

# BHP

## Indigenous Peoples Plan Minerals Americas South America FY19-FY23







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# Introduction

## We are BHP, a Worldwide leading Company in resources

# 2016

BHP Chile had a participation of

# 6,2%

in copper production in the world

**Our objective is to create long-term value for our shareholders through the discovery, acquisition, development and trade of natural resources.**

In all our operations around the world we are committed to work based on values of Sustainability, Integrity, Respect, Performance, Simplicity and Responsibility, contained in Our Charter BHP and that are contained in all the global documents of BHP's work throughout its business cycle.

Our Charter allows all of us who work in the company to understand the purpose and values to which we adhere, as well as how we measure the success, and is the basis of our decision making.

In this context, BHP develops explorations in the countries of Ecuador, Peru and Chile in South America, and participates as a Joint Venture in the operations of Cerrejón in Colombia, Samarco in Brazil and Antamina in Peru.

In Chile, the worksites operated by BHP are part of Minerals Americas South America, whose headquarter is located in Santiago and comprises Minera Escondida and Minera Spence in the Antofagasta Region, and Cerro Colorado Mining Company in the Tarapacá Region.

Chile is the largest copper producer in the world, with the 26.9% of the global volume generated in 2016. The production of that same year of BHP's operations in Chile was 22% of the national production. On a country level, this sector represents 41% of the GDP, and in the northern regions of Tarapacá and Antofagasta it drives the economic growth. In 2016, copper sales abroad represented 46% of Chile's total exports. These figures reflect the great current and future importance of the copper industry and BHP in the country.

Given the nature of our operations, we can establish lasting and long-term relationships with the host communities, with which we seek to work closely to make a positive contribution to the lives of those who live near our operations and society in general.

For Cerro Colorado case and Minera Escondida worksites, all or part of their operations are located in traditionally indigenous territories, of the Aymara, Quechua and Lickan Antay Peoples.

On the other hand, explorations in Chile are mainly developed on indigenous lands and, in the case of Peru and Ecuador, on territories associated with both indigenous and peasant communities.

These Peoples are identified by an ancestral vision that considers human beings and nature as an integral part of a whole, according to their worldview, understood as the way of seeing and interpreting the world. They have inhabited territories marked by a delicate ecosystem balance that has allowed the development of these Peoples thousands of years ago, under the wing of the Cordillera de Los Andes, which in Chile contains one of the most arid and desert environments on the planet.

In this way our cycle of operation is directly related to the future of these communities; the sustainability of our actions and long-term commitment to them are fundamental to ensure our growth and to protect our reputation in the countries where we have activities.





# Our operations

## Why a differentiated treatment with Indigenous Peoples?

Most of our operations around the world are located in lands or territories traditionally or ancestrally owned by or near Indigenous Peoples; therefore, we assume that we have responsibility in their recognition and in the generation of long-term relationships in the development of our operations or projects.

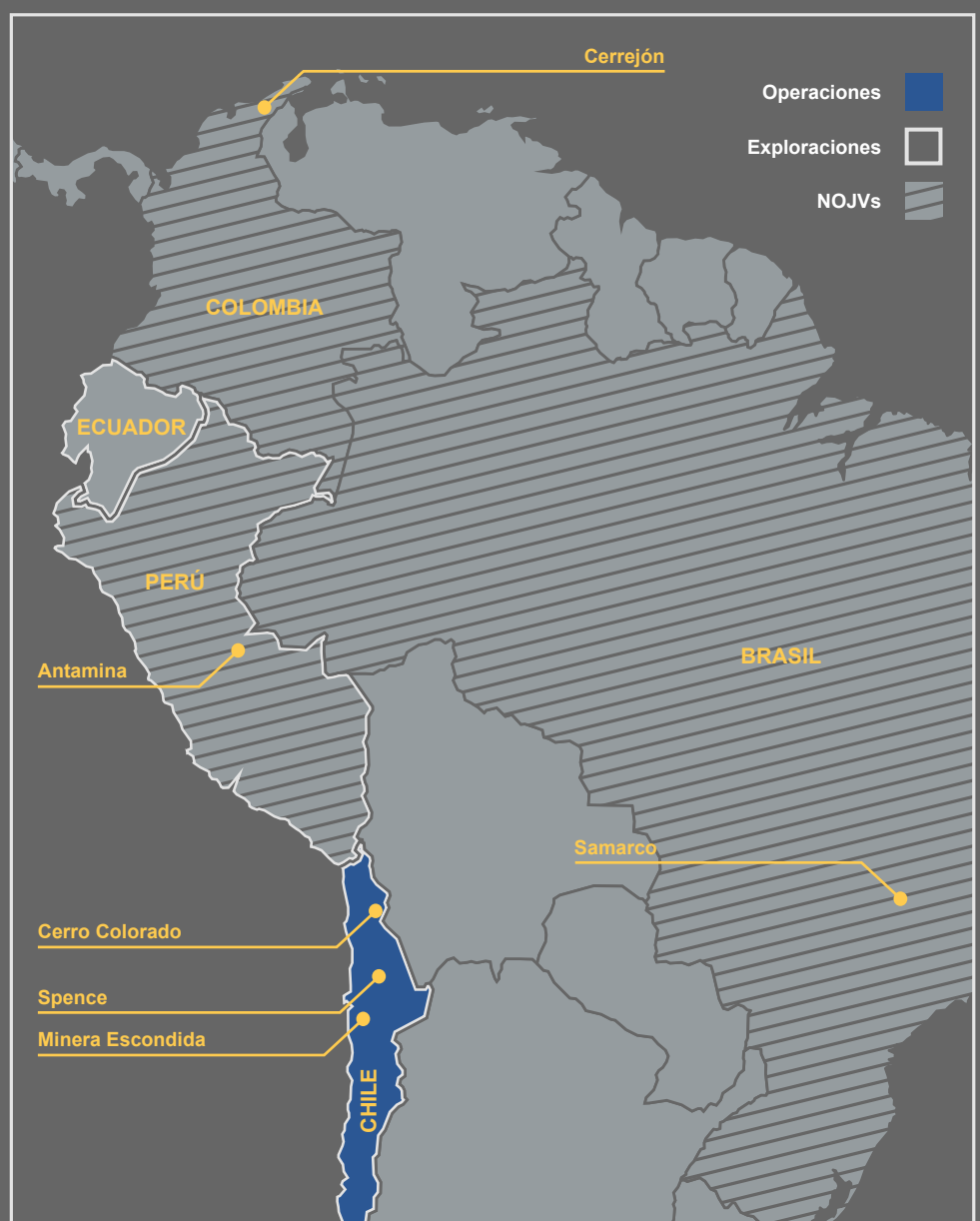
We understand that Indigenous Peoples have a deep and special connection and identification with the territory, waters and natural resources in general, and that these are linked to their physical, spiritual, cultural and economic well-being, and therefore to their survival as a group.

We also understand that Indigenous Peoples in many regions of the world have historically been disadvantaged and that they still and frequently experience poverty and other forms of social exclusion.

Through our engagement with Indigenous Peoples, we seek to contribute to their long-term sustainable economic empowerment, their needs for social development and their cultural well-being.

Based on this definition, we have started a new relationship framework where we aim to build mechanisms guided to safeguard the engagement and permanent dialogue with Indigenous Peoples, addressing aspects linked to contribution that the company can make, through development strategies that the communities and their representative institutions define, and the effective engagement in the environmental-territorial management.

This Plan reflects our methodology for working throughout the business cycle (exploration, operations and closure) with Indigenous Peoples in South America, which is consistent with our global commitments and values as an inclusive and diverse company.



# Message of Daniel Malchuk



# Development of our Indigenous Peoples Plan FY19-FY23

In 2014 we began a complete review of our methodology to work with Indigenous Peoples around the world, according to the findings of independent investigations that we ordered.

This research identified the main global trends and determined that important issues for Indigenous Peoples were: the formal recognition of their rights to traditional lands; keep heritage and cultural knowledge; ensure sustainable economic benefits from resource developments; and improve the governance of indigenous organizations.

We established a working group for Indigenous Peoples consisting of representatives of our coal, iron ore, copper, petroleum and potash businesses, and our human resources, legal and supply functions. The result of this was the development in 2015 of two documents that work as a reference framework:

## 1. BHP Indigenous Peoples Policy Statement that outlines a series of globally uniform public commitments to work with Indigenous Peoples around the world.

<http://www.bhpbilliton.com/home/society/indigenouscommunities/Pages/Indigenous-Peoples-Policy-statement.aspx>

We are committed to the Position Statement of the International Council of Mining and Metals (ICMM) 2013 on Indigenous Peoples and Mining. This frames our approach to the relationship with Indigenous Peoples in relation to new operations or major capital projects that are on lands traditionally owned by, or under customary use of, Indigenous Peoples and that may have significant adverse impacts in Indigenous Peoples.

This commitment includes:

- Carry out impact participatory and inclusive environmental and social assessments.
- Seek to agree, and document, engagement plans and consultation with potentially impacted Indigenous Peoples.
- Work to obtain the consent of Indigenous Peoples with respect to BHP activities consistent with the ICMM Position Statement.

This commitment is materialized through compliance with local laws and the regulatory processes of the host government where they are consistent with the objectives of the ICMM Position Statement, as determined by the BHP Main Legal Advisor.

When there is no consent from the Indigenous Peoples, despite the best efforts of all parties to balance the rights and interests of Indigenous Peoples with the broader population, governments may determine that a project should proceed and specify the conditions that should be applied. In such circumstances, BHP will determine whether or not to continue to be involved with a project.

Consistent with the ICMM Position Statement, this BHP policy:

- Applies to new operations or large capital projects for which the approval and permit process has not been initiated before May 2015.
- Seeks to carry out consent processes based on good faith negotiations and that does not grant veto rights to individuals or subgroups, nor require the unanimous support of the potentially impacted Indigenous Peoples unless it is legally mandatory.

Through the successful implementation of this policy, BHP intends to be the preferred partner for Indigenous Peoples through which our relationships contribute to their economic, social and cultural empowerment.

## 2. BHP Strategy for Indigenous Peoples that documents in more detail how the Policy Statement will be implemented. This Strategy focuses our commitment with Indigenous Peoples in four priority areas:

**Governance** – Fundamental to be able to achieve positive and lasting changes and sustainable benefits for Indigenous Peoples. Governance focuses on access to lands, establishing and implementing agreements, cultural heritage management and benefit distribution processes.

**Economic Empowerment** – Indigenous Peoples have historically been disadvantaged in many regions of the world and still experience lower rates of educational achievement, employment and economic benefits. We seek to address this lack of balance by focusing on education and professional training, specialization in employment and the opportunity of businesses and local business initiatives development.

**Social and cultural support** – This area is based on the value of Respect for Our Charter, adopting transparency, trust, teamwork, diversity and relationships that are mutually beneficial. By better understanding and preserving indigenous culture and traditions, we can achieve a workforce that has a greater cultural awareness and contribute to life quality improving of communities.



**Public participation** – In addition to programs that work directly with Indigenous Peoples and our employees, we will participate in public policy discussions as appropriate and in relevant promotion areas that seek to encourage Indigenous Peoples interests in the country.

In each priority area it is incorporated: A results statement: The positive changes in Indigenous Peoples living that BHP expects to contribute to achieve and the improvement result of the license to operate the Company.

Main commitments: Action lines that BHP Group Functions and Assets will carry out to contribute to the result (as appropriate for the operational context).

Best practice guide: A summary of what BHP considers as relationship best practices characteristics with Indigenous communities within each focus area.

These two documents, the Indigenous Peoples Policy and its Strategy, are the core of our Plan for Minerals Americas South America and guide our relationship with communities belonging to indigenous peoples.









# Methodological Process of construction

In August 2017, BHP Minerals Americas South America teams of the different areas and functions met in a multidisciplinary workshop to define the vision in each of the four pillars of this strategy, considering a ten-year horizon, thinking of our global commitments as BHP, analyzing the gaps we might have throughout the business cycle (exploration - operation and closure), considering our local context, history and evolution of the indigenous peoples, particularly of the communities of the areas of influence where our activities are located.

Interested by the questions: *Where do we want to be in 10 years? How do we want to be recognized by the Indigenous Peoples and the society of which we are a part, in these matters?* The representatives of the different functions and operations worked together to define the path to which BHP is heading in South America.

This definition work and the actions that will be needed to achieve this vision, pointing the current gaps, were done through the analysis of the four work areas of the BHP Indigenous Peoples Strategy:

- Governance
- Economic Empowerment
- Social y Cultural Support
- Public Participation

Based on this collective process, the Indigenous Peoples Plan for BHP Minerals Americas South America was structured, defining the vision, results, objectives and goals for the four scopes of the strategy described below.

# Governance



**We recognize and respect the Indigenous Peoples hosting our Operations, their territories, identity and culture; promoting the strengthening of processes and governance mechanisms of indigenous communities, their representative institutions and the interaction with them, to ensure significant benefits for them.**

Result	Main commitments
<p>Indigenous communities will obtain significant and sustainable benefits from our Operations through the effective governance and management of access to the land, the management of cultural heritage, the creation of agreements and the processes of benefits distribution.</p>	<ul style="list-style-type: none"> <li>• Carry out social and environmental impact assessments for projects that affect Indigenous Peoples, focusing on the historical and current impacts of operations, with mechanisms that encourage the engagement of indigenous communities in the process.</li> <li>• Seek agreements and document mechanisms and protocols of participation and consultation with the potentially impacted Indigenous Peoples, with due technical advice, through a methodology that safeguards Indigenous Peoples rights framework.</li> <li>• Work to get consent of Indigenous Peoples for new operations or major capital projects that are on lands traditionally owned by, or under the habitual use of Indigenous Peoples and that are likely to have significant adverse impacts on them; under engagement processes and voluntary dialogue, with international law standard.</li> <li>• Seek, through negotiations in good faith, reach long-term agreements with Indigenous Peoples, which provide sustainable improvements to their economic, social and cultural well-being; safeguarding in this the strengthening of indigenous institutions governance with which we are linked, to ensure the long-term success of their development plans.</li> <li>• Seek to minimize impacts on tangible and intangible heritage and support its preservation, through the implementation of a framework to identify, document and manage the communities' approach regarding their inheritance and cultural heritage.</li> <li>• Build together with indigenous communities' complaints procedures, grievances and controversy resolution that are culturally appropriate and accessible, strengthening the mechanisms of disputes prevention and resolution.</li> </ul>

Objectives	Deliverables and Deadlines*	Responsible Teams
<p><b>G1.</b> BHP Minerals Americas South America operations incorporate territorial recognition, problems and perspectives of Indigenous Peoples in their processes.</p>	<ul style="list-style-type: none"> <li>• FY19 100% of the Asset carries out social and environmental impact assessments, including mechanisms for indigenous communities participation and territory recognition.</li> <li>• FY20-FY22 100% of the operations will have studies related to the identification of investment needs in information, tools, training and governance networks to support the development aspirations of the peoples.</li> </ul>	<p>Indigenous Affairs, Legal, Environment, Operations.</p>
<p><b>G2.</b> BHP Minerals Americas South America has a procedure for establishing agreements and processes of engagement and consultation with indigenous communities.</p>	<ul style="list-style-type: none"> <li>• FY20 onwards 100% of the assets and explorations implement a procedure to establish agreements, in relation to their respective scope.</li> <li>• FY21-FY23 external reviews will be done related to the framework of the engagement and consultation processes implemented with indigenous communities.</li> </ul>	<p>Indigenous Affairs, Legal, Operations and Explorations.</p>
<p><b>G3.</b> Agreements and consent of Indigenous Peoples are prepared for new projects or major capital projects, in accordance with our Policy Statement of Indigenous Peoples.</p>	<ul style="list-style-type: none"> <li>• FY19 100% of new or of major capital projects implement engagement and voluntary dialogue early mechanisms to obtain consent.</li> <li>• FY21-FY23; internal reviews will be made regarding the agreements and consents achieved.</li> <li>• FY20 onwards will have approved protocols agreed upon with the communities for the delivery of socio-environmental information and water and environmental monitoring processes in indigenous territories indicated by the authority or the State.</li> </ul>	<p>Indigenous Affairs, External Affairs (Legal, Compliance).</p>
<p><b>G4.</b> BHP Minerals Americas South America implements a framework to identify, document and manage cultural and socio-environmental significance aspects of the indigenous territory.</p>	<ul style="list-style-type: none"> <li>• FY19 100% of the assets and explorations implement a framework of cultural significance according to the dialogue processes with the communities.</li> </ul>	<p>Indigenous Affairs, Environment, Operations and Explorations.</p>
<p><b>G5.</b> BHP Minerals Americas South America has a grievance, complaint and controversy resolution mechanism that is culturally appropriate and accessible to indigenous communities.</p>	<ul style="list-style-type: none"> <li>• FY19 100% of operations implement mechanisms with indigenous relevance.</li> </ul>	<p>Indigenous Affairs, Corporate Affairs, Operations and Explorations.</p>

\* This performance will be verified independently through Annual Reports at the end of each Fiscal Year.



# Economic Empowerment



To be recognized as an employer, promoter of local business initiatives for Indigenous Peoples and communities, firmly investing in developing internal and external capacities, preparing us for a mutual inclusion, that align the potentialities of Indigenous Peoples and the operational/ functional needs, generating value to the areas of influence defined, maximizing the value and the strategic objectives of the business.

Result	Main commitments
We will contribute to the economic empowerment of Indigenous Peoples through investment that is conducive to employment opportunities, training, acquisitions and support to indigenous businesses.	<p>We will develop and implement Economic Empowerment Plans for Indigenous Peoples, which will include milestones and objectives for one or more of the following points as appropriate:</p> <ul style="list-style-type: none"> <li>• Pre-employment training, employment, professional development and retention of indigenous Employees.</li> <li>• Acquisitions of local indigenous businesses.</li> <li>• Professional training and support for livelihood of Indigenous Peoples through voluntary social investment plans.</li> </ul>

Objectives	Deliverables and Deadlines*	Responsible Teams
<b>E1.</b> BHP Minerals Americas SA gradually plans inclusion and diversity process, in order to promote the selection, recruitment, hiring and maintenance of people from Indigenous Peoples in their workforce.	<p>FY19-FY20</p> <ul style="list-style-type: none"> <li>• Current situation diagnosis of indigenous employment in South America that involves: <ul style="list-style-type: none"> <li>- Quantify indigenous labor.</li> <li>- Identify internal barriers.</li> <li>- Identify employment gaps.</li> </ul> </li> </ul> <p>FY20 (onwards)</p> <ul style="list-style-type: none"> <li>• Establish recruitment and selection processes that incorporate sociocultural variables relevant to indigenous communities.</li> <li>• Establish an annual goal of indigenous hiring.</li> <li>• Throughout the mining cycle there will be a cross-cutting awareness on the inclusion of indigenous labor.</li> </ul> <p>FY22 (onwards)</p> <ul style="list-style-type: none"> <li>• Promote the constitution of contracting KPIs for collaborating companies.</li> </ul>	Human Resources.
<b>E2.</b> BHP Minerals Americas SA permanently develops professional training and strengthening of indigenous education plans.	<ul style="list-style-type: none"> <li>• FY19 onwards BHP Minerals Americas SA Community Development Management has specific professional and educational training programs that benefit Indigenous Peoples.</li> </ul>	Corporate Affairs, Human Resources.
<b>E3.</b> BHP Minerals Americas SA identifies opportunities for the development of indigenous local businesses and promotes them (Suppliers).	<ul style="list-style-type: none"> <li>• FY19 develops a baseline study of local indigenous suppliers.</li> <li>• FY19 Identify skills and capacity of indigenous local suppliers.</li> <li>• FY19 Consolidate a detailed list of indigenous local suppliers for BHP.</li> <li>• FY19 onward 100% of the Assets will promote opportunities for the database of indigenous local suppliers identified and incorporated in BHP's supply processes.</li> <li>• FY20 onward 100% of the Assets have KPIs regarding the quantity of indigenous local suppliers identified, evaluated and with high potential to be included by BHP's demand in the supply processes.</li> </ul>	Supply.

\* This performance will be verified independently through Annual Reports at the end of each Fiscal Year.

# Social and Cultural Support



**Be a Company that contributes significantly to the sociocultural development of the Indigenous Peoples, considering measures that promote autonomy and respect, both within the operations as well as in the communities and territories of which we are a part; conforming in it worker crews who know, respect and appreciate the culture and worldview of the communities that welcome us in their ancestral territories.**

Result	Main commitments
We will contribute to improve the quality of life of Indigenous Peoples through voluntary social investment, the promotion of indigenous cultures and the strengthening of awareness of the cultural diversity of our workforce.	<ul style="list-style-type: none"> <li>• Develop and provide training on competencies and cultural awareness with indigenous community participation.</li> <li>• Consult the indigenous communities to properly represent the social, cultural and economic baseline, for the Community Development Management Plans (CDMP).</li> <li>• Consult the communities in the Social Impact and Opportunity assessment, in the determination of the social impacts, gaps and opportunities.</li> <li>• Develop a social investment plan for indigenous communities that is part of the Community Development Management Plan, which incorporates the development priorities, opportunities and/or gaps detected with the communities</li> <li>• Assess social investment projects against appropriate data collected and measured through studies of Social Base Line applicable to Indigenous Peoples.</li> </ul>

Objectives	Deliverables and Deadlines *	Responsible teams
<b>S1.</b> The operations and explorations develop and provide training on cultural awareness to their workers, including the advice and participation of communities.	<ul style="list-style-type: none"> <li>• FY19 Implement a training strategy on awareness of employees in all areas of our business, and considering various mechanisms and levels of depth for cultural learning.</li> </ul>	Human Resources.
<b>S2.</b> The operations engage and consult the Indigenous Peoples in their social research processes, in order to have an adequate understanding of the local context and in this way properly plan their social investment and measurement of results.	<ul style="list-style-type: none"> <li>• FY19 100% of Assets that require studies or any form of social research in indigenous areas incorporates consultation with communities.</li> <li>• FY20 onward BHP Minerals Americas SA, performs social investment according to the development plans of the host indigenous communities and the Company guidelines.</li> </ul>	Corporate Affairs.
<b>S3.</b> The local and regional social investment carried out in the territories where the indigenous communities are located, support the development and autonomy of the Indigenous Peoples.	<ul style="list-style-type: none"> <li>• FY20 Annual social investment plan that is part of the Community Development Management Plan of BHP Minerals Americas SA, demonstrates consistency with governmental and local plans in indigenous territories.</li> </ul>	Corporate Affairs.

\* This performance will be verified independently through Annual Reports at the end of each Fiscal Year.



# Public Participation



**Be a leader in the promotion of the rights of Indigenous Peoples from the industry, promoting / supporting policies and initiatives that involve the recognition of the Indigenous Peoples, their lands, territories and natural resources that allow the survival of their communities.**

Result	Main commitments
We will contribute to specific public policy initiatives, programs and processes that promote the interests of Indigenous Peoples in accordance with our Indigenous Peoples Policy Statement.	<ul style="list-style-type: none"> <li>• Participate in public policy processes that are relevant to us and to Indigenous Peoples, especially those where we develop our operations (Aymara, Quechua, Lickan Antay) consistently with our Declaration of Indigenous Peoples Policy and values of Our Charter.</li> <li>• Define common public agenda with Indigenous Peoples that allows to place the relevant processes to be supported by BHP.</li> <li>• Support initiatives and specific events of significance for Indigenous Peoples.</li> <li>• Support the institution of the processes of indigenous dialogue with the voluntary industry at the country level.</li> </ul>

Objectives	Deliverables and Deadlines *	Responsible teams
<b>P1.</b> Promote relevant public policies for Indigenous Peoples for the recognition of their collective rights.	<ul style="list-style-type: none"> <li>• FY19 generates a joint instance with representatives of Indigenous Peoples.</li> <li>• FY20 onward an agenda of matters of common interest is materialized to be driven from the industry.</li> <li>• FY21 onward annual definition of recognition actions, articulating spaces for dialogue and agreements, between communities, government, industry actors, among others.</li> </ul>	Indigenous Affairs, Government and industry.
<b>P2.</b> Events and dissemination are carried out to celebrate the National Day of Indigenous Peoples that disseminate the recognition of the framework of rights of Indigenous Peoples in the country.	<ul style="list-style-type: none"> <li>• FY19 100% of the operations will annually celebrate or support events that commemorate the Indigenous Peoples National Day.</li> <li>• FY19 onward in operations with an indigenous area of influence, commemorative ceremonies will be held with the participation of communities and / or actions in recognition of our indigenous workers.</li> </ul>	Operations.
<b>P3.</b> BHP Minerals Americas SA will actively participate in industry forums that discuss Indigenous Peoples policies.	<ul style="list-style-type: none"> <li>• FY19 onward will support the processes that seek to institutionalize the voluntary dialogue with communities and industry.</li> <li>• FY20 onward BHP Minerals Americas SA will share strategic methodologies on Indigenous Peoples in all the forums of the industry in which it participates.</li> <li>• FY22-FY23 onward will seek to promote the institutionalization of consent of processes to promote obtaining from the communities to investment projects with impacts in their territories.</li> </ul>	Government and Industry, Legal.

\* This performance will be verified independently through Annual Reports at the end of each Fiscal Year.

# Guidelines for Explorations In Indigenous Territories or Lands

**Exploration and prospecting are the first stage of the mining cycle. Given the short-term nature of these activities and the uncertainty of the subsequent development of a mining project as such makes the link with indigenous communities and authorities, have a different treatment than our operations.**

For BHP it is fundamental that starting from the initial contact with indigenous communities there is unrestricted respect for the Rights of Indigenous Peoples and that relations are established based on Good Faith, that promote dialogue and the participation of the communities in this initial phase of the mining cycle.

Therefore, guidelines for explorations in indigenous territories and/or lands consist of:

- Before the start of activities, develop social mapping and a reference study or baseline that enables giving account of the sociocultural context where the exploration will be carried out. This will enable understanding and respecting the local access protocols involved in obtaining permission to enter the community and access the traditional lands, as well as their tangible and intangible heritage. In this regard it is fundamental to clearly identify the indigenous community, its representative authorities, and the territory that the community recognises as its own, regardless of whether this is formally acknowledged by the State and regardless of whether our activities will be carried out on a small portion of the lands.
- Within the territory, identify:
  - Sites of cultural significance.
  - Natural resources (species of flora and fauna of significance, rivers, river crossings, gorges, hills, meadows, wetlands, lagoons, etc.).
  - Production activities and the relevant associated infrastructure.
  - Calendar of religious and/or traditional festivals.
- Once the territory and sites of cultural significance, and the socio-environmental resources that are relevant for the community are identified, cross them with the exploration areas defined. In this process, identify whether there are potential negative impacts for the community, and to the extent possible keep them from occurring. On this point, respect the considerations that the States have for being able to carry out exploration work on indigenous and farming lands, and add to these regulatory frameworks the considerations regarding the beliefs, uses and customs of the indigenous and farming communities.
- Establish a plan for early engagement with the community in the framework of the timing and scope of exploration activities. This Plan must include at least three aspects:

1. Early dialogue process: regardless of whether they have permits from the State and even from the owners of the land surfaces for exploration activities, the teams will have early engagement with the indigenous communities that includes:

- Provide open and transparent information on the explorations plan and methodology on site, the concessions that have in the territory, the current regulations and the characteristics of the activity. This will include a map of the territory of the community superimposed with the areas defined to be explored, as well as the identified potential impacts (positive and negative).
- Propose a process of active participation to the community, so that they can participate at all times in the activities that our actions involve. In this regard, the formation of a monitoring commission or environmental oversight committee is encouraged, with members of the community who can accompany us on site, as well as, when the case, they can have duly qualified, trusted advisors, in whom the community can trust during the course of the actions. Also, in territories that are especially conflictive, seek an agreement to have a validated third party who can mediate in the process.
- Receive feedback from the Community and if necessary, modify the plan wherever possible, or jointly develop mitigation or compensation measures in order to obtain the community's acceptance of the activities. This under general guidelines of indigenous consultation methodology.
- The technical information raised in the territory, specifically that one associated with environmental releases of flora and fauna, and archaeological nature shall be of shared knowledge and registration.
- Properly document the process and formalize the agreements. It is proposed to establish a methodological Protocol that clearly defines the actions to be carried out and how the community will participate.







2. Plan of measures with the Community:  
Establish the way to generate a plan, which narrowed to the time of the explorations enables channelling the positive impacts of the exploration.

In this regard, it is necessary to establish appropriate compensation for the temporary use of the lands, beyond that established with the owners of the land surface. In this framework, it is fundamental to focus the compensation on contributing to the guidelines for development that the community or communities in question have projected. This avoids falling into assistance support and collective social benefits are sought, limited to the magnitude of the exploration activities.

-In turn, where possible, promote local employment, for example:

- Field assistant
- Assistants in flora and fauna studies
- Community advisors to identify heritage sites
- Provision of local services
- Excavation of trenches and ditches manually or with heavy equipment
- Re-planting services
- Installation of camps / camp staff
- Meals, accommodation
- Vendors
- Rental of equipment/vehicles and fuel supply
- Transport and cargo services
- Cleaning staff
- Night watchmen in the facilities, etc.

3. Establish a Cultural Awareness Program for all employees involved in Exploration work that enables providing knowledge regarding the community, its territory, the importance of its heritage and environment. When possible, involve the community as presenters in induction talks prior to any activity on site. This program includes the principal regulatory provisions on the environment and the rights of Indigenous Peoples of the host country, and the commitments assumed by BHP.

• All the actions and processes that are established will be properly documented. Additionally, it is necessary to have an appropriate system for recording complaints and community concerns that enables dealing with them within an appropriate timeframe. This system will be duly informed to the community from the initial contact.



# Accountability for performance



The Indigenous Peoples Working Group of BHP Minerals Americas South America has the ultimate responsibility for complying with the commitments and goals established in this Plan.

A work group composed of representatives of the various functions, operations and explorations that are directly linked to the matters relevant to the contribution that BHP Minerals Americas South America can make to Indigenous Peoples, and that they have the capacity to make decisions regarding the respective actions for the fulfilment of the goals.

This Work Group will have the following functions and responsibilities:

- Understand the company's commitment to Indigenous Peoples through the Indigenous Peoples Policy Statement and Strategy.
- Review and actively promote the execution of the Indigenous Peoples Plan in the various functions, operations and explorations, and validate the objectives and the suitability of the activities and actions identified.
- Identify the barriers to success in the Plan and make recommendations to strengthen the policies/practices to enable its success, with proper performance regarding the main commitments and goals.
- Develop goals for fulfilling the Plan's objectives and milestones for assessing performance against the objectives.
- Report on the achievement of the objectives to the BHP Minerals Americas South America Leadership Team and Corporate Affairs (Group), and externally as appropriate.
- Increase the level of awareness in the business regarding the Indigenous Peoples Plan and the importance of our work with the communities.





# Validation mechanisms and annual review

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BHP's Indigenous Peoples Plan for Minerals Americas South America contemplates the formation of a review group composed of representatives and traditional authorities of Indigenous Peoples.

For operations in Chile, the Aymara, Quechua and Lickan Antay indigenous communities are contemplated, with whom a process for annual validation of our goals and commitments will be established, safeguarding consistency with our Charter of Values and the Company's requirements

In the case of Explorations currently present in Ecuador, Peru and Chile, it is recommended that dialogues be held with traditional authorities of the host communities in order to advise them of the progress and challenges of the Plan.

In the case of Non-Operated Joint Ventures (NOJV), the Plan will be shared with the members of the NOJV and with the Operator as a way of sharing good practices.

Additionally, a review group of experts on Indigenous Peoples issues will be established who can give their recommendations and review the correct progress of the same.

That review group will be appointed based on the recommendations of the indigenous communities themselves, as part of the validation process, as well as independent entities in indigenous matters to address the particular characteristics of the different countries in which BHP has a presence in South America.

The Plan will be annually submitted for an evaluation of compliance with its metrics.

# Our way of working

This section describes the benchmarks for our performance regarding the specific elements of each priority area. It is expected that this guide be used according to the specific context of the operations of BHP Minerals Americas South America; adapted to the characteristics of Exploration activities and shared with the NOJVs within the scope of our participation in each NOJV and as a way of sharing good practices.







# Governance

## Good Practices Guide

### Preparation of Agreements

**Our processes for preparing agreements must:**

- Encourage access to independent professional teams for the communities throughout the entire process of the useful life of the operation.
- Promote the definition of mechanisms, structures, systems and processes of governance for making decisions in an open, transparent and ethical long-term manner, with the broad participation of the community.
- Formalize the recognition of the territories as well as sites of cultural significance that are central to the world view of the communities, promoting their safeguarding in our operations.
- Encourage frameworks of long-term, mutually beneficial and good faith engagement based on processes of voluntary participation and dialogue that include mechanisms for complaints and for resolving controversies.
- Consider participative mechanisms for socio-environmental management based on the communities' own governance structures.
- Formalize a recognition of the operational history (cumulative impacts) regarding the use of nearby territory or in indigenous communities.
- Promote the socioeconomic and institutional development of the indigenous communities located in territories of the operation's area of influence, based on the communities' own definitions of their future.

### Management of Cultural Heritage

**Our cultural heritage management processes must:**

- Encourage access to independent professional teams for the communities throughout the entire process of the useful life of the operation.
- Promote the definition of mechanisms, structures, systems and processes of governance for making decisions in an open, transparent and ethical long-term manner, with the broad participation of the community.
- Formalize the recognition of the territories as well as sites of cultural significance that are central to the world view of the communities, promoting their safeguarding in our operations.
- Encourage frameworks of long-term, mutually beneficial and good faith engagement based on processes of voluntary participation and dialogue that include mechanisms for complaints and for resolving controversies.
- Consider participative mechanisms for socio-environmental management based on the communities' own governance structures.
- Formalize a recognition of the operational history (cumulative impacts) regarding the use of nearby territory or in indigenous communities.
- Promote the socioeconomic and institutional development of the indigenous communities located in territories of the operation's area of influence, based on the communities' own definitions of their future.

### Implementation of Agreements and distribution of benefits

**Our processes for implementing agreements and distributing benefits must:**

- Implement governance mechanisms that enable decision making based on a previously agreed process of participation and dialogue, through opportunities for evaluation and joining in the agreements.
- Use the mechanisms for claims, complaints and resolution of controversies when it is not possible to reach a consensus.
- Raise and strengthen the capabilities required for transparent and participative decision making in the processes of dialogue in the community.
- Reinforce the mechanisms for complying with the defined rules of trust and/or governance structures.
- Establish transparent, sustainable and long-term management structures, previously agreed between the communities and the company regarding the financial benefits related to the committed agreements.
- Include mechanisms based on the framework of national and international law in order to make the management of agreements and distribution of benefits transparent.



# Economic Empowerment Good Practices Guide

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## Employment

### Our employment processes and results must:

- Contribute to sustainable development according to their own guidelines and development views.
- Provide opportunities for the economic empowerment of communities, through professional training and employment.
- Integrally include in the Company the indigenous communities through the Inclusion and Diversity Plans, or other Plans that incorporate objective goals that are developed, executed and reviewed annually in business cycles.
- Reformulate the current strategies of recruitment and selection of personnel, through mechanisms with cultural relevance maximizing the extent to indigenous populations.
- Contribute with robust strategies and mechanisms of inclusion to the Company and its collaborators, from the early detection of graduate students and in professional practice of the communities in the area of influence of the operation.
- Create relevant models to promote the employability of community members through training, promotion of technical skills, or other aspects to redirect everything that is identified as an obstacle to access to employment.
- Promote in operations an awareness of the value of human resources from communities, facilitating the retention, progression and professional development of indigenous workers.

## Procurement

### Subject to our compliance requirements, the procurement processes and results must:

- Develop and promote the business base of the indigenous communities.
- Facilitate the formalisation and planning of the business base in order to become suppliers for the industry.
- Train the indigenous communities on topics of entrepreneurship and business promotion.
- Invite and systematically involve local indigenous vendors in the Company's regular procurement or bidding processes.
- Detect and reduce the gaps for access by local indigenous vendors to the Company's bidding or purchasing processes. This could include direct negotiations without bidding processes; breaking down contracts to give preference to local businesses, using mechanisms for developing local vendors so they can meet the requirements for business opportunities, and explaining the Company's policies and processes.
- Share information clearly and timely on business opportunities and their requirements.
- Promote opportunities for companies outside the mining industry as part of the opportunities of the processes of growth at a regional and national level.
- Define opportunities for discovering and developing vendors with the strategies of the supply areas of each operation.





## Social & Cultural Support Good Practices Guide

### Our social and cultural support for the peoples must:

- Strengthen the design of social and cultural support programs by advising people from indigenous communities so they can transmit their knowledge regarding their organizational structures, decision making, history, use and socio-territorial handling, values, concerns and priorities of social and cultural development.
- Safeguard the full participation of indigenous communities in consideration of the different viewpoints existing within and between communities.
- Promote the participation and involvement of different groups in the indigenous communities, whether by age, gender, or interests, among others, in the decision making processes.
- Promote the sustainability of the indigenous communities by means of previously agreed social and cultural investment programs, structuring mechanisms of interaction with existing local and regional government development plans.
- Strengthen the Cultural Awareness Program within the Company, implementing intercultural training provided and/or authorised by key persons from the indigenous communities, focused on their history and also their socio-cultural practices, in order to promote comprehension and mutual understanding of the communities' cultural and heritage dimensions.

## Public Participation Good Practices Guide



### In our public participation in matters related to the peoples' rights and interests we must:

- Strengthen or supplement the capacity of the communities' leaders and representatives to be able to participate in the processes of forming public policies and the framework for legal recognition regarding the peoples, lands, territories and natural resources.
- Respect the authorship of the stories of the members of the communities and never use them in their name without their prior consent.
- Perform a role of promoter of the rights of Indigenous Peoples from the industry, articulating spaces for dialogue and agreements, between communities, government, industry actors, among others.
- Provide opportunities for deepening our understanding of the commitment with Indigenous Peoples.
- Promote, disseminate and collaborate with the business environment to drive in them their own statements, having available BHP's proposal regarding the Indigenous Peoples Policy Statement and the values of Our Charter.

# BHP