total emissions intensity	KT CO₂ eq/KT Cu Produced	4.15	3.56	3.38
Type of emissions	Unit	2019		
		Cerro Colorado	Pampa Norte Spence	Minera Escondida
Direct emissions	KT CO ₂ eq	159	189	896
Indirect emissions	KT CO ₂ eq	99	476	3,132
Total emissions	KT CO₂ eq	258	665	4,028
Direct emissions intensity	KT CO ₂ eq/KT Cu Produced	2.22	0.98	0.77
Indirect emissions intensity	KT CO ₂ eq/KT Cu Produced	1.38	2.46	2.71
Total emissions intensity	KT CO₂ eq/KT Cu Produced	3.60	3.44	3.48
Type of emissions	Unit	2020		
		Cerro Colorado	Pampa Norte Spence	Minera Escondida
Direct emissions	KT CO ₂ eq	148	181	853
Indirect emissions	KT CO ₂ eq	96	419	3,429
Total emissions	KT CO₂ eq	244	600	4,282
Direct emissions intensity	KT CO ₂ eq/KT Cu Produced	2.15	1.23	0.74
Indirect emissions intensity	KT CO ₂ eq/KT Cu Produced	1.39	2.86	2.97
Total emissions intensity	KT CO₂ eq/KT Cu Produced	3.54	4.09	3.70

Energy consumption

Direct and indirect energy consumption	Unit	2018			2019			2020		
		Pampa Norte		Minera Escondida	Pampa Norte		Minera Escondida	Pampa Norte		Minera Escondida
		Cerro Colorado	Spence		Cerro Colorado	Spence		Cerro Colorado	Spence	
Diesel and petrol	GJ	2,282,610.72	2,501,953.45	12,723,791.80	2,220,865.53	2,647,589.67	12,432,320.8	2,077,117.03	2,533,620.33	11,819,448.59
Liquefied Petroleum Gas (LPG)	GJ	-	3,170.74	2,089.30	-	2,286.81	2,429.40	-	2,264.68	1,405.51
Sub-total direct energy consumption	GJ	2,282,610.72	2,505,124.18	10,143,585.70	2,220,865.53	2,649,876.48	12,434,750.20	2,077,117.03	2,535,885.01	11,820,854.10
Indirect energy consumption										
Electricity	GJ	886,087.35	1,938,205.57	18,818,699.53	872,137.75	2,116,426.91	18,632,307.38	898,915.12	1,822,825	20,513,201.73
Sub-total indirect energy consumption	GJ	886,087.35	1,938,205.57	18,818,699.53	872,137.75	2,116,426.91	18,632,307.38	898,915.12	1,822,825	20,513,201.73
Total direct and indirect energy consumption	GJ	3,168,698.07	4,443,329.75	31,544,580.70	3,093,003.27	4,766,381.39	31,067,057.60	2,976,032.15	4,358,710	32,334,055.83
Total energy use efficiency (Total GJ consumed/t Cu produced)	GJ/tonne Cu produced	47.81	25.19	25.38	43.13	24.65	26.85	43.19	29.73	27.97

To determine the Scope 1 GHG emission factors, the reference factors of the IPCC (Intergovernmental Panel on Climate Change) for direct emissions were used. The emissions of each of the different greenhouse gases can be aggregated by transforming them into equivalent units of carbon dioxide (for example, tCO₂e). The equivalence between the different greenhouse gases is based on the concept of global warming potential (GWP), which is an expression of how many times more powerful the gas is relative to CO₂. Market-based emission factors were used to determine the Scope 2 GHG emission factors and correspond to the emission factors obtained as an average of the consumption by supply source, weighted by the emission factors of the respective sources of supply. This information is provided by the Chilean government through the National Electric Coordinator. Direct energy consumption is calculated using information on real fuel consumption in operations and energy content factors obtained from the National Energy Balance website (<http://energiaabierta.cl/visualizaciones/balance-de-energia/>). Indirect energy consumption is calculated from information provided by the Chilean government through the National Electric Coordinator.

Air quality

Air emissions (ug/m ³ N)						
Operation	Type of emission	Measurement site	Concentración promedio anual			
			2018	2019	2020	
Minera Escondida	NOx	Escondida Norte	S/I	S/I	S/I	
		Coloso	7	3.28	6.95	
	SOx	Escondida Norte	S/I	S/I	S/I	
		Coloso	4.33	4.02	5.37	
	MP10	Villa San Lorenzo	131.80	114	111	
		Campamento 2000	64.69	60	58	
	Campamento 5400	S/I	77.44	72		
Cerro Colorado	MP10	Parca	43	39	31	
		Mamiña	36	38	26	
		Coloso	31.26	30	29	
Spence	MP10	Sierra Gorda	58	63	48	

Waste

Generated waste												
Type of waste	Units	2018						2019			2020	
		Pampa Norte		Minera Escondida	Pampa Norte		Minera Escondida	Pampa Norte		Minera Escondida		
		Cerro Colorado	Spence		Cerro Colorado	Spence		Cerro Colorado	Spence			
Hazardous	t	646	163,463	7,724	1,908	3,724	8,363	1,888	5,991	7,864		
Non-hazardous	t	1,613	38,061	21,228	529	11,420	20,343	488	4,995	43,196		
Total	t	2,259	201,524	28,952	2,437	15,144	28,706	2,375	10,986	51,060		

Waste not destined for disposal based on recovery operations

Type of waste	Units	2018						2019			2020	
		Pampa Norte		Minera Escondida	Pampa Norte		Minera Escondida	Pampa Norte		Minera Escondida		
		Cerro Colorado	Spence		Cerro Colorado	Spence		Cerro Colorado	Spence			
Non-hazardous waste												
Preparation for reuse	t	795	0	0	0	0	0	0	0	0		
Recycled	t	817	0	0	512	0	0	0	1,264	0		
Other types of recovery	t	0	0	36,317	0	0	43,992	0	0	26,930		
Total non-hazardous waste	t	1,613	0	36,317	512	0	43,992	0	1,264	26,930		
Hazardous waste												
Preparation for reuse	t	0	0	3,918	867	0	5,162	81	3,870	4,410		
Recycled	t	0	0	720	425	0	662	181	840	913		
Other recovery operations	t	646	0	0	617	0	0	0	0	0		
Hazardous waste treated		0	0	0	0	0	0	0	1,149	0		
Total hazardous waste	t	646	0	4,638	1,908	0	5,824	262	5,859	5,323		

Waste destined for disposal

Type of waste	Units	2018						2019			2020	
		Pampa Norte		Minera Escondida	Pampa Norte		Minera Escondida	Pampa Norte		Minera Escondida		
		Cerro Colorado	Spence		Cerro Colorado	Spence		Cerro Colorado	Spence			
Non-hazardous waste												
Incineration	t	S/I	0	S/I	S/I	0	0	0	0	0	0	
Transfer to dump	t	S/I	0	S/I	S/I	0	0	0	3,731	0		
Other disposal operations (landfill)	t	S/I	0	21,228	S/I	0	20,343	488	0	16,266		
Total non-hazardous waste	t	1,613	0	21,228	512	0	20,343	488	3,731	16,266		
Hazardous waste												
Incineration	t	S/I	0	0	S/I	0	0	1,048	0	0		
Transfer to dump	t	S/I	0	0	S/I	0	0	0	132	0		
Other disposal operations (landfill)	t	N.D.	0	3,086	N.D.	0	2,538	579	0	2,541		
Total hazardous waste	t	0	0	3,086	0	0	2,538	1,627	132	2,541		

Biodiversity

Operational sites owned, leased, managed or adjacent to protected areas and areas of high biodiversity outside of protected areas.

Cerro Colorado has an ecosystem recovery management area comprising the Artificial Irrigation System for the Lagunillas wetland, as well as an area with extraction well facilities also enclosed by the Lagunillas wetland.

Meanwhile, Spence has easements adjacent to the Los Flamencos National Reserve and the Los Flamencos National Reserve-Soncor. These easements are maintained in order to prevent the entry of third parties to the sector which is a place of high conservation value. The purpose is to isolate the threats that may threaten the environmental values of these reserves. These easements are also on the protected aquifers of Oyape, Baltinache, Cejas, Yona Grande, Los Pantanos, Tujilire, Tambillo, Olar, Tapar, Carvajal, the source of water for these reserves.

As of January 2020, Minera Escondida stopped pumping water from the Monturaqui aquifer, closing the well fields.

Description of land adjacent to the Minera Escondida operations			
Name of land	Area and/or surface area in Km ²	Type of operation	Description of area
Vegas de Tilopozo	0.02	Water extraction wellfield	Area adjacent to an area of high conservation value
Coloso maritime habitat	1.01	Port installations	Area of high conservation value
Lullailaco National Park	0.16	No operations, adjacent to SPN wellfield	Area adjacent to protected area
Salar Punta Negra	0.55	Well field closed, water extraction only for SRA (Q max. 30 l/s)	Unprotected high Andean ecosystem

Significant impacts of activities, products and services on biodiversity

In 2020, no new areas with high biodiversity were recorded as affected by the Pampa Norte business unit.

For Cerro Colorado, the main impacts are on the Lagunillas wetland, where there is a cessation of natural water flows and loss of vegetation cover and associated fauna. To mitigate these impacts, a recovery plan has been underway since 2006.

Minera Escondida recognises the impact on the Salar Punta Negra underground aquifer, due to water extraction from the well field until June 2017 which caused a drop in the water table. As a result, outcrop water flows of plains and flooded surfaces of lakes in the VCL-2 and VCL-3 systems decreased (V = plain, C = canal, L = lake in the original Spanish). Monitoring of the biotic and abiotic components of the surface lake systems shows that the functionality of the ecosystem has been maintained.

Protected or restored habitats

Cerro Colorado

The Lagunillas wetland has been under ecosystem management since 2005, as a result of the extraction of water from the wellfield located in the same basin. The Management Plan includes a water recharge system on the Lagunillas wetland, which supplements the reduction of natural water sources. As of the implementation of the Lagunillas Ecosystem Plan in 2005, we have registered gradual and progressive recovery of the ecosystem associated with the aquifer, mainly through the recovery of associated fauna and vegetation cover. The objective of the plan is to ensure the sustainable management of this ecosystem until the aquifer is able to sustain itself, covering all activities associated with the monitoring and management of key variables to maintain its structure and operation, combining the established monitoring program in the two Resolutions of Environmental Approval (1997 and 2002) and our company's technical proposal for the recovery of the impacted wetland.

Minera Escondida

Minera Escondida does not have habitats in which it has implemented restoration measures. However, it recognises the areas of biodiversity importance established in the baseline studies of the different projects prior to their execution in all its operational areas, on which monitoring programs, research projects and procedures for protection of flora and fauna are established.

The procedures "Environmental management of the Salar Punta Negra" and "Environmental management of territory and biodiversity", together with the monitoring programs of the biotic and abiotic variables of the ecosystems where Minera Escondida has operations, ensure the adequate protection of biodiversity. In addition, the cooperation agreement with the University of Antofagasta's Centre for the Rescue and Recovery of Wild Fauna results in the recovery and subsequent release into their natural habitat of wild species found in neighbouring or operational areas that require attention.

The marine and high Andean aquatic ecosystems are monitored under risk analysis and management methodologies, thus maintaining constant monitoring through the establishment of controls. This is reflected by the monitoring programs that we permanently conduct on sensitive ecosystems inside and outside our operations' area of influence, which indicate that the richness of the species making up the ecosystems registered in baseline studies, as well as their abiotic components, have been maintained.

Permanent contact with the authorities is part of our management in the understanding that the joint development of knowledge about these habitats allows better conservation tools to be implemented. For example, in the high Andean ecosystem, we can cite the projects "Incubation and Artificial Feeding of Flamingo Chicks" on the conservation of the Andean Flamingo, and the "Study of Migratory Routes of Flamingos", "Study of Home Areas of the Andean Fox" and "Study of Home Areas of Vicunas in the Llullaillaco National Park", carried out jointly with Chile's National Forest Corporation (CONAF).

Appendix: Organisational culture

Turnover and new hires

Turnover		BHP Chile Inc.		Escondida		Pampa Norte		Total	
		Nº	%	Nº	%	Nº	%	Nº	%
Sex	Male	28	64%	122	84%	250	87%	400	84%
	Female	16	36%	23	16%	39	13%	78	16%
	Total	44	100%	145	100%	289	100%	478	100%
Age	Less than 30	0	0%	3	2%	24	8%	27	6%
	Between 30 and 50	36	82%	62	43%	173	60%	271	57%
	Over 50	8	18%	80	55%	92	32%	180	38%
	Total	44	100%	145	100%	289	100%	478	100%

New hires		BHP Chile Inc.		Escondida		Pampa Norte		Total	
		Nº	%	Nº	%	Nº	%	Nº	%
Sex	Male	78	44%	134	44%	138	55%	350	48%
	Female	101	56%	168	56%	112	45%	381	52%
	Total	179	100%	302	100%	250	100%	731	100%
Age	Less than 30	21	12%	77	25%	56	22%	154	21%
	Between 30 and 50	152	85%	215	71%	185	74%	552	76%
	Over 50	6	3%	10	3%	9	4%	25	3%
	Total	179	100%	302	100%	250	100%	731	100%

Occupational illness

	2019	Detalle	2020	Comentarios
Spence	-	-	6	4 musculoskeletal and 2 dermatitis
Cerro Colorado	-	-	1	1 hearing loss
Escondida	-	-	16	6 musculoskeletal, 4 hearing loss, 1 dermatitis, 3 mental health, 1 COVID-19 and 1 intoxication
Total	19	One case corresponds to silicosis	23	First year that COVID-19 is integrated into occupational illnesses

Recordable cases of occupational ailments and illnesses

		Cerro Colorado	Spence	Minera Escondida
Employees	Number of deaths resulting from a work-related ailment or illness	0	0	0
	Number of cases of recordable occupational ailments and illnesses	1	1	15
	Main types of occupational ailments and illnesses*	1	1	7
Contractors	Number of deaths resulting from a work-related ailment or illness	0	0	0
	Number of cases of recordable occupational ailments and illnesses	0	5	1
	Main types of occupational ailments and illnesses	0	3	1
Total	Number of deaths resulting from a work-related ailment or illness	0	0	0
	Number of cases of recordable occupational ailments and illnesses	1	6	16

Occupational safety statistics

Severity rate		2018			2019			2020		
		Cerro Colorado	Spence	Minera Escondida	Cerro Colorado	Spence	Minera Escondida	Cerro Colorado	Spence	Minera Escondida
Employees	Number of hours worked	2,026,110	2,394,255	7,100,595	1,970,467	2,703,292	6,890,920	2,025,283	2,950,814	7,289,441
	Number of lost days	22	8	190	226	144	208	302	199	461
	Severity rate	11	3.34	26.76	115	53.27	30.18	149	67.44	63.24
Contractors	Number of hours worked	2,239,864	2,896,695	14,070,839	2,706,328	3,241,998	14,728,931	2,165,827	3,377,783	15,085,789
	Number of lost days	55	15	945	47	195	1,895	11	29	665
	Severity rate	24.56	5.18	67.16	17.37	60.15	128.66	5.08	8.59	44.08
Total	Number of hours worked	4,265,974	5,290,950	21,171,434	4,676,795	5,945,290	21,619,851	4,191,110	6,328,596	22,375,230
	Number of lost days	77	23	1,135	273	339	2,103	313	228	1,126
	Severity rate	18.05	4.35	53.61	58.37	57.02	97.27	74.68	36.03	50.32

Frequency rate		2018			2019			2020		
		Cerro Colorado	Spence	Minera Escondida	Cerro Colorado	Spence	Minera Escondida	Cerro Colorado	Spence	Minera Escondida
Employees	Number of hours worked	2,026,110	2,394,255	7,100,595	1,970,467	2,703,292	6,890,920	2,025,283	2,950,814	7,289,441
	Number of accidents with lost time	2	1	4	7	4	6	5	3	8
	Frequency rate	0.99	0.42	0.56	3.55	1.48	0.87	2.47	1.02	1.10
Contractors	Number of hours worked	2,239,864	2,896,695	14,070,839	2,706,328	3,241,998	14,728,931	2,165,827	3,377,783	15,085,789
	Number of accidents with lost time	3	4	33	3	6	21	1	5	12
	Frequency rate	1.34	1.38	2.35	1.11	1.85	1.43	0.46	1.48	0.80
Total	Number of hours worked	4,265,974	5,290,950	21,171,434	4,676,795	5,945,290	21,619,851	4,191,110	6,328,596	22,375,230
	Number of accidents with lost time	5	5	37	10	10	27	6	8	20
	Frequency rate	1.17	0.95	1.75	2.14	1.68	1.25	1.43	1.26	0.89

Total Recordable Injury Frequency (TRIF)		2018			2019			2020		
		Cerro Colorado	Spence	Minera Escondida	Cerro Colorado	Spence	Minera Escondida	Cerro Colorado	Spence	Minera Escondida
Employees	Number of hours worked	2,026,110	2,394,255	7,100,595	1,970,467	2,703,292	6,890,920	2,025,283	2,950,814	7,289,441
	Number of recordable accidents	2	4	7	8	7	7	5	4	8
	TRIF	0.99	1.67	0.99	4.06	2.59	1.02	2.47	1.36	1.10
Contractors	Number of hours worked	2,239,864	2,896,695	14,070,839	2,706,328	3,241,998	14,728,931	2,165,827	3,377,783	15,085,789
	Number of recordable accidents	3	9	34	3	8	32	3	6	21
	TRIF	1.34	3.11	2.42	1.11	2.47	2.17	1.39	1.78	1.39
Total	Number of hours worked	4,265,974	5,290,950	21,171,434	4,676,795	5,945,290	21,619,851	4,191,110	6,328,596	22,375,230
	Number of recordable accidents	5	13	41	11	15	39	8	10	29
	TRIF	1.17	2.46	1.94	2.35	2.52	1.80	1.91	1.58	1.30

Headcounts

Employees – BHP in Chile

	2018	2019	2020
BHP Chile Inc.	1,013	1,164	1,199
Cerro Colorado	1,038	1,092	823
Spence	1,291	1,395	1,514
Minera Escondida	3,586	3,501	3,621
Total	6,928	7,152	7,157

Employees by position category 2020 – BHP in Chile

Position	Pampa Norte		Minera Escondida		BHP Chile Inc.		Total	
	Male	Female	Male	Female	Male	Female	Male	Female
Senior leaders	58	23	154	58	359	216	571	297
Supervisors/ administrative and similar	266	100	623	223	311	292	1,200	615
Operators	1,569	310	2,160	360	0	0	3,729	670
Graduates	0	2	1	13	10	11	11	26
Apprentices	1	8	0	29	0	0	1	37
Total	1,894	443	2,938	683	680	519	5,512	1,645

Female employees – BHP in Chile

	2018		2019		2020	
	N°	%	N°	%	N°	%
BHP Chile Inc.	382	38	477	41	519	43
Pampa Norte	357	15	395	16	443	19
Minera Escondida	476	13	550	16	683	19
Total	1,215	18	1,422	20	1,645	23

Contractor workers

Operation	2018	2019	2020
Spence	2,006	1,453	1,555
Cerro Colorado	1,320	1,213	997
Minera Escondida	6,569	6,599	6,946
BHP Chile Inc.	7,380	12,801	8,284
Total	17,275	22,066	17,782

The number of contractor workers is calculated according to the FTE (Full Time Equivalent) calculation based on an estimate of the number of hours worked monthly, divided by the working hours of the monthly shift.

Headcount by age range and average age – BHP in Chile

	< 30			30 – 50			> 50			Average age		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	2018	2019	2020
BHP Chile Inc.	35	43	78	524	442	966	121	34	155	28	36	41
Pampa Norte	89	110	199	1,534	321	1,855	271	12	283	36	36	40
Minera Escondida	82	146	228	1,966	511	2,477	890	26	916	40	37	44
Total BHP in Chile	206	299	505	4,024	1,274	5,298	1,282	72	1,354	35	36	42

Place of origin of senior leaders – BHP in Chile

	Arica and Parinacota Region	Tarapacá Region	Antofagasta Region	Metropolitan Region	Other regions	Total
BHP Chile Inc.	2	11	34	476	52	575
Pampa Norte	1	9	18	34	19	81
Minera Escondida	0	1	89	81	41	212
Total	3	21	141	591	112	868

Training figures by operation

	Average of training hours per year			Average investment in training (US\$)		
	Male	Female	Total	Male	Female	Total
BHP Chile Inc.	24.7	26.7	25.6	487	625	547
Pampa Norte	15.7	39.5	20.2	405	802	480
Minera Escondida	28.7	38.8	30.6	511	682	543

Ratio of base salary and remuneration of women to men at BHP in Chile

Category	BHP Chile Inc.	Pampa Norte	Minera Escondida
Senior leaders	0.85	0.87	0.85
Supervisors/ Administrative and similar	0.89	0.96	0.87
Operators	-	0.79	0.70
Graduates	1.03	1.00	1.04
Apprentices	-	1.00	1.00

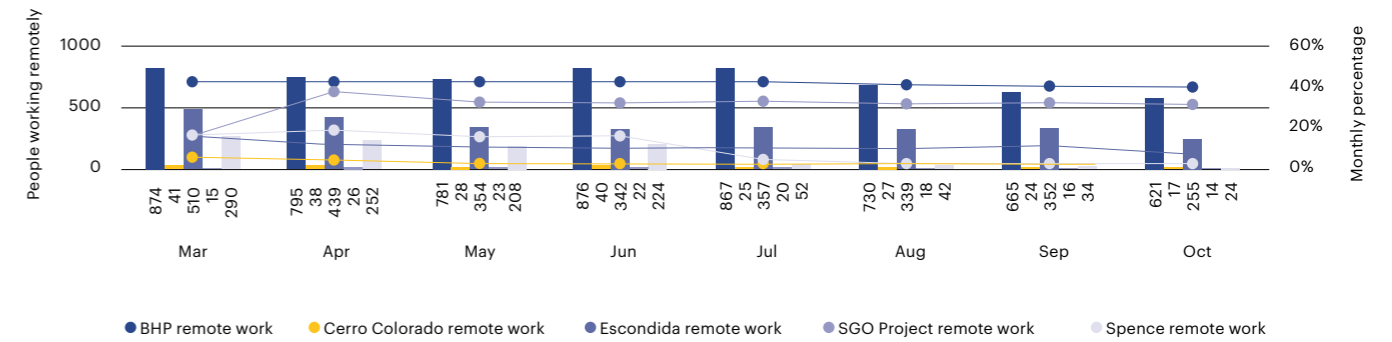
The indicated ratio was calculated based on the average monthly remuneration.

Ratio of standard entry-level salary by sex to local minimum wage

Category	Minimum salary paid at BHP in Chile (CLP\$)			Minimum salary in Chile (CLP\$)	Ratio		
	Male	Female	BHP in Chile		Male	Female	BHP in Chile
BHP Chile Inc.	\$1,294,125	\$1,232,000	\$1,232,000	\$326,500	0.25	0.27	0.27
Minera Escondida	\$735,279	\$725,098	\$725,098	\$326,500	0.44	0.45	0.45
Pampa Norte	\$540,000	\$540,000	\$540,000	\$326,500	0.60	0.60	0.60

Flexible work

Monthly remote work 2020



Incidents associated with discrimination

In 2020, there were four incidents of discrimination, three of them associated with discrimination by gender. These cases were investigated and corrective actions were taken.



EY Chile
Avda. Presidente Riesco 5435,
piso 4, Santiago

Tel: +56 (2) 2676 1000
www.eychile.cl

Limited Assurance Statement of BHP Chile Inc. Sustainability Report 2020 (free translation from the original in Independent Spanish)

To the President and Directors of
BHP Chile Inc.

Scope

We have performed an independent limited assurance engagement on the information and data presented in BHP Chile Inc. 2020 Integrated Report.

Preparation of the Integrated Report is the responsibility of the Management of BHP Chile Inc. The Management of BHP Chile Inc. is also responsible for the data and affirmations included in the Integrated Report, definition of the scope and management and control of the information systems that have provided the reported information.

Standards and assurance procedures

Our review has been performed in accordance with the International Standard on Assurance Engagements ISAE 3000, established by the International Auditing and Assurance Board of the International Federation of Accountants and the version GRI Standards of the guidelines for the preparation of sustainability reports under the Global Reporting Initiative (GRI).

We conducted limited assurance procedures in order to:

- ▶ Determine whether the information and data presented in the 2020 Integrated Report are duly supported by evidence.
- ▶ Verify the traceability of the information disclosed by BHP Chile Inc. in its 2020 Integrated Report.
- ▶ Determine whether BHP Chile Inc. has prepared its 2020 Integrated Report in accordance with the Content and Quality Principles of the GRI Standards.
- ▶ Confirm BHP Chile Inc. self-declared "Core" option of the GRI Standards to its report.

Work performed

Our limited assurance procedures included enquiries to the Management of BHP Chile Inc. involved in the development of the Integrated Report process, in addition to other analytical procedures and sampling methods as described below:

- ▶ Interviews with key BHP Chile Inc. personnel, to assess the 2020 Integrated Report preparation process, the definition of its content and its underlying information systems.
- ▶ Review of supporting documents provided by BHP Chile Inc.
- ▶ Review of formulas and calculations by recalculation
- ▶ Review of the 2020 Integrated Report to ensure its phrasing and format does not mislead the reader regarding the information presented.

Our responsibility

Our responsibility is limited to the procedures mentioned above, corresponding to a limited assurance which is the basis for our conclusions.

Conclusions

The verification process has been performed based on the indicators established from the materiality process: identification, prioritization and validation; performed by BHP Chile Inc. The indicators verified are indicated below.

General disclosures

[102-1] [102-2] [102-3] [102-4] [102-5] [102-6] [102-7] [102-8] [102-9] [102-10] [102-11] [102-12] [102-13] [102-14] [102-16] [102-17] [102-18] [102-23] [102-25] [102-30] [102-40] [102-41] [102-42] [102-43] [102-44] [102-46] [102-47] [102-48] [102-49] [102-50] [102-51] [102-52] [102-53] [102-54] [102-55] [102-56] [103-1] [103-2] [103-3]

Topic-specific disclosures

[201-1] [201-2] [202-1] [202-1] [202-2] [203-1] [204-1] [205-1] [205-2] [302-1] [302-3] [303-1] [303-2] [303-3] [303-4] [303-5] [304-1] [304-2] [304-3] [305-1] [305-2] [305-4] [305-7] [306-3] [306-4] [306-5] [403-1] [401-1] [403-1] [403-2] [403-3] [403-4] [403-5] [403-6] [403-8] [403-9] [403-10] [404-1] [404-2] [405-1] [405-2] [406-1] [407-1] [411-1] [412-1] [413-1] [413-2]

Subject to the limitations of scope noted above and based on our procedures for this limited assurance of BHP Chile Inc. Integrated Report, we conclude that nothing has come to our attention that would cause us to believe that:

- ▶ The information and data disclosed in BHP Chile Inc. 2020 Integrated Report are not presented fairly.
- ▶ BHP Chile Inc. 2020 Integrated Report has not been prepared in accordance with the GRI Standards for the preparation of sustainability reports under the Global Reporting Initiative.
- ▶ The BHP Chile Inc. self-declared option does not meet the GRI Standards requirements for this option.

Improvement recommendations

Without affecting our conclusions as set out above, we have detected some improvement opportunities for BHP Chile Inc. 2020 Integrated Report, which are detailed in a recommendations report presented to BHP Chile Inc. Administration.

Truly Yours,

EY Assurance

Elanne Almeida
Climate Change & Sustainability Partner
12 August, 2021

I-00361/21

BHP Chile Sustainability Report 2020

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BHP Minerals Americas

Cerro El Plomo 6000, 18th Floor, Las Condes, Santiago, Chile.
+56 22 579 5000

Minera Escondida Ltda.

Avda. de la Minería 501, Antofagasta, Chile.
+56 55 220 1177

BHP Pampa Norte

Esmeralda 340, 4th Floor, Iquique, Chile.
+56 22 579 5390

For questions or comments about this Report,
please write to:
MineralsAmericasNews@bhp.com