

BHP

Western Australia Iron Ore

Community Development Report 2022



**Our purpose is to bring people
and resources together to
build a better world.**

**BHP is successful when it increases social value. This
is when communities, customers and suppliers value
their relationship with us.**

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

Acknowledgement of Country

BHP acknowledges and pays respect to the Traditional Custodians of the lands and waterways on or near which our operations are located. We pay our respects to Elders past, present and emerging leaders.

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Note: This report covers Financial Year 2022, and all monetary figures are in Australian dollars.

WA Iron Ore at a Glance **FY2022**

BHP's Western Australia Iron Ore business has an integrated system of four processing hubs and five mines connected by more than 1,000 kilometres of rail infrastructure and port facilities in the Pilbara region.

BHP has contributed over \$4.34 billion in social, community and training programs across Western Australia since 2013.



A message from Brandon, Asset President WA Iron Ore

Social value is BHP’s positive contribution to society – to our people, partners, the economy, the environment, and local communities. It is about creating enduring, mutual benefit for BHP, our shareholders and the broader community.

We recognise decisions we make have the potential to positively or negatively impact those around us and the environment. Our aim with social value is to be deliberate and proactive in taking into account the social and financial impact of the choices we make.

Our State Agreements continue to deliver significant community and social benefits year-on-year through our ongoing social investments in infrastructure and services, many of which are developed and delivered in partnership with the communities where we operate.

In FY2022, our total community development expenditure in Western Australia was \$441.1 million.

We have spent more than \$324 million with Port Hedland and Newman local businesses, including \$60.7 million with small, local businesses through the Local Buying Program, resulting in more local jobs and training opportunities in Western Australia.

We increased our spend with Indigenous businesses by 69 per cent on the previous year to \$158.5 million, with \$72.6 million of this spend with 33 Traditional Owner businesses. Through our Project Rise initiative, we are on target to achieve a \$300 million annual spend by 2024.

We also officially opened our South Flank mine in October 2021. South Flank is BHP’s most technically advanced mine and once ramped up, will create the largest iron ore operating hub in the world. It will sustain more than 600 ongoing jobs, plus opportunities for hundreds of local businesses and billions of dollars in royalties to Western Australia.

We brought new team members to WA Iron Ore, including 78 new apprentices and 133 new-to-industry employees. We also now employ 28.8% females, up from 25.4% in FY21.

We also contributed \$44 million to a range of community projects, particularly in the Pilbara, including our ongoing childcare partnership with Child Australia to improve childcare services in Newman and Port Hedland, funding for Pilbara Aboriginal medical services to employ additional general practitioners, vaccination support and other health initiatives for regional and remote communities.

You can read more about how we are creating and accelerating social value in WA in this report.

Creating and accelerating social value is part of our company strategy and is also a strong focus in our future business planning.

We look forward to another year ahead, partnering with communities, local businesses and government stakeholders to share in our success.

Brandon Craig
Asset President
WA Iron Ore



We believe that we are successful only when we increase social value around us.

The ground up ideas helping us grow

A hands-on program to expedite rehabilitation at our Yandi site in the Pilbara is creating an exciting employment and training pathway for the Traditional Owners of the land, the Banjima people.

Rehabilitation planning is a process that starts well before resource extraction begins and continues well after.

Beyond our environmental and regulatory commitments, we increasingly consider social value by partnering with the community and our stakeholders to determine the final landform and create opportunities during the rehabilitation process.

In partnership with the Banjima Native Title Aboriginal Corporation, 12 trainee positions have been created in the Site Rehabilitation team at Yandi for Banjima people.

Offering a combination of specialised classroom learning facilitated by North Regional TAFE and on-the-job training, the program is building knowledge which is expected to be critical to the resources industry in the decades to come.

At an on-site tree nursery – built and managed end-to-end by the trainees – approximately 600 trees are being progressively planted in the rehabilitation area.

Carefully cultivated from unique native seeds supplied by an Indigenous-owned business, the nursery is expected to reach its 20,000 tree capacity within five years.

But that’s just one part of the story. The other is the value of strong relationships with Traditional Owners – as employees, contractors and other partners.

It’s about co-designing training, development and employment opportunities over the long-term, as well as supporting the growth of Indigenous-owned companies.

With the first cohort of trainees due to graduate with a Certificate II in Conservation and Ecosystems towards the end of 2022, the qualifications open the door for ongoing opportunities at BHP and in the creation of specialist Indigenous-owned businesses.

Highlights:

12 traineeships for Banjima Traditional Owners

Onsite nursery for mine site rehabilitation

Capacity for 20,000 native trees



Regional Development

BHP is committed to supporting the sustainable development of the regions in which we operate.

We achieve this through infrastructure development, procurement, advocacy and partnerships.

Local and Indigenous business opportunities

The BHP Local Buying program was established to support small, local and Indigenous businesses. It makes it simpler for small businesses to competitively bid for opportunities and it helps build sustainable communities.

For every contract awarded through the program, BHP allocates funds to support business community development programs.

2022 Highlights

Spent
\$60.7M
with small, local businesses
through the Local Buying Program

On target to achieve a
\$300M
annual spend by 2024.

Increased our spend with
Indigenous businesses by

69% to
\$158.5M

\$72.6 million
of this was with
33 Traditional Owner businesses

A five-year contract with KingKira, a 100 per cent Nyiyaparli-owned and operated business, to deliver road sweeping services across WA Iron Ore’s Port Hedland, Newman, and Mining Area C operations.

A five-year stemming contract awarded to Lorrex, a Banjima and Nyiyaparli owned Indigenous business, currently mobilising to the WA Iron Ore Pilbara operations of Mining Area C, South Flank and Jumblebar.

An award to Ngurrura, a 100 per cent owned and operated Pilbara Aboriginal Traditional Owner company, to recover 44kt of crushed ore material from Mining Area C, with more than 70 per cent Aboriginal employment on the project.

A long-term partnership extended with North West Alliance (NWA), a Palyku Joint Venture business, to service waste management across our Pilbara operations.

Supporting Indigenous enterprises and innovation

BHP’s WA Iron Ore operations are big – and so too are its aspirations for increasing annual contracted spend with Pilbara Traditional Owners and Indigenous businesses.

To drive momentum and social value outcomes, WA Iron Ore has established Project Rise to facilitate more business opportunities between BHP and Traditional Owner and Indigenous suppliers.

Coinciding with its launch of Project Rise, BHP announced the signing of a \$9.2 million contract with **Karlka FenceWright** – a wholly owned subsidiary of the Karlka Nyiyaparli Aboriginal Corporation (KNAC).

Under the contract, Karlka has fabricated and installed approximately five kilometres of fencing at six of WA Iron Ore’s villages in Newman, which house 1350 fly-in, fly-out (FIFO) workforce residents.

Many of the fencing panels feature the work of Traditional Owner, senior Nyiyaparli elder and artist Victor Parker.

The fencing upgrade is part of a \$300m security upgrade project across all WA Iron Ore camps.

Karlka FenceWright Highlights:

Included a
\$9.2 million
contract for Karlka FenceWright

Featuring the works of senior Nyiyaparli elder and artist Victor Parker



Local Indigenous businesses awarded greening contract

Case Study 

The Indigenous owned and operated nursery, IBN Services in Port Hedland, has been awarded a contract by Greening Australia to provide more than 5000 plants for the planned West End vegetation barrier, as part of BHP's Pilbara Air Quality Program.

IBN Services will provide a range of locally grown Indigenous plants that grow in challenging soil conditions and capture dust. They have been selected for the vegetation barrier for this reason.

Greening Australia has also appointed Indigenous-owned landscaping company, Yurra, to do the on-ground works.

IBN Services and Yurra have invaluable knowledge and skills in growing regional species and landscaping locally for this project.

The plants will be key to the success of our science-led, practical approach to create vegetation barriers as physical and visual screens for the Port Hedland community, improving air quality and local amenity.

BHP is committed to ensuring Port Hedland remains a great place to live and work, having spent \$400 million on dust related control measures over the past decade.

Our Air Quality Program continues that work and is actively engaging local businesses and creating local jobs as we look to further improve dust levels across our supply chain.

Highlights:

5000 plants

Two Indigenous businesses in Port Hedland

Part of BHP's \$400 million Air Quality Program



Increasing business partnerships in regional towns

Case Study 

Three years ago, Mr Chapman's majority-owned Aboriginal mining rental business Kuuwa secured a contract with BHP through the Local Buying Program, which supports local and Indigenous-owned businesses.

Kuuwa has grown from a small scale business renting trucks and light vehicles to the mining sector, to electric vehicles and hybrid models, to large scale mining and construction industry equipment hire.

Kuuwa will provide approximately \$8 million worth of plant equipment to South Flank and also deliver vehicles and trucks to Jimblebar, Mining Area C, Port Hedland port operations and Whaleback in Newman.

Kuuwa also partners with local businesses in regional towns to maintain its ever-expanding fleet and to deliver additional vehicles, trucks and plant to sites.

In Newman, where BHP's Pilbara operations began with mining at Mt Whaleback in 1968, CWC Lube Mechanical Services supports car hire businesses that supply vehicles to BHP, including Kuuwa.

As a result of growing local demand for his services, they've also opened a workshop in Port Hedland.

Highlights:

BHP's Local Buying Program is supporting small and Indigenous businesses

\$8 million of plant equipment across our Pilbara operations

Creating partnerships in Newman and Hedland



Community Projects

BHP is committed to contributing to community projects and programs that improve the liveability of the regions in which we operate.

We are committed to working collaboratively with stakeholders to drive positive long-term outcomes.

Our approach to social investment

Social investment is one of the tools in our overall approach to contributing to the creation of social value.

It is our contribution towards projects or donations which support the resilience of the environment and the communities where we operate and align with our broader business outcomes.

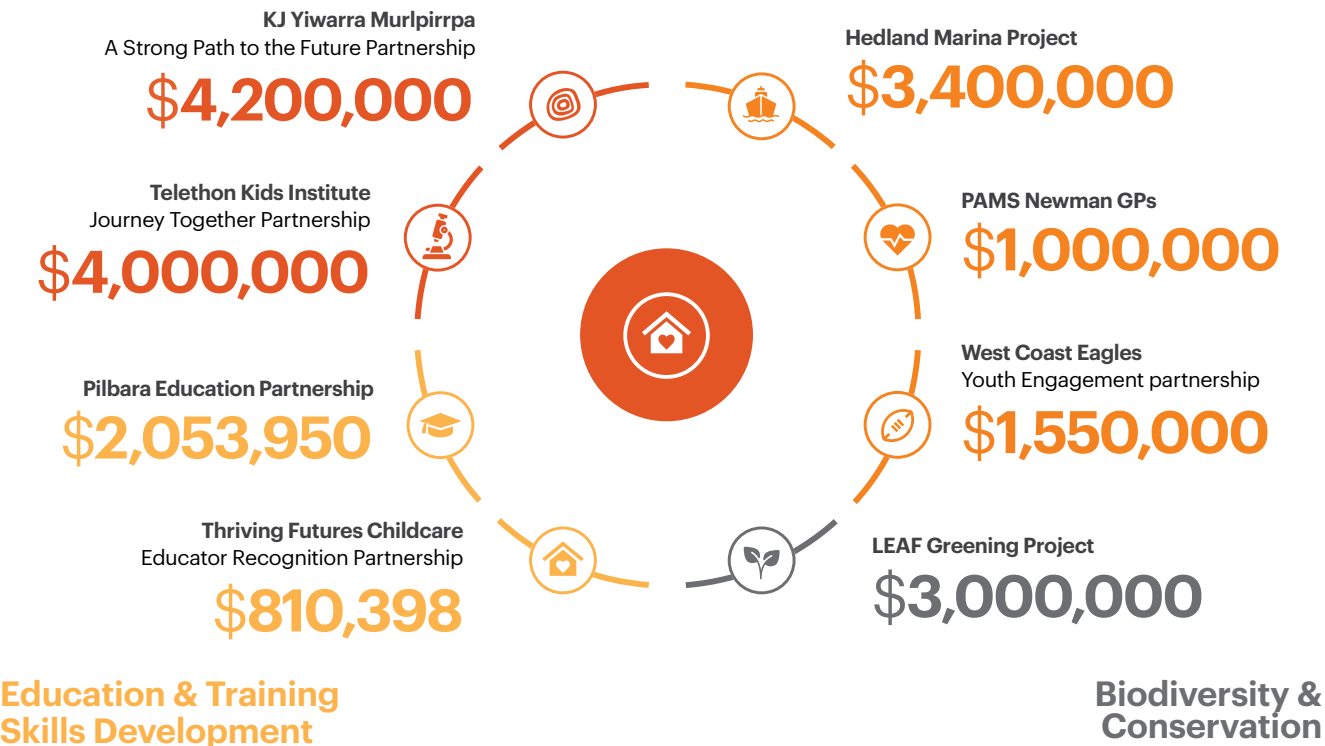
We work with our diverse range of stakeholders to understand and identify social needs and how we can create meaningful outcomes for communities.



Highlights from BHP's social investment projects

Community Resilience

Community Adaptation



Matched Giving Program

BHP proudly supports organisations that are important to employees. Through our Matched Giving Program, BHP matches personal donations made by our employees to eligible non-profit organisations at a ratio of 2:1, which equates to a BHP donation of two dollars for every dollar donated by employees.

Total \$ matched by BHP in WA for FY22
\$205,157.70

Top 3 Employee Matched Giving organisations in FY22

1. The Movember Group Pty Ltd as Trustee for The Move \$71,640.52	2. The Australian Red Cross \$63,750	3. Australian Committee for UNICEF Limited \$47,424
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Total number of WA employees participating in the Matched Giving Program

566

Improving childcare in the Pilbara

Case Study 

The shortage of available childcare has consistently been identified as a constraint in attracting and retaining residential staff in the region. However, BHP and Child Australia are working together to ease the strain and are hoping to set a new standard for childcare in the Pilbara.

The Thriving Futures program was established in July 2020 in response to the shortage of childcare availability in Newman and Port Hedland.

With workforce development in the childcare sector a complex issue, particularly in regional Australia, Thriving Futures works to improve outcomes for children by recruiting, training and focusing on retaining a qualified, sustainable early-learning workforce.

The initiative is also strengthening professional practices giving children access to high quality early learning opportunities.

Five early learning centres are now participating in the program – three in Port Hedland and two in Newman.

Since July 2020, 29 Thriving Futures candidates have been employed in participating centres with a retention rate of over 72 per cent.

In addition, the program has:

- Delivered 46 professional development sessions and 142 hours of onsite consulting with staff across participating centres
- Provided 53 candidates with formal mentoring (one-on-one support from a dedicated mentor)
- Supported 18 scholarship recipients

In 2022, we expanded our partnership with Child Australia with the launch of the Thriving Futures Educator Recognition Program, which is setting a new standard in supporting the childcare workforce in the Pilbara.

Our \$2.5 million commitment over a three-year period aims to help improve staff attraction and retention, strengthen educators’ capabilities, increase childcare availability for families, and ensure a robust sustainable childcare sector in the Pilbara region for years to come. This commitment is in addition to the existing Thriving Futures Program.

Highlights:

\$2.5 million million over three years

29 childcare workers employed

5 centres now in the program



Newman’s Martu patrol keeps kids safe

Case Study 

A Martu-led team continues to patrol the Newman streets from 9pm to 1am, seven nights a week as part of a pilot program to keep young people and children safe at night.

The patrol is a pilot project led by Martu and managed by the Newman Women’s Shelter, and works to keep young people safe at night, providing them with food and water, mentoring them and taking them to safe places when needed.

The Martu Patrol team is fluent in Martu Wangka and English and is building relationships with young people to provide support, liaise with family members and provide safe places if needed.

The project was developed through Newman Futures in collaboration with Martu leaders, Newman Women’s Shelter, Kanyirninpa Jukurrpa, WA Police, BHP and the Newman Feedback Group.

Similar initiatives in Perth, Port Hedland, Tennant Creek and Halls Creek have reported significant improvements in community safety, wellbeing and education outcomes of young people.

The Martu Patrol is also providing employment for Martu people and enabling them to lead and be an example to the younger generation in their community, creating opportunities to build relationships and trust with the youth.

Highlights:

A Newman Futures collaboration with Martu leaders, Newman Women’s Shelter, Kanyirninpa Jukurrpa and WA Police

Pilot program delivering safe streets at night for kids

A team fluent in Martu Wangka and English



Dialysis on country

Case Study 

BHP has provided \$1.9 million to the Puntukurnu Aboriginal Medical Service (PAMS) to establish a dialysis clinic at the PAMS healthcare centre in Newman.

The purpose-built dialysis clinic is the first of its kind for Newman and its surrounding communities, and will include the latest dialysis machines – enough to treat up to 10 patients each day – managed by nurses trained in specialist dialysis treatment.

The rate of kidney disease is disproportionately higher in regional and Indigenous communities. Unfortunately in the past many Martu and Nyiyaparli people have had to move off country for treatment, often causing isolation from their family and elders.

The funding from BHP enables PAMS to bring this service to the people of Newman.

The clinical hub provides general GP services, chronic disease management, and allied health services such as audiology, pharmacy, visiting dietician and physiotherapists, podiatry, female GP's, dental and telehealth.

Highlights:

\$1.9 million
for a dialysis
clinic in **Newman**

10 patients
per day

**GP and allied
health services**



Teaching kids to swim and survive across WA

Case Study 

Water safety awareness and the ability to swim are central to the Western Australian lifestyle, whether it's on the coast or inland waterways and town pools.

BHP has been supporting Royal Life Saving WA programs in 14 regional and remote communities across WA since 2003, because we believe one of the best ways to improve the lives of all Western Australians is by teaching them to swim and survive.

Since its inception in 1909, Royal Life Saving has had 20 million participants. Its 'Swim and Survive' program, which opened over 35 years ago, sees more than 345,000 people picking up water safety skills annually.

Royal Life Saving WA is committed to teaching every child to Swim and Survive, and we recognise that this task is all the more important given WA's climate and lifestyle that encourages so much activity in and on the water.

While there are swimming programs from infant aquatics for toddlers and babies, to Swim and Survive for older kids, Royal Lifesaving WA also offers first aid skills and bronze medallions to make sure that everyone at the pool is safe.

A main purpose of the partnership is to development Talent Pool pathways for Indigenous people to become lifeguards in their own communities.

Highlights:

14 regional
and **remote
communities**

345,000
people per year

**Swimming and
first aid programs**





Skills and Development

Investing in our workforce is an investment in WA's future.

BHP is committed to supporting educational outcomes in the communities in which we operate and working with industry and government to address critical skill shortages and promote future industry capability.

Inclusion and diversity

We believe our people should have the opportunity to fulfil their potential and thrive in a safe, inclusive and diverse workplace.

In FY22 WA Iron Ore achieved:

28.8%

Female representation

↑ An increase from 25.4% in FY21





10.5%

Indigenous representation

An increase of 1.3% since 2019

Inclusion and diversity promotes safety, productivity and the wellbeing of our workforce.



Indigenous development and employment:



Training and employment:

Intake and headcount for the graduate, trainees and apprentice program

189	228	69
Apprentices	Trainees	Graduates
FY22		
196	200	60
Apprentices	Trainees	Graduates
FY21		
206	170	61
Apprentices	Trainees	Graduates
FY20		



60 new train drivers hit the tracks

Case Study 

Sixty new train drivers have graduated from BHP’s Pilbara Rail Academy Traineeship Program, created last year to meet the growing skills shortage in Western Australia.

BHP’s \$20 million Rail Academy program aims to employ and train 200 new train drivers over the next three years.

More than 70 per cent of the 60 trainee drivers are women and about 20 per cent are Indigenous, as we work to increase diversity and strengthen the capability of our workforce.

After undergoing a 10-month intensive program at BHP’s Port Hedland and Newman operations, all graduates receive nationally recognised qualifications in Certificate IV Train Driving.

They join BHP’s experienced team of drivers who are responsible for operating the company’s WA iron ore train fleet of more than 180 locomotives, which deliver ore across more than 1000 kilometres of track from its Pilbara mines to Port Hedland for export.

Highlights:

\$2.1 million
rail trainee program

60
new train drivers

70% female
& **20%**
Indigenous



South Flank autonomous haulage rolls out

Case Study 

Less than a year after first ore was produced at South Flank, BHP began moving the US\$3.6 billion mine to autonomous haulage.

By September 2023, the entire fleet of 41 Komatsu 930e haul trucks at South Flank will have been converted for autonomous operation, along with about 180 other pieces of equipment that support mining operations including excavators, dozers, front-end loaders, water trucks and site vehicles.

The introduction of autonomous haulage is expected to deliver far-reaching safety, production and equipment utilisation and reliability benefits, and new skills and opportunities for the mining and maintenance teams.

The introduction of autonomous haulage will also open up a new set of career options within BHP, with up to 60 specialist roles being created to ensure the pits are able to run autonomously, and the machines are kept operational. These roles include autonomous haulage system controllers, field officers and service technicians.

Highlights:

BHP's newest
most technically advanced mine

Fully autonomous by September 2023

60
new specialist roles





A regionally based workforce

We are committed to providing opportunities for local people to participate in the resources industry.

We do this by investing in local jobs and commercial business opportunities, and through improving liveability and community outcomes for people living in regional towns.

WA Iron Ore joins FutureFit Academy

Case Study 

BHP's FutureFit Academy is a purpose-built facility designed to set new starters up for success with apprenticeships and traineeships.

Our new apprentices and maintenance associate trainees have already started their full-time learning program in the Perth FutureFit Academy. WA Iron Ore will fully transition to this new training arrangement in a staged approach over the next two years.

In FY23, more than 200 Apprentices and 170 Trainees are expected to enter the Academy.

Upon successful completion of their programs, these BHP FutureFit Academy graduates will be offered roles across WA Iron Ore, Nickel West and Operations Services.

Apprenticeships on offer include Heavy Diesel, Mechanical Fitting, Belt Splicing, Fabrication, Auto Electrical and Electrical.

All of these apprenticeships will be completed at the Perth or Newman campuses.

Highlights looking forward:

200
Apprentices
in FY23

170
Trainees
in FY23

Graduates will be offered roles across **WA Iron Ore, Nickel West and Operations Services**



Nyamal woman Gabby Wilson, BHP's Indigenous trainee, Apprentice or Graduate of the Year, based at South Flank.

Funding children's research to make a difference in the Pilbara

Case Study 

For more than 50 years, Telethon has been raising vital funds that go directly to improving the health and wellbeing of children across Western Australia.

BHP has again contributed \$4 million to this year's donation tally, with our funds going towards a world-first research partnership with Aboriginal families in the Pilbara through our long-term partnership with Telethon Kids Institute (TKI).

This year's donation is part of BHP's five-year \$20 million research partnership with TKI to give kids the best start in life. The Journey Together initiative brings together community, service providers and researchers to co-design new solutions to help improve the health and wellbeing of Aboriginal children and young people.

This project partners directly with Aboriginal families to understand what families and services really need to better support the health and development of their children.

Highlights:

\$4 million
donated to
Telethon 2022

\$20 million
research partnership
with Telethon Kids
Institute

Supporting the
health and
development
of children



Supporting Newman hospital for the East Pilbara region

Case Study 

Residents of Newman and surrounding communities will soon have access to the most modern emergency healthcare available after stage one of the \$61.4 million hospital redevelopment reached practical completion.

The new Newman Health Service, which BHP provided \$15 million funding towards, will have increased capacity to treat critically ill and injured patients, with two new resuscitation bays, three treatment bays and a procedure room.

The facility is telehealth-enabled, providing 24/7 access to a virtual care hub of emergency and other specialists across the Pilbara and in Perth via the highly regarded WA Country Health Service Command Centre. Other health services including physiotherapy, occupational therapy, speech therapy, counselling, community health nursing and mental health will also be provided to the community from fit-for-purpose spaces under the one roof at the facility.

The new health service will also feature several art pieces created by and purchased from Nyiyaparli and Martu artists.

The Newman Health Service is being built next to the existing hospital to ensure minimal disruption to patients, staff and the community. The three-staged redevelopment is expected to be complete in early 2023.

Highlights:

\$61.4 million
Newman hospital redevelopment

\$15 million
of BHP funding

Expected completion
2023



Wind fences set to reduce dust and create jobs

Case Study 

Port Hedland will be home to Australia's first wind fences — which are designed to suppress dust emissions and improve air quality.

Three 30 metre fences stretching two kilometres in length will be erected at Nelson Point and Finucane Island.

Specially designed for the Pilbara's unique weather conditions, the fences are built to withstand cyclones and include mesh panels which reduce wind speeds, shielding ore stockpiles and reducing the potential for dust lift-off.

The Wind Fence project, managed by CIMIC Group's CPG Contractors is part of BHP's \$300 million air quality commitment to manage and minimise dust emissions.

The construction of the wind fences requires the fabrication of 3,000 tonnes of structural steel, with all the fabrication is happening here in WA, in a major boost to local industry. Construction of the wind fences began in August and will take 14 months to complete - subject to BHP and State Government approvals processes.

The investment forms part of our Pilbara Air Quality Program and will abate dust emissions in current operations and ensure no net increases in dust emissions should operations expand over time.


Highlights:

30 metre high fences to help control dust emissions in Port Hedland

150 employees involved in the construction of the project, with up to **10% Indigenous employment**

3000t of structural steel will be fabricated in WA





We endeavour to treat all communities local to our operations with respect and establish open, honest relationships built on trust.

We aim to create social value through the positive social and economic benefits generated by our business, our engagement and advocacy on important issues, and our contribution as community partners.

BHP

Think big.
Today and tomorrow.

bhp.com