



Modern Slavery Statement FY2023

BM Alliance Coal Operations Pty Ltd

This Modern Slavery Statement is made by BM Alliance Coal Operations Pty Ltd ABN 67 096 412 752 (**BM Alliance**) for the period 1 July 2022 to 30 June 2023, pursuant to the Australian *Modern Slavery Act 2018* (Cth) and was approved by BM Alliance's Board of Directors pursuant to section 13(2)(c) of that Act on 7 September 2023.

This Statement refers to the Modern Slavery Statement 2023 (also for the period 1 July 2022 to 30 June 2023) issued by BHP Group Limited for the reporting entities within the BHP Group (**BHP Statement**).¹ The BHP Statement is annexed to this Statement and available online at bhp.com.

Structure, governance and operational arrangements

BM Alliance is an Australian-registered proprietary company and is the manager of the Central Queensland Coal Associates Joint Venture and, until 18 May 2023, the Gregory Joint Venture, known as the BHP Mitsubishi Alliance (**BMA**). BMA was formed in 2001 and produces and supplies metallurgical coal. BM Alliance is owned 50:50 by BHP MetCoal Holdings Pty Ltd (**BHP MetCoal**, a BHP Group entity) and Mitsubishi Development Pty Ltd (**MDP**, a member of the Mitsubishi corporate group, which has also submitted a Modern Slavery Statement under the Australian *Modern Slavery Act 2018*).

Pursuant to the governance and operational arrangements agreed by BHP MetCoal and MDP, BM Alliance has adopted certain structures, policies, standards and processes of the BHP Group with respect to BMA's operations and supply chains. Accordingly, the structures, policies, standards, processes and actions described in the BHP Statement are also applicable to BMA's operations and supply chains. Further, the content of the BHP Statement relating to BHP Group functions and sub-functions (including Sales & Marketing, Procurement, Corporate Affairs and Compliance) and the roles they perform that support BM Alliance is applicable with respect to BMA's operations and supply chains.

Business operations and supply chains

Sites

BMA is headquartered in Brisbane, Australia and operates seven metallurgical coal mines – Goonyella, Riverside, Broadmeadow, Daunia, Peak Downs, Saraji, Blackwater and Caval Ridge – in the Bowen Basin region of central Queensland. There are site offices at each of these locations, as well as in the towns of Moranbah, Dysart and Blackwater.

With the exception of the Broadmeadow underground longwall operation, BMA's mines are open cut. Metallurgical coal (sometimes referred to as 'coking coal') is a black sedimentary rock found within the earth's crust. It is higher in carbon, typically low in moisture and is an essential part of the steel-making process. The use of higher-quality metallurgical coal enables more efficient steelmaking and lower greenhouse gas (GHG) emission intensity, which may help steelmakers in their medium-term GHG emission reduction efforts. A small proportion of BMA's production is sold as energy coal, which is used for electricity generation.

¹ In this Statement, the term 'BHP Group' refers to BHP Group Limited and, except where the context otherwise requires, its subsidiaries (as defined in the basis of preparation to the Financial Statement in the BHP Annual Report 2023, available at bhp.com).

BMA has access to infrastructure, including:

- Moranbah airport in Queensland, which BMA owns and operates but is also used by other parties;
- a multi-user rail network;
- various village, camp and other accommodation facilities across Moranbah, Dysart and Blackwater, which BMA owns and operates, leases or otherwise has contractual arrangements for workers who require accommodation;
- the coal-loading terminal at Hay Point, near Mackay in Queensland, which BMA owns and operates. BMA has contracted capacity at two other multi-user port facilities – the Port of Gladstone (RG Tanna Coal Terminal) and Dalrymple Bay Coal Terminal; and
- water pipelines across the Bowen Basin region.

In February 2023, BHP announced together with MDP its intention to pursue options to divest the Daunia and Blackwater mines. The process for this potential divestment is progressing in line with plans. Additionally, following the sale of the Gregory Crinum Mine on 27 March 2019, and subsequently all the land owned by the Gregory Joint Venture, the dissolution of the Gregory Joint Venture took effect on 18 May 2023.

BMA's workforce

BMA's workforce consists of around 10,000 employees and contractors.^{2 3}

94.6% full-time employees	0.4% casual employees
3.7% part-time employees	55.5% of employees on collective bargaining agreements
1.2% employees on fixed-term full-time contracts	44.5% of employees on non-collective agreements
0.1% employees on fixed-term part-time contracts	29.5% female employee representation

Supply chains

Table 1 sets out BMA's top 10 sourcing countries for non-traded goods and services by spend during FY2023, along with its major procurement taxonomies (i.e., categories) in each country.⁴ For all countries in the top 10, we have identified the top Level 1 taxonomy and for the top five, we have identified Level 2 taxonomy information where spend exceeded US\$100,000. The combined spend for BMA's top 10 sourcing countries represents over 99% of BMA's total procurement spend for FY2023.

Table 1: Top 10 sourcing countries and categories for non-traded goods and services by spend

1. Australia	2. Netherlands	3. Germany	4. Singapore	5. USA
Maintenance, Repair & Operations (MRO):	Major Equipment Purchase:	MRO: <ul style="list-style-type: none"> • Electrical MRO 	Technology: <ul style="list-style-type: none"> • End-user Computing 	MRO: <ul style="list-style-type: none"> • MRO Hardware

² Based on a 'point-in-time' snapshot of *employees* as at 30 June 2023 including employees on extended absence. There is no significant seasonal variation in employment numbers.

³ *Contractor* data is collected from internal organisation systems. Contractor data is averaged for a 10-month period, July 2022 to April 2023.

⁴ Based on supplier country of incorporation, invoice posting date and exclusive of GST/VAT. 'Taxonomy' refers to the products and services classifications under the United Nations Standard Products and Services Code. Refer to the BHP Statement for further information on non-traded goods and services.

<ul style="list-style-type: none"> • MRO Hardware • Drive & Transportation Systems • Electrical MRO 	<ul style="list-style-type: none"> • Major Marine Equipment 		<ul style="list-style-type: none"> • Infrastructure & Security 	<ul style="list-style-type: none"> • Drive & Transportation Systems • Other Fittings
Engineering & Construction: <ul style="list-style-type: none"> • Engineering Consulting • Civil Works • Engineer, Procure, Construct & Manage (EPCM) Contracting 	Freight & Logistics: <ul style="list-style-type: none"> • Marine & Port Freight Services 		Engineering & Construction: <ul style="list-style-type: none"> • Engineering Consulting 	Technology: <ul style="list-style-type: none"> • Applications
Operational Support Services: <ul style="list-style-type: none"> • Mining Production Services • Mobile Equipment Hire • Pre-strip Services 	Engineering & Construction: <ul style="list-style-type: none"> • Marine Construction Services 			Major Equipment Purchase: <ul style="list-style-type: none"> • Ancillary Equipment & Infrastructure • Frame & Body
6. China	7. India	8. New Zealand	9. Canada	10. United Kingdom
Tyres, Wheels & Rims MRO	Technology	Engineering & Construction	Indirect Services	Professional Services

As described in the BHP Statement, BHP also sources ‘trade-related inputs’ (e.g., minerals, metals, chemicals, energy and liquids) to support its operations. In FY2023, BMA purchased electricity and diesel from suppliers incorporated in Australia.⁵ It also executed a purchase of raw coal from a non-BHP Australian mine for use in its production processes.

Modern slavery risks in BMA’s operations and supply chains

The modern slavery risks outlined in the ‘Modern slavery risks’ section of the BHP Statement, as relating to Australia for its operations, and globally for its supply chains, are also relevant to BMA. More specifically, as

⁵ Based on invoice clearing date and inclusive of GST/VAT if applicable.

noted above, BMA's activities, operations and office locations are principally based in Australia, which is classified as low risk of modern slavery according to Verisk Maplecroft data.⁶

As outlined in the BHP Statement, according to Verisk Maplecroft's Industry Risk Analytics, the inherent modern slavery risks in the global mining and coal operations sectors primarily stem from corruption susceptibility, presence of vulnerable groups in certain jurisdictions, presence of unskilled or low-skilled workers in some operations and potential exposure to health and safety risks. However, as noted above, Verisk Maplecroft rates Australia as having a low risk of modern slavery, which aligns with our view that BMA is at low risk of causing or contributing to (within the meaning of the United Nations Guiding Principles on Business & Human Rights (**UNGPs**)) modern slavery practices within its operated assets.

BMA considers that it is more likely to be exposed to (i.e., 'directly linked' per the UNGPs) modern slavery risks through its global supply chain, which includes some medium-risk jurisdictions⁷ and higher-risk jurisdictions⁸ (per Verisk Maplecroft scoring). While over 99 per cent of BMA's direct suppliers of non-traded goods and services are incorporated in Australia, we appreciate that modern slavery risks may remain in extended supply chains.

Table 2 provides a snapshot of higher risk taxonomies in BMA's top 10 sourcing countries (tier one) for non-traded goods and services and where those risks may be compounded due to intersection with high-risk countries (according to Verisk Maplecroft data). We recognise that for some taxonomies, higher-risk countries may exist deeper in the supply chain (not necessarily depicted in the table below) including certain technologies like renewables, which have been linked to allegations of adverse labour conditions and other human rights impacts. We operate in a dynamic external environment in this regard and are committed to working collaboratively with our suppliers to better understand and manage these risks. In FY2023, BHP conducted extended supply chain analysis in discrete cases of elevated risk, which included some renewable energy-related purchases and prospective purchases.

Table 2: High risk taxonomies in BMA's top 10 sourcing countries for non-traded goods and services⁹

Level 1 category	Level 2 category	Higher-risk country
Bulk materials	Construction material	China
Engineering and construction	Engineering consulting	India
Maintenance services	Trade maintenance services	India
Technology	Infrastructure and security	India
Tyres, wheels and rims	Earth moving tyres	China

Actions to address modern slavery risks

The 'Governance and responsibilities', 'Policies and standards', 'Due diligence and risk management in our business activities', 'Due diligence and risk management in our supply chains', 'Building capacity and raising awareness' and 'Remediation' sections of the BHP Statement describe action taken to assess and address modern slavery risks relevant to BMA.

The following BHP Group standards and processes adopted by BM Alliance for BMA and actions taken on behalf of BMA are of particular relevance to understanding and managing modern slavery risks across BMA's operations and supply chains:

⁶ Refer to the BHP Statement for further information on Verisk Maplecroft and how BHP uses it in its due diligence and reporting processes.

⁷ New Zealand, Singapore, the United Kingdom and the United States. Note that the United Kingdom is rated as low risk on Verisk Maplecroft's Child Labour Index. However, it is rated as medium risk on the Modern Slavery Index. Per our approach to due diligence and reporting, where there is a discrepancy between the two indices, we adopt the riskier score.

⁸ China and India.

⁹ Based on supplier country of incorporation. According to Verisk Maplecroft analysis, the elevated modern slavery risks across the countries identified in Table 3 primarily relate to poor internal governance or process indicators (e.g. corruption in law enforcement, inadequately resourced labour inspectorates, inadequate penalties to deter violations) and poor outcome indicators and/or reported violations.

- **Our Code**, BHP Group's code of conduct sets out BHP's values and conduct expectations for all employees and contractors. This includes the requirement to operate in a manner consistent with internationally recognised human rights and standards. The BHP *Our Code* also provides guidance on speaking up and use of EthicsPoint (described below).
- BHP's **Human Rights Policy Statement** provides further detail on its human rights commitments and approach, including how it prioritises its potential human rights impacts. BHP's Human Rights Policy Statement was updated in FY2023 to state BHP's expectations more clearly and was approved by the Board of BHP Group Limited in February 2023.
- **EthicsPoint**, BHP Group's confidential system for reporting misconduct (irrespective of whether the individual making the report has been directly affected by the issue), including a 24-hour, globally accessible multilingual call or online reporting service, with the option to raise a concern anonymously. This is available to the BMA workforce, external stakeholders (including customers and suppliers) and local communities.
- BHP's **Our Requirements for Supply** standard outlines the mandatory application of BHP's *Minimum requirements for suppliers* (MRS). The MRS sets out substantive and procedural requirements relating to (amongst other things) supplier due diligence, child labour, forced labour, human trafficking and grievance mechanisms for suppliers of non-traded goods and services to BHP. All of BHP's standard contract templates for non-traded goods and services contain a clause requiring adherence to the MRS.
- In FY2023, all BHP operated assets, and BMA, and certain exploration regions globally completed **Human Rights Baseline Studies**, which seek to provide an objective baseline of the external context in the regions in which BHP operates. Key findings relating to the Australian context were that human rights are protected through a broad framework of federal, state and territory laws and there is active human rights advocacy in Australia. Workers' rights within the mining sector continue to be in focus, with an emphasis on physical and mental health, safety, sexual harassment, fly-in, fly-out (FIFO) workforces and discrimination against marginalised groups including Indigenous peoples and women.
- Building on the findings of the baseline studies, BHP is progressing **Human Rights Impact Assessments** specific to its operated assets and BMA and certain exploration regions globally, with completion planned for FY2024. These assessments seek to compare asset and exploration plans with the external context to identify and prioritise potential and actual human rights risks, impacts and opportunities.
- **Ethical Supply Chain & Transparency Framework:**
 - As described in the BHP Statement, in late FY2022 BHP's Compliance sub-function assumed second-line accountability to develop and oversee implementation of an enhanced framework for modern slavery risks in the non-traded goods and services supply chain and aspects of the trade-related supply chain. This has aligned modern slavery with other key areas managed by Compliance, such as anti-corruption, sanctions and whistleblowing.
 - Key measures progressed in FY2023 included:
 - rolling out a new supplier risk assessment tool and updated underlying methodology, which applies at the point of onboarding and covers modern slavery, corruption and sanctions risks;
 - establishing a process for enhanced desktop due diligence on certain higher-risk suppliers;
 - progressing modern slavery updates to BHP's supplier onboarding form (planned to go-live in FY2024);

- finalising a new modern slavery contractual clause for several of BHP’s template contracts for non-traded goods and services;
 - designing new triggers in the contract approval process for non-traded goods and services modern slavery review (planned to go-live in FY2024); and
 - arranging audits for select higher risk suppliers. Twelve of the 19 audits completed in FY2023 related to suppliers who provide goods and services to BMA.
- As described in the BHP Statement, BHP’s **Responsible Minerals Program** is aligned with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. The program applies to BHP’s operated assets and BMA and requires fit-for-purpose due diligence with respect to upstream minerals and metals supply chains for these assets and third-party trading activities. For BMA, the program considered the purchase of raw coal from other, non-BHP operated Australian mines (assessed as low risk in the Responsible Minerals Program due diligence) for use in the operations at BMA. Further information is available in BHP’s [Responsible Minerals Policy](#) and will be available in the Responsible Minerals Program Step 5 Report on minerals and metals supply chain due diligence, which BHP intends to publish later in CY2023.
 - Modern slavery capacity building, awareness raising and human rights training as described in the BHP Statement.

These standards and processes to help assess and address BMA’s modern slavery risks and their application are more fully described in the BHP Statement.

Assessing effectiveness

The ‘Assessing effectiveness’ section of the BHP Statement describes BHP’s actions in relation to, and the challenges associated with assessing the effectiveness of modern slavery programs. Aligned with BHP Group processes, assessing effectiveness for BMA in FY2023 included:

- developing and documenting the BHP Ethical Supply Chain & Transparency Framework, which involved regular reflection on risks and effectiveness of key controls;
- undertaking the modern slavery risk evaluation described in the ‘Building capacity and raising awareness’ section of the BHP Statement;
- reporting to and seeking feedback from BHP’s Executive Leadership Team and the BHP Group Limited Board’s Sustainability Committee on the Ethical Supply Chain & Transparency Framework and associated issues;
- engaging with external stakeholders through the BHP Forum on Corporate Responsibility, which comprises independent civil society leaders in various fields, including human rights. In FY2023 the Forum considered the Responsible Supply Chains pillar of BHP’s social value scorecard for its 2030 goals, which are focused on six pillars that include workforce, communities and supply chains; and
- engaging with specialist external advisors and considering civil society benchmarking and guidance material available in this space.

Consultation

BM Alliance does not control or own any entities. Therefore, the reporting criterion in section 16(f)(i) of the Australian *Modern Slavery Act 2018* is not applicable. Notwithstanding, this Statement was prepared by and in consultation with key BHP Group personnel that participate in the risk management and governance processes of the BHP Group that have been adopted by BM Alliance with respect to BMA’s operations and supply chains. This Statement was also reviewed by MDP prior to its approval and publication.



Digitally signed by Adrian Wood
DN: cn=Adrian Wood, c=AU,
email=adrian.wood@bhp.com
Reason: Director. I agree to the terms defined
by the placement of my signature on this
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BHP

Modern Slavery Statement

2023

Bringing people and
resources together to
build a better world



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BHP Modern Slavery Statement 2023

BHP Group Limited. ABN 49 004 028 077. Registered in Australia. Registered office and global headquarters: 171 Collins Street, Melbourne, Victoria 3000, Australia.


This publication is BHP's Slavery and Human Trafficking Statement (United Kingdom) and Joint Modern Slavery Statement (Australia) (together, Statement) for the financial year ended 30 June 2023. This Statement is made pursuant to section 54(1) of the UK Modern Slavery Act 2015 and section 14(1) of the Australian Modern Slavery Act 2018 (Cth) and was approved by the Board of BHP Group Limited on 22 August 2023. For the purposes of the Australian Modern Slavery Act, the reporting entities covered by this Statement are identified in Appendix 1 and BHP Group Limited's approval was given as the 'higher entity' within the meaning of section 14(2)(d)(ii) of the Australian Modern Slavery Act.

In this Statement, the terms 'BHP', the 'Company', the 'Group', 'our business', 'organisation', 'we', 'us', 'our' and 'ourselves' refer to BHP Group Limited and its subsidiaries as defined in the basis of preparation to the Financial Statements in our Annual Report 2023. Subject to the position outlined below regarding OZ Minerals Limited (OZ Minerals), this Statement covers functions, major projects and assets that have been wholly owned and/or operated by BHP or owned as a BHP-operated joint venture ('operated assets' or 'operations') from 1 July 2022 to 30 June 2023.¹ We use the term 'business' to describe those functions and assets, as well as other activities undertaken by the Group. We adopt the Australian Modern Slavery Act's definition of 'modern slavery', which captures trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services, and the worst forms of child labour. We consider this definition suitable to align with the intended interpretation of slavery and human trafficking in the UK Modern Slavery Act.

On 2 May 2023, we completed a transaction to acquire 100 per cent of the shares in OZ Minerals. OZ Minerals prepared a Modern Slavery Statement regarding its modern slavery risks and actions to assess

and address those risks for the period 1 January 2022 to 31 December 2022. As the transaction completed towards the end of BHP's reporting period, we have reported on the modern slavery risks and actions relevant to the OZ Minerals business at a high level in this Statement. Unless otherwise stated, the operational and supply chain data and content presented in this Statement does not include OZ Minerals. Given the timing of the acquisition, our knowledge and understanding of the modern slavery risks associated with the OZ Minerals business is developing and ongoing. We intend to align OZ Minerals' and BHP's financial reporting periods at 30 June 2024 and report on the modern slavery risks associated with the OZ Minerals business more fully and on an 18-month basis in our next Statement.

BHP also holds interests in joint venture assets that are not operated by BHP (referred to in this Statement as 'non-operated joint ventures', 'NOJVs' or 'non-operated' assets). Non-operated assets are not included in the BHP Group and as a result, statements regarding our operations, assets and values apply only to our operated assets, unless stated otherwise. Data for non-operated assets is not presented here. However, this Statement includes a description of how we generally approach risks, including with respect to modern slavery, in relation to our interests in non-operated assets and other investments.

 **For more information on our non-operated joint ventures refer to the BHP Annual Report 2023 Operating and Financial Review 5 (Our assets)**

In addition to BHP's internal verification process, our external auditors – Ernst & Young Australia – have provided limited assurance over this Statement (refer to Appendix 2).

¹ References in this Statement to a 'joint venture' are used for convenience to collectively describe assets that are not wholly owned by BHP. Such references are not intended to characterise the legal relationship between the owners of the asset.



Key areas of action in FY2023

Launched new due diligence tool

Our new due diligence tool combines modern slavery, corruption and sanctions risk assessment for suppliers



For more information see page 15

Completed Human Rights Baseline Studies

Our Global Community, Social Investment and Human Rights team coordinated Human Rights Baseline Studies for all operated assets in FY2023 and certain exploration sites



For more information see pages 13-14

Observed third-party supplier audits

Members of our Compliance team accompanied our third-party auditor on two supplier audits



For more information see page 17

Implemented second-line modern slavery compliance

Our Compliance team established the Ethical Supply Chain and Transparency (ESCT) Framework and continued efforts to operationalise modern slavery compliance as a second-line function within BHP



For more information see pages 15-16

Published Responsible Minerals Policy

Our Marketing Sustainability team commenced implementation of the OECD-aligned due diligence management system with our minerals and metals supply chain, including publishing our Responsible Minerals Policy



For more information see page 17



BHP has a long-standing commitment to human rights. We are committed to playing our role in combatting modern slavery – a global challenge that must be tackled in every industry and across the supply chain. We pursue year-on-year improvements and collaboration in our approach to identify and respond to this risk.

I am pleased to present this Statement and thank BHP’s people, suppliers and other stakeholders for their hard work in tackling this important issue.”

Mike Henry
Chief Executive Officer





How we have addressed reporting criteria

The table below sets out where in this Statement we have addressed the mandatory reporting criteria under the Australian Modern Slavery Act and the recommended reporting criteria under the UK Modern Slavery Act.

UK Modern Slavery Act recommended reporting criteria	Australian Modern Slavery Act mandatory reporting criteria	Addressed in this Statement	
		Section	Summary
Organisation's structure, its business and its supply chains	Identify each reporting entity covered by the joint statement	Appendix 1	<ul style="list-style-type: none"> List of 'reporting entities'
	Describe the structure, operations and supply chains of each reporting entity covered by the joint statement	Our structure, business and supply chains	<ul style="list-style-type: none"> Major business activities in FY2023 Business model infographic Non-operated joint ventures, social investment and financial investments People infographic Locations map Supplier spend and payments tables
Parts of the organisation's business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps it has taken to assess and manage that risk	Describe the risks of modern slavery practices in the operations and supply chains of each reporting entity covered by the joint statement and any entities that each of those reporting entities owns or controls	Modern slavery risks Our actions to address modern slavery risks	<ul style="list-style-type: none"> Business activities Higher-risk taxonomy table Governance structure Human Rights Policy Statement Human Rights Baseline Studies and Impact Assessments Responsible mining standards ESCT Framework Updated risk methodology and supplier due-diligence tool Supplier audits Responsible Minerals Program Guest speaker and internal engagement EthicsPoint and community complaints mechanisms
Organisation's policies in relation to slavery and human trafficking; its due diligence processes in relation to slavery and human trafficking in its business and supply chains Training about slavery and human trafficking available to the organisation's staff	Describe the actions taken by each reporting entity covered by the joint statement and any entities that each of those reporting entities owns or controls to assess and address these risks, including due diligence and remediation processes	Our actions to address modern slavery risks	<ul style="list-style-type: none"> Governance structure Policies and standards Human Rights Policy Statement Human Rights Baseline Studies and Impact Assessments Responsible mining standards ESCT Framework Updated risk methodology and supplier due-diligence tool Supplier audits Responsible Minerals Program Guest speaker and internal engagement EthicsPoint and community complaints mechanisms Online human rights and <i>Our Code of Conduct</i> training
Organisation's effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate	Describe how each reporting entity covered by the joint statement assesses the effectiveness of actions being taken to assess and address modern slavery risks	Assessing effectiveness	<ul style="list-style-type: none"> ESCT Framework Risk evaluation process Internal reporting and analysis Supplier audits Human Rights Policy Statement review
	Describe the process of consultation with each reporting entity covered by the joint statement and with any entities that each of those reporting entities own or control	Consultation and collaboration	<ul style="list-style-type: none"> Centralised management structure Modern Slavery Statement Working Group External engagement Participation in review of Australian Modern Slavery Act
	Any other relevant information	Looking back and forward	<ul style="list-style-type: none"> Progress against FY2022 intentions FY2024 intentions



Our structure, business and supply chains

BHP is a global natural resources company. We extract, process and explore for metals and minerals, including copper, iron ore, nickel and coal (predominately metallurgical coal) and are moving into potash. These commodities are essential for everyday life and responsible economic development, and many are key to a lower carbon world.

Sustainability is key to our purpose of bringing people and resources together to build a better world and playing our part in combatting modern slavery is part of how we seek to achieve our purpose.

 For more information on BHP's approach to and definition of sustainability refer to the BHP Annual Report 2023 Operating and Financial Review 6 (Sustainability) and Additional information 10.4 (Glossary; Other terms)



Structure

BHP Group Limited is the sole parent company of the BHP Group and is headquartered in Melbourne, Australia.

BHP Group Limited is incorporated in Australia and has a primary listing on the Australian Securities Exchange (ASX) (ticker BHP), a standard listing on the London Stock Exchange (LSE) (ticker BHP), a secondary listing on the Johannesburg Stock Exchange (ticker BHG) and an American Depositary Receipt program listed on the New York Stock Exchange (ticker BHP). The BHP Group is led by BHP Group Limited's Board of Directors and management team.

In FY2023, we operated our business under two main divisions:

- Minerals Australia, comprising our iron ore, copper, coal and nickel assets in Western Australia, Queensland, New South Wales and South Australia
- Minerals Americas, comprising our copper and potash assets and projects in Chile and Canada

We also have non-operated joint venture copper and iron ore interests in the United States, Peru and Brazil.

These divisions are supported by our global functions, including:

- Commercial, which includes our Sales and Marketing, Maritime, Procurement and Global Business Services teams (among others)
- External Affairs, which includes our Legal, Ethics and Investigations, Compliance and Corporate Affairs teams (among others)
- Finance, which includes our Risk and Internal Audit teams (among others)
- Human Resources
- Portfolio Strategy and Development

 Refer to page 6 for a map of our locations

Consistent with our strategy to secure growth in future facing commodities, in FY2023 BHP:

- completed the purchase of OZ Minerals on 2 May 2023 (a copper-focused resources company headquartered in South Australia with operating mines in South Australia and Brazil)
- progressed construction at our Jansen Potash Project in Saskatchewan, Canada
- announced our intention to sell two Queensland coal mines (Blackwater and Daunia) operated through the BHP Mitsubishi Alliance (BMA) consistent with our strategy to focus our portfolio on higher quality metallurgical coal sought-after by global steelmakers to support greater efficiency and lower greenhouse gas emissions in their operations

Business model

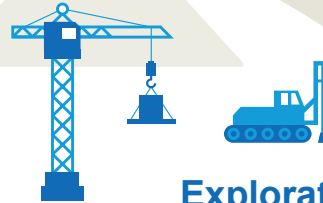
Development and mining

We strive to achieve the industry's best performance in safety, operational excellence, project management and allocation of capital.



Exploration and acquisition

We seek to add high-quality Tier 1 copper and nickel interests through our exploration activities and early-stage entry and acquisition options.



Our strategy

We will responsibly manage the most resilient long-term portfolio of assets, in highly attractive commodities, and will grow value through being excellent at operations, discovering and developing resources, acquiring the right assets and options, and capital allocation.

Through our differentiated approach to social value, we will be a trusted partner who creates value for all stakeholders.

Closure and rehabilitation

We consider closure and rehabilitation throughout the asset life cycle to help minimise our impact and optimise post-closure value for all.



Process and logistics

We process and refine ore, safely manage waste and efficiently and sustainably transport our products to customers.



Sales, marketing and procurement

We maximise value through our centralised marketing and procurement organisations, commercial expertise, understanding of markets and customer and supplier relationships.





Other business activities

BHP's principal operations continue to be complemented by additional activities, including:

- **Non-operated joint ventures:** In FY2023, our non-operated joint ventures included Antamina in Peru (33.75 per cent ownership, copper), Resolution Copper in Arizona, United States (45 per cent ownership, copper) and Samarco in Brazil (50 per cent ownership, iron ore).
- **Social investment:** Social investment is BHP's voluntary contribution towards projects or donations with the primary purpose of contributing to the resilience of the environment and the communities where we operate aligned with our broader business priorities. One of our social investment activities is funding the BHP Foundation, a separate charitable entity headquartered in the United States with its own management and operations. The BHP Foundation works with 35 partner organisations across 65 countries to address some of the world's most complex social and environmental challenges.
- **Financial investments:** BHP Ventures is BHP's dedicated venture capital unit. We seek to take non-operating stakes in innovative technologies and emerging companies to help drive sustainable development and advance decarbonisation technologies.

 For more information on our portfolio companies refer to bhp.com/about/our-businesses/ventures

People

Our people are the foundation of our business. BHP has around 80,000 employees and contractors globally, primarily in Australia and the Americas.^{1,2,3}

95.1%

Full-time employees

2.9%

Part-time employees

1.8%

Employees on fixed-term full-time contracts

0.1%

Employees on fixed-term part-time contracts

0.2%

Casual employees

538

Apprentices and trainees trained by FutureFit Academy, with 227 graduating⁴

49.3%

Employees covered by collective bargaining agreements

50.7%

Employees on non-collective agreements

35.2

Female employee representation

- 1 Based on a 'point-in-time' snapshot of employees as at 30 June 2023 including employees on extended absence. There is no significant seasonal variation in employment numbers.
- 2 Contractor data is collected from internal organisational systems. Contractor data is averaged for a 10-month period, July 2022 to April 2023.
- 3 This does not include employees and contractors that transitioned from the OZ Minerals business via acquisition on 2 May 2023, (1457 employees at 30 June 2023 and around 4000 contractors on average during FY2023), these employees and contractors are included in the overall BHP employee reporting from FY2024.
- 4 525 apprentices and trainees from the FY2023 intake were still with the FutureFit Academy at 30 June 2023 and remainder from the FY2022 intake that have not yet graduated.



Locations (includes non-operated assets)[†]

Minerals Australia

Copper
South Australia
 South Australia
Western Australia Iron Ore
 Western Australia

New South Wales Energy Coal
 New South Wales
BHP Mitsubishi Alliance
 Queensland
Nickel West
 Western Australia

Minerals Americas

Escondida
 Chile
Pampa Norte
 Chile
Antamina*
 Peru

Samarco*
 Brazil
Jansen Potash Project
 Canada
Resolution Copper*
 United States



BHP principal office locations

Adelaide
 Minerals Australia office, Australia
 Copper South Australia
Belo Horizonte
 Minerals Americas office, Brazil
Brisbane
 Minerals Australia office, Australia
Gurgaon
 Corporate office, India
Iquique
 Minerals Americas office, Chile

Kuala Lumpur
 Global Business Services,
 Malaysia
Lima
 Metals exploration office, Peru
London
 Corporate office, United Kingdom
Manila
 Global Business Services,
 Philippines

Melbourne
 Global headquarters, Australia
Perth
 Minerals Australia office, Australia
Quito
 Metals exploration office, Ecuador
Santiago
 Minerals Americas office, Chile
Saskatoon
 Minerals Americas office, Canada
Shanghai
 Corporate office, China

Singapore
 Marketing and corporate office
Tokyo
 Corporate office, Japan
Toronto
 Metals exploration office, Canada
Tucson
 Metals exploration office,
 United States
Washington DC
 Corporate office, United States

* Non-operated asset
[†] Excludes OZ Minerals sites

Resource mix





Supply chains

BHP's suppliers are integral partners in achieving our purpose to bring people and resources together to build a better world. Our supply network largely reflects our operational footprint, meaning most of our supplier spend in FY2023 continued to be in the countries where we have operated assets. The precise form of our supplier relationships varies according to the nature, term and value of each engagement, including for example, a long-form contract with tailored terms and conditions, a short-form contract or a purchase order. All our strategic supplier relationships are underpinned by multi-year contractual arrangements and where possible, mutually agreed performance metrics.

Our inbound supply chain¹ is made up of two categories:

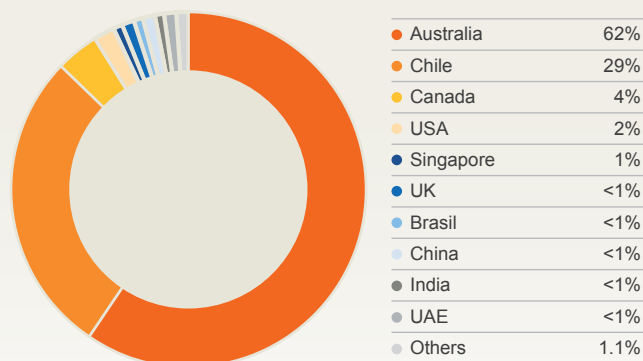
- **non-traded goods and services**, comprising goods and services sourced by our Procurement team, which do not form part of BHP's finished product portfolio, along with some specialist asset-level purchases. Non-traded goods and services represent the majority of BHP's overall purchasing activity
- **trade-related inputs**, comprising minerals and metals (which we either on-sell as part of our trading activities or use in our own production processes as structural feed), chemicals, energy, liquids and utilities sourced by specialist teams within our Commercial function. BHP also engages third parties to support with the performance of certain supply chain activities, such as the provision of maritime, ground and air freight services, to enable the movement of products to and from our operated assets.

¹ 'Inbound' refers to the movement of goods/provision of services to BHP's functions and operated assets.

Non-traded goods and services

Figure 1 shows the sourcing country breakdown of BHP's total spend on non-traded goods and services for FY2023.²

Total Procurement spend in FY2023



² Based on supplier country of incorporation and invoice posting date (i.e. date on which the supplier invoice is posted into BHP's system). Exclusive of GST/VAT. All percentage figures are rounded to the nearest whole number. 'Others' includes all other countries which BHP buys from, as well as BHP's spend with one-time vendors, who are not assigned to a country.





Table 1 shows our top 10 sourcing countries for non-traded goods and services during FY2023, along with our major taxonomies in each country.¹ Taxonomy refers to the products and services classifications under the United Nations Standard Products and Services Code (UNSPSC).² For the top five sourcing countries (i.e. Australia, Chile, Canada, United States and Singapore) we have identified the top three Level 1 (i.e. broader) and Level 2 (i.e. narrower) UNSPSC information or where our spend exceeded US\$1 million on a particular category with a supplier incorporated in that country. For other countries, we have identified the top Level 1 and Level 2 UNSPSC information or where our spend exceeded US\$1 million on a particular category with a supplier incorporated in that country. The combined spend for our top 10 sourcing countries represents more than 98 per cent of BHP's total Procurement-managed purchases for FY2023.

Table 1: Top 10 sourcing countries by spend

<p>1. Australia</p> <p>Engineering and construction</p> <ul style="list-style-type: none"> – Engineering consulting – Civil works – Industrial plant construction services <p>Maintenance, repair and operations (MRO)</p> <ul style="list-style-type: none"> – MRO hardware – Drive and transportation systems – Electrical MRO <p>Professional services</p> <ul style="list-style-type: none"> – Contingent commercial labour – Human resources services – Financial services 	<p>2. Chile</p> <p>Utilities</p> <ul style="list-style-type: none"> – Electric utilities – Gas utilities – Utilities other <p>MRO</p> <ul style="list-style-type: none"> – MRO hardware – Drive and transportation systems – Electrical MRO <p>Maintenance services</p> <ul style="list-style-type: none"> – Specialist equipment maintenance services – Maintenance and repair contract – Trade maintenance services 	<p>3. Canada</p> <p>Engineering and construction</p> <ul style="list-style-type: none"> – Engineering consulting – Industrial plant construction services – Civil works <p>Major equipment purchase</p> <ul style="list-style-type: none"> – Ancillary equipment and infrastructure – Major primary processing equipment – Major minerals processing equipment <p>Freight and logistics</p> <ul style="list-style-type: none"> – Marine and port freight services
<p>4. United States</p> <p>Technology</p> <ul style="list-style-type: none"> – Applications – Technology consulting – Infrastructure and security <p>Engineering and construction</p> <ul style="list-style-type: none"> – Engineering consulting – Civil works – Pipeline construction and installation services <p>Major equipment purchase</p> <ul style="list-style-type: none"> – Ancillary equipment and infrastructure – Major minerals processing equipment – Major power sources 	<p>5. Singapore</p> <p>Technology</p> <ul style="list-style-type: none"> – Infrastructure and security – End-user computing – Technology consulting <p>Indirect services</p> <ul style="list-style-type: none"> – Facilities management <p>Professional services</p> <ul style="list-style-type: none"> – Human resources services – Management consulting 	<p>6. United Kingdom</p> <p>Professional services</p> <ul style="list-style-type: none"> – Financial services – Legal services – Human resources services
<p>7. China</p> <p>Travel and accommodation</p> <ul style="list-style-type: none"> – Ground transport³ 	<p>8. India</p> <p>Technology</p> <ul style="list-style-type: none"> – Infrastructure and security 	<p>9. Brazil</p> <p>Professional Services</p> <ul style="list-style-type: none"> – Legal services – Management consulting services

10. United Arab Emirates

- Bulk materials**
- Construction material

1 Based on supplier country of incorporation and invoice posting date.
 2 The United Nations Standard Products and Services Code, managed by GS1 US for the UN Development Programme, is an open, global, multi-sector standard for classification of products and services.
 3 This category includes suppliers of ore cars, ore car components and coal wagons.



Trade-related inputs

Table 2 shows the country (including percentage of overall payments) and category breakdown for BHP's trade-related energy purchases in FY2023.¹

Table 2: Trade-related inputs

1. Australia (77%)

Diesel: Diesel fuel supply (required to enable and optimise the extraction, transport and processing of our resource base)

Electricity: Electricity supply (required to enable and optimise the extraction, transport and processing of our resource base)

Natural gas: Natural gas supply (required to enable and optimise the extraction, transport and processing of our resource base)

Liquid petroleum gas: Liquid petroleum gas supply (required to enable and optimise the extraction, transport and processing of our resource base)

2. Chile (20%)

Diesel: Diesel fuel supply (required to enable and optimize the extraction, transport and processing of our resource base)

3. Singapore (3%)

Marine fuels: Marine fuel required for the bunkering (i.e. supplying of fuel) of chartered vessels

4. The Netherlands (<1%)

Marine fuels: Marine fuel required for the bunkering (i.e. supplying of fuel) of chartered vessels

In FY2023, the majority of chemicals sourced by BHP's Sales and Marketing team for use in our copper production processes were sourced from Chile (61 per cent).² Other sourcing countries were the United States, Japan, Switzerland, Peru, Singapore and China.³ The purchases from Switzerland, the United States and Singapore represent volumes transacted with traders incorporated in those countries, who could have purchased the chemicals from other countries (including South Korea, Mexico and Poland) in addition to their countries of incorporation.

Information on our minerals and metals purchases will be provided in BHP's Responsible Minerals Program Step 5 Report,⁴ which we intend to publish before the end of CY2023 in accordance with the OECD Guidance. However, at a high level, in FY2023, those purchases primarily related to raw minerals and metals from other non-BHP operated Australian mines acquired for use in our operations at Nickel West and BMA. We also executed a small number of purchases of copper from international commodity traders and miners as part of our third-party trading activity (which did not form part of BHP's products). Details regarding the country of origin of these purchased minerals and metals will be contained in the Step 5 Report.



¹ Based on supplier country of incorporation and invoice clearing date, rounded to nearest whole number. Inclusive of GST/VAT if applicable. Excluding intercompany transactions. Note, due to a systems difference, this data is prepared on a different basis to the non-traded goods and services purchases. Invoice clearing date refers to the date on which the invoice amount was paid to the vendor.

² Based on supplier country of incorporation and invoice clearing date, rounded to nearest whole number. Inclusive of GST/VAT if applicable.

³ Based on supplier country of incorporation and invoice clearing date. Inclusive of GST/VAT if applicable.

⁴ The purpose of the Step 5 Report is to describe our risks and controls relating to minerals and metals supply chain due diligence aligned with the OECD's 5 step risk-based framework.



Modern slavery risks

BHP is committed to operating in a manner consistent with the United Nations Guiding Principles on Business and Human Rights (UNGPs). The UNGPs describe the corporate responsibility to respect human rights and the 'cause, contribute, direct linkage' continuum, which the guidance to the Australian Modern Slavery Act adopts.

We are continuing to work on integrating the UNGPs internally. In FY2023, we used the 'cause, contribute, direct linkage' continuum to inform our modern slavery risk evaluation processes. Our people in relevant roles also use the continuum (and the UNGPs more broadly) in raising human rights and modern slavery awareness, providing advice and considering governance arrangements.

In this Statement, unless stated otherwise, we describe our inherent modern slavery risks by reference to Verisk Maplecroft country scoring.¹ We also use this data in our compliance due diligence systems.



Refer to page 15 for more information on BHP's updated modern slavery risk methodology

In our business

Operated assets and corporate offices

In FY2023, we had operated mining assets in three countries² and corporate offices managed by our Property and Workplace and External Affairs teams in 14 countries.³

According to Verisk Maplecroft's Industry Risk Analytics, the inherent modern slavery risks in the global mining sector primarily stem from the sector's corruption susceptibility, presence of vulnerable groups in certain jurisdictions, presence of unskilled or low-skilled workers in some operations and potential exposure to health and safety risks. However, Verisk Maplecroft rates the countries where we operated mining assets in FY2023 (Australia, Canada and Chile) as having low or medium risk of modern slavery, which aligns with our view that we have a low risk of causing or contributing to modern slavery practices within our operated assets.⁴ All three countries are also considered 'low' on the TDi Sustainability Conflict-Affected and High-Risk Areas index.⁵ We had no reported artisanal and small-scale mining⁶ on or adjacent to any of our operated assets that were operating in FY2023, which is a practice considered to be higher risk of modern slavery practices such as child labour.⁷ However, we are aware of the presence of some artisanal and small-scale mining activity at one of the OZ Minerals sites in Brazil. The site is not currently operating.

We appreciate our corporate offices are not immune to modern slavery risks – mainly due to touchpoints with higher-risk sectors, such as cleaning and information technology services. According to Verisk Maplecroft data, some of the countries where we have corporate offices attract higher modern slavery risk ratings.⁸ However, we consider that in practice these office activities present a lower risk of causing or contributing to modern slavery practices than our operated mining assets given the nature of the activities conducted, which include legal, accounting, communications, human resources, risk management, administrative support and economic analysis.

As BHP pursues growth in future-facing commodities like copper and nickel, we may begin operating in new jurisdictions. Our assessment of activities and partnerships in new jurisdictions considers a range of relevant risks and mitigations, including human rights, modern slavery and corruption using relevant indices and analysis and with the input of experts with local insights.

Non-operated assets, the BHP Foundation and BHP Ventures

BHP holds interests in non-operated mining joint ventures in Peru, Brazil and the United States. While those sites have their own operating and management standards, we acknowledge for the purposes of this Statement that Peru and Brazil both attract high-risk scores from Verisk Maplecroft. In Peru, the prospect of modern slavery risks in the mining sector principally relates to the presence of child labour in certain supply chains and children working at artisanal and small-scale gold mines. In Brazil, the main source of the risk is debt bondage schemes in rural and urban areas and exploitation of vulnerable migrant groups.

Given its mission to address some of the world's most critical sustainable development challenges, the BHP Foundation is exposed from time to time, through its funded projects, to jurisdictions that may pose higher modern slavery risks.

All of the companies where we have invested through BHP Ventures are headquartered in low- or medium-risk jurisdictions for modern slavery practices (e.g. Canada, the United Kingdom and the United States) and we partner with established co-investors. We conduct tailored compliance and legal due diligence on proposed investments, which may involve consideration of supply chain and ethical sourcing practices as applicable. We also undertake risk-based monitoring and engagement on investments. During FY2023, our Ventures team added five new investments to our portfolio and have provided these companies with information regarding ethical supply chain practices.

¹ Verisk Maplecroft is a subscription service. We use two of Verisk Maplecroft's risk indices in our supplier due diligence – the Modern Slavery Index and the Child Labour Index. Where there is a difference in country scores between the two indices, we adopt the riskier of the two.

² Australia, Chile and Canada.

³ Australia, United Kingdom, United States, Singapore, India, the Philippines, Malaysia, China, Japan, Brazil, Chile, Peru, Ecuador and Canada.

⁴ Note, Chile is rated as low risk on Verisk Maplecroft's Modern Slavery Index. However, it is rated as medium risk on the Child Labour Index. As per our approach to due-diligence and reporting, where there is a discrepancy between the two indices, we adopt the riskier score.

⁵ TDi CAHRA | TDi Sustainability (tdi-sustainability.com).

⁶ BHP uses the International Council for Mining and Metals (ICMM) conception of artisanal and small-scale mining as mining activities that are 'labour-intensive and capital-, mechanisation- and technology-poor'. More information can be found on the ICMM website.

⁷ US Department of Labor, 2022 List of Goods Produced by Child Labor or Forced Labor (2022), available online at List of Goods Produced by Child Labor or Forced Labor | U.S. Department of Labor (dol.gov).

⁸ India, the Philippines, Malaysia, China, Brazil and Peru.



OZ Minerals

BHP acquired OZ Minerals on 2 May 2023 and is integrating OZ Minerals into our corporate structure. Integration is an ongoing process that will take time.

Based on our early integration work, which has included a desktop review of OZ Minerals' vendor list and consideration of OZ Minerals' operating jurisdictions against Verisk Maplecroft data, our preliminary understanding is that, in terms of operations, the former OZ Minerals assets face similar kinds of inherent modern slavery risks as BHP's operated assets or non-operated joint venture interests due to the location of mining assets in Australia and Brazil, which are rated low and high risk respectively by Verisk Maplecroft.

OZ Minerals' suppliers reflect its operational footprint and are mainly split across Australia and Brazil. Refer to OZ Minerals' 2022 Modern Slavery Statement (available at bhp.com/sustainability) for information on OZ Minerals' operations, supply chains and modern slavery initiatives during the reporting period 1 January 2022 to 31 December 2022.

Given the timing of the OZ Minerals acquisition, BHP is still in the process of integrating OZ Minerals into the BHP corporate structure. In late

FY2023, BHP completed an interim, risk-based exercise to screen and conduct due diligence over suppliers to OZ Minerals' Brazilian operations. This involved a third-party provider conducting a one-off combined modern slavery, corruption and sanctions risk review on suppliers to OZ Minerals' Brazil operations. A small number of suppliers were identified through that exercise as having potential risks based on historical modern slavery-related enforcement action or potential exposure to forced labour through their extended supply chains. At the time of screening, no suppliers appeared on the Brazilian Ministry of Labor and Employment's 'Register of Employers' (Cadastro de Empregadores – 'Lista Suja'), which identifies companies that have been the subject of administrative action relating to slave labour. The same external provider will undertake combined modern slavery, corruption and sanctions due diligence for all new suppliers to the Brazilian operations. BHP's Compliance team is working to further understand OZ Minerals' specific risks in relation to suppliers. We expect our understanding of these risks and actions will likely continue to evolve following publication of this Statement. We intend to report on OZ Minerals more fully in our FY2024 Statement.

In our supply chains

We consider the potential for BHP to be directly linked to modern slavery through our supply chain presents our greatest modern slavery-related risk. The main sources of those risks are higher-risk geographies and higher-risk sectors. In terms of specific modern slavery practices, our potential exposure includes forced labour as the predominant form of modern slavery worldwide (according to the International Labour Organization, Walk Free and International Organization for Migration's latest estimates).¹

Country risks

While we appreciate modern slavery risks exist in our extended supply chain, our current focus is on our tier one (i.e. direct) suppliers, including those suppliers' third-country manufacturing sites. For an organisation with as many and varied suppliers as BHP, we believe this is the best use of our resources when issues such as access to information and ability to drive tangible improvements are considered. However, in FY2023 began to review select supply chains beyond tier one in discrete cases of elevated risk, such as certain renewable energy-related purchases and prospective purchases.

As Figure 1 and Table 1 show, while the majority of BHP's spend on non-traded goods and services in FY2023 was with suppliers incorporated in low- or medium-risk countries,² less than 4 per cent was with suppliers incorporated in countries rated higher risk by Verisk Maplecroft.³

We also recognise a suppliers' country of incorporation may not be the same as the country of manufacture, which is why our supplier audit program is currently focused on third-country manufacturing sites (such as plants, factories and foundries).

 **Refer to pages 15-16 for more information on that program**

Table 2 and associated descriptions show a similar inherent risk profile for our trade-related inputs – i.e. Australia and/or Chile (being rated low and medium risk respectively⁴) are where most of our energy and chemicals payments are directed. However, some higher-risk source countries are present.⁵ We also acknowledge the presence of higher-risk countries⁶ in the supply chains extending beyond the chemicals volumes we transact with commodity traders, who essentially occupy an intermediary position between buyers and producers.

Taxonomy risks

BHP does not consider supplier modern slavery risk solely on a geographic basis. We use our updated modern slavery risk methodology and new supplier due diligence tool (explained further below) to apply a taxonomy (i.e. sector/industry) lens in our risk identification activity.

¹ International Labour Organization, Walk Free and the International Organization for Migration, Global Estimates of Modern Slavery: Forced Labour and Forced Marriage (September 2022), available online at walkfree.org/reports/global-estimates-of-modern-slavery-2022/; Walk Free, Global Slavery Index 2023 (May 2023), available online at walkfree.org/global-slavery-index/.

² Australia and Chile.

³ Brazil, China, India and the United Arab Emirates.

⁴ Note, Chile is rated as low risk on Verisk Maplecroft's Modern Slavery Index. However, it is rated as medium risk on the Child Labour Index. As per our approach, where there is a discrepancy between the two indices, we adopt the riskier score.

⁵ China and Peru.

⁶ Such as Mexico.



Table 3 provides a snapshot of higher risk taxonomies within BHP's top 10 sourcing countries (tier one) for non-traded goods and services and where those risks may be compounded due to intersection with higher-risk countries (according to Verisk Maplecroft data).¹ We recognise that for some taxonomies, higher-risk countries may exist deeper in the supply chain (not necessarily depicted in the table below), including certain technologies like renewables, which have been linked to allegations of adverse labour conditions and other human rights impacts. We operate in a dynamic external environment and are committed to working collaboratively with our suppliers to better understand and manage these risks. In FY2023, BHP conducted extended supply chain analysis in discrete cases of elevated risk, which included some of our renewable energy-related purchases and prospective purchases.

As noted in previous Statements, while BHP does not have direct control over the vessels we charter, we recognise maritime seafarers' welfare in ocean freight is one of our most important human rights issues. This reflects the inherent modern slavery (particularly forced labour) risks that are associated with the global shipping industry, which mainly stem

from industry-wide factors, such as vulnerable workforces (which may include migrant workers), unavoidable restriction of movement at sea and labour conditions on board vessels.⁴ As one of the world's largest bulk charterers, we are in a position to seek to influence the maritime industry by engaging collaboratively with vessel owners and operators, maritime regulators (such as the International Maritime Organization, the Australian Maritime Safety Authority and the Maritime Port Authority of Singapore) and organisations such as Mission to Seafarers and RightShip.⁵

 [Refer to page 17 for more information on our Maritime activities in FY2023](#)

Table 3: Higher-risk taxonomies in BHP's top 10 sourcing countries for non-traded goods and services²

Level 1 category and description	Level 2 category	Higher-risk countries
Engineering and construction Engineering services and construction, projects or otherwise, including engineer, procure & construct and engineer, procure, construct & manage contractors	Engineering consulting, civil works	India, China, Brazil
Bulk materials Goods that are procured by weight or volume, typically batch produced by suppliers	Construction material	China, United Arab Emirates
Freight and logistics All inbound and outbound freight of goods and warehouse and storage	Air freight, road cargo transport	China, Brazil
Indirect services Supporting services not directly related to maintenance, production or operations, excluding professional labour services	Facilities management, vehicle lease	China, India, Brazil
Maintenance services All services that cover maintenance, inspection, repair and testing of equipment and infrastructure	Trade maintenance services	India
Major equipment purchase Purchase of all major equipment, infrastructure and large components	Major power sources	China
Maintenance, repair and operations (MRO) Goods that are procured and changed out on a recurring basis for MRO at our production sites	Drive and transportation systems, electrical MRO	China
Non-production consumables Consumable goods procured on a recurring basis not directly related to production, maintenance, repairs or operation	Other non-production consumables	China, India
Operational support services All production-related labour and lease/hire services	Mining production services	India
Technology All software, hardware and services related to the provision of information technology and operational technology	Automation and control systems, end-user computing, infrastructure and security	India, Brazil
Travel and accommodation All air and ground transport services, plus accommodation	Ground transportation, ³ travel facilitation	China, Brazil
Tyres, wheels and rims All tyres, wheels and rims for off the road mobile equipment and all other mobile equipment and light vehicles	Earth moving tyres	China
Utilities Electricity, gas and water, plus any other renewable/alternative utilities	Electric utilities, utilities other, water and sewer utilities	Brazil

1 Based on supplier country of incorporation. According to Verisk Maplecroft analysis, the elevated modern slavery risks across the countries identified in Table 3 primarily relate to poor internal governance or process indicators (e.g., corruption in law enforcement, inadequately resourced labour inspectorates, inadequate penalties to deter violations and/or no strong national human rights institutions) and poor outcome indicators and/or reported violations (principally, servitude, slavery-like practices, forced labour, the worst forms of child labour and poor performance on the US Department of State's Trafficking in Persons Report).

2 Based on Verisk Maplecroft data.

3 This category includes suppliers of ore cars, ore car components and coal wagons.

4 UN Global Compact Network of Australia and the Maritime Union of Australia, Modern Slavery within Maritime Shipping Supply Chains – Guidance for Australian Businesses in Identifying, Managing and Mitigating Modern Slavery Risks within Maritime Shipping (December 2022).

5 RightShip is a global maritime risk management and environmental assessment organisation that aims to improve the safety and environmental sustainability of the maritime industry. The company is equally owned by BHP, Rio Tinto and Cargill. More information is available at rightship.com.



Our actions to address modern slavery risks

Governance and responsibilities

BHP uses the 'three lines model' to define the role of different teams across the organisation in managing risk. The first line is provided by our frontline teams, operational management and certain personnel in functional roles and is responsible for identifying and managing associated risks. The second-line Risk and Compliance teams are responsible for defining minimum standards and providing assurance. The second line enables the first line by providing complementary expertise, support, monitoring and challenge on risk-related matters, including modern slavery risks. Our Internal Audit team is the third line and is responsible for providing assurance on whether risk management, internal controls and governance processes are adequate and functioning.

BHP's Board is ultimately accountable for overseeing the effectiveness of BHP's risk management systems and internal controls. The Board's Risk and Audit Committee and Sustainability Committee assist in that oversight by reviewing and considering BHP's material risk profile on a biannual basis, as well as other subject-matter specific management reports.

Below Board level, modern slavery responsibilities sit in a number of different areas of the organisation:

- The **Ethical Supply Chain and Transparency (ESCT)** team within Compliance is a second-line function responsible for the Ethical Supply Chain and Transparency Framework, which covers BHP's non-traded goods and services supply chain and BHP's specialist asset, energy and carbon offset sourcing teams. It is the primary team within BHP dedicated to defining minimum standards and providing assurance in relation to modern slavery supply chain risks. The Compliance team, including the ESCT team, is led by the Chief Compliance Officer and has a mandate to design and govern BHP's compliance frameworks for key compliance risks, including modern slavery risks in our supply chain. The Compliance function is independent of our assets and regions. The Chief Compliance Officer maintains a reporting line to the Chief Legal, Governance and External Affairs Officer and dotted line reporting to the Risk and Audit Committee for certain compliance risks and the Sustainability Committee on ESCT-related risks. The Chief Compliance Officer meets at least annually with the Risk and Audit Committee Chair.
- The **Maritime** team within the Commercial function manages modern slavery risks that may arise in our inbound (to the extent those engagements are not managed by our suppliers) and outbound maritime supply chains.¹
- The **Marketing Sustainability** team within the Commercial function owns BHP's Responsible Minerals Program, which covers the trade-related minerals and metals inbound supply chain. These team members are also the subject-matter experts on the OECD's risk-based due diligence framework. Compliance provides modern slavery subject matter advice and monitoring to the Responsible Minerals Program for higher-risk minerals and metals transactions.
- The **Global Community, Social Investment and Human Rights** team within the Global Corporate Affairs function oversees human rights issues at an operated asset and corporate level.

Policies and standards

The following BHP Group-level documents provide minimum standards and guidance for our people, including on human rights and modern slavery, as follows:

- **Our Code of Conduct (Our Code)** sets out BHP's values and conduct expectations for all employees and contractors. This includes the requirement to operate in a manner consistent with internationally recognised human rights and standards. Our Code also provides guidance on speaking up and EthicsPoint – BHP's confidential and multilingual reporting system.

- BHP's **Human Rights Policy Statement** provides detail on our human rights commitments and approach, including how we prioritise our potential human rights impacts. Our Human Rights Policy Statement was updated in FY2023 to state our expectations more clearly and was approved by the Board in February 2023.
- The **Our Requirements for Supply** standard outlines requirements relating to BHP's *Minimum requirements for suppliers* (MRS). The MRS sets out procedural and substantive requirements relating to (among other things) supplier due diligence, child labour, forced labour, human trafficking and grievance mechanisms for our suppliers of non-traded goods and services. All of BHP's standard contract templates for non-traded goods and services contain a clause requiring adherence to the MRS.
- The **Our Requirements for Business Conduct** standard sets out various processes for supporting Our Code and meeting BHP's legal and ethical obligations, including the process for investigating modern slavery and human rights related incidents.

Due diligence and risk management in our business activities

BHP manages modern slavery risks arising from our operated assets as part of our broader efforts to understand and manage potential human rights impacts. In FY2023, the main actions we took related to the next phase of our Human Rights Impact Assessments and working to better integrate human rights in our risk processes. We have leveraged learnings from the FY2022 gap analysis of each operated asset's material risk profile to inform ongoing improvements to our human rights impact assessment methodology, which will continue to progress in FY2024.

Human Rights Baseline Studies

In FY2023, all operated assets and certain exploration regions globally completed Human Rights Baseline Studies, which seek to provide an objective baseline of the external context in the regions where we operate. These studies include a review of national and regional human rights policies, frameworks and issues, as well as analysis of priority human rights risks and issues for the communities where we operate, such as labour conditions, environment, community wellbeing and Indigenous rights. Key findings in relation to the relevant regions (as opposed to BHP specifically) include:

- **Australia:** Human rights are protected through a broad framework of federal, state and territory laws and there is active human rights advocacy. Workers' rights within the mining sector continue to be in focus with an emphasis on physical and mental health, safety, sexual harassment, fly-in, fly-out workforces and discrimination against marginalised groups, including Indigenous peoples and women.
- **Canada:** Human rights and social regulations are comprehensive and there is an active civil society. Primary concerns relate to Indigenous peoples' rights and protection of the environment from industry impacts.
- **Chile:** Civil and political rights are respected and civil society organisations are robust, but recent protests show vulnerable groups are not fully represented across the system. Key workforce issues include physical and mental safety and sexual harassment. Broader issues include consultation for land and water access between companies and local communities, including Indigenous communities.
- **United States:** Key human rights and social policies are mostly solid, but in some cases have uneven outcomes. Broadly across the industrial sector, lack of or limited access to healthcare can undermine workers' physical and mental health and safety, and there are concerns over comprehensive fair remuneration and working time protections.

¹ Inbound refers to the movement of products supplied to BHP to our operated assets. Outbound refers to the movement of our products to our customers.



Building on the findings of the baseline studies, we are progressing Human Rights Impact Assessments specific to our operated assets and certain exploration regions globally, with completion planned for early FY2024. These assessments seek to compare asset and exploration plans with the external context to identify and prioritise potential and actual human rights risks, impacts and opportunities. As part of the Human Rights Impact Assessments, we are seeking to better incorporate the UNGP saliency guidance into our methodology, using scope, scale and remediability as key factors in the prioritisation of risks and impacts.

Responsible mining standards

Aligned with our social value goals for responsible supply chains, BHP is committed to adopting certain international sustainability standards. Being independently assessed against these standards, we can more transparently demonstrate to our stakeholders our position to be a responsible actor within the mining and metals industry and across the global value chains that we serve.

Our Chilean operations Escondida and Spence, and Olympic Dam in Australia obtained full accreditation against the Copper Mark during FY2023. The Copper Mark is a voluntary assurance framework that independently assesses participants in 32 ESG performance criteria across environmental, social and governance dimensions, including child labour, forced labour, artisanal and small-scale mining and human rights due diligence. Spence, which also produces molybdenum, also obtained the Molybdenum Mark.

Additionally, Nickel West and Western Australia Iron Ore successfully completed independent third-party verification of self-assessments in FY2023 against the ICMM Mining Principles and associated Performance Expectation.

Due diligence and risk management in our non-operated joint ventures and the BHP Foundation

In FY2023, our non-operated joint ventures team continued to engage with the management of Samarco Mineração S.A. (Samarco) and with the Fundação Renova (the not-for-profit, private foundation that is implementing remediation and compensatory programs relating to the 2015 failure of the Fundão tailings dam operated by Samarco) in relation to human rights and modern slavery risks. In FY2023, Samarco established a Supplier Code of Conduct, which guides its suppliers on responsible, ethical, legal and sustainable conduct, as well as its own Human Rights Policy.

The BHP Foundation has confirmed that it is progressing its efforts to integrate human rights, including modern slavery, considerations into its due diligence and/or risk identification processes, to improve its assessment of the appropriateness and competence of potential grantees. Its grant agreements have been updated to require grantees to undertake ongoing identification, management and any remediation requirements in relation to the human rights risks, including modern slavery, set out in its Minimum Requirements. These Minimum Requirements are additionally included in all service contracts.

Due diligence and risk management in our supply chains

We take a collaborative and risk-based approach to managing modern slavery risks in our supply chains. We aim to achieve year-on-year improvements in our processes and systems to identify and respond to human rights and modern slavery risks.



Ethical Supply Chain and Transparency Framework

As described in our previous Statement, in late FY2022 our Compliance sub-function assumed second-line accountability to develop and oversee implementation of an enhanced framework for modern slavery risks in the non-traded goods and services supply chain and aspects of the trade-related supply chain. Refer to the 'Governance and responsibilities' section above for more information on this scope. This has aligned modern slavery with other key areas managed by Compliance, such as anti-corruption, sanctions and whistleblowing.

In FY2023, the following steps were taken to further identify and manage modern slavery risks:

- A new **supplier risk assessment tool** (Third Party Risk or '3PR') and underlying methodology was adopted, which covers modern slavery, corruption and sanctions risks for suppliers of both non-traded goods and services and trade-related inputs. In relation to modern slavery, the new methodology is risk-based and designed to focus BHP's efforts on higher-risk engagements. The 3PR tool was deployed in September 2022 and involves automated and manual steps, as follows:
 - All new suppliers undergo automated modern slavery assessment at the point of onboarding, which is based on business-user and supplier-provided information and Verisk Maplecroft country risk data. That assessment results in an initial high (capturing Verisk Maplecroft's extreme and high-risk ratings), medium- or low-risk score.

- Based on the review above, the following further steps are taken based on level of risk:
 - High-risk suppliers are manually reviewed by our Global Business Services due diligence team before being sent to designated Compliance officers and a first-line business user for further review (if necessary) and approval. During the manual review stage, reviewers consider additional factors such as country of manufacture (if known) and specific industry risks using Verisk Maplecroft data, which may result in supplier risk scores being downgraded. A one-off adverse media screen is also conducted, and ongoing adverse media monitoring activated.
 - Medium-risk suppliers are manually reviewed and approved by our Global Business Services due diligence team, which operates with oversight from Compliance. As above, during this manual review the reviewer will consider additional factors such as country of manufacture (if known), specific industry risks and adverse media, which may result in the supplier being re-graded to a high-risk rating (and sent for further Compliance-led review) or low-risk rating.
 - Low-risk suppliers are not subject to further review.
- Enhanced desktop **due diligence**, which includes review of suppliers' public policies and disclosures, can be triggered at any stage on any new or existing supplier that Compliance considers may present elevated risks (for example, when higher risk suppliers come to Compliance for review). In FY2023, this occurred in relation to some of our energy purchases. Compliance also worked with BHP's carbon offset sourcing team within Sales and Marketing to develop a due diligence approach for purchases of Australian Carbon Credit Units. Due diligence results feed into mitigation measures such as contractual provisions, internal and external engagement, and supplier audits. In early FY2023, our Global Business Services and Compliance teams jointly completed a review of existing active BHP suppliers (at that point in time) using the updated risk methodology. The refreshed pool of high-risk suppliers (who had not undergone modern slavery due diligence previously) was reviewed per the process described above.
- Modern slavery **updates to our supplier onboarding form** are planned to go live in FY2024. These updates are designed to improve the quality of the information received by BHP (including clearer country of manufacture data) and simplify the onboarding experience for our suppliers, who we are conscious deal with numerous compliance-related requests.
- A new **modern slavery contractual clause** was finalised in late FY2023 and integrated across several BHP's template contracts for non-traded goods and services, including those that may be used in engagements carrying higher modern slavery risks, such as general goods and services procurement, construction and EPC (engineer, procure and construct) agreements. Among other things, the clause seeks to cascade risk identification and due diligence expectations to suppliers, including with respect to their own suppliers. Updates to the contract approval process for non-traded goods and services are planned to be finalised in FY2024. These updates will introduce two new triggers for automatic Compliance review of proposed contracts, being when there is either unauthorised departure from the new standard modern slavery clause and/or a supplier is rated as high risk for modern slavery (regardless of how it is rated for other compliance risks).
- ESCT arranges **supplier audits** for select higher-risk suppliers. As part of this supplier audit program, we also accept and review certification material, which suppliers may have arranged through separate processes. The selection of suppliers for audit is a collaborative effort between Compliance and BHP's Procurement team, involving consideration of 3PR rating, geographic location and relationship factors. The number of audits we arrange will vary from year to year according to those factors, as well as auditor availability. The audits are conducted by an independent third-party auditor and, in most cases, use the Sedex Members Ethical Trade Audit (SMETA) methodology. Once a supplier has a SMETA report they can share it with other customers to reduce duplication.



– Table 4 shows that, as of mid-June 2023, 19 audits were completed in FY2023 covering a range of supplier manufacturing sites.¹ Compliance has reviewed the audit reports and determined that the majority of adverse findings do not rise to the level of modern slavery and rather relate to recommended improvements across the four primary areas of the SMETA methodology: safety and hygienic conditions; working hours; living wages and benefits; and management systems and code implementation. Audits also found instances of unauthorised sub-contracting and undocumented employment contracts. These issues will be followed up with the relevant suppliers by our Procurement team, with support from Compliance.

As noted below, one of the audits which BHP arranged in FY2023 revealed findings relating to passport retention, recruitment fees and employment contracts in non-native languages. While these are not modern slavery practices in themselves, they are recognised as potential indicators of forced labour by the International Labour Organization and disproportionately affect migrant workers. Our Compliance and Procurement teams are working with the supplier to address these findings.

Table 4: Summary of FY2023 audits

Taxonomy	Audit location	Number of audits
Maintenance, repair and operations	India	3 (including 1 follow-up audit)
	Malaysia	2
	China	3 (including 1 instance of supplier-provided audit material)
Bulk materials	Bolivia	1
	India	1
Technology	China	3 (all supplier-provided audit material)
	Malaysia	1 (supplier-provided audit material)
Wear consumables	Peru	1
Major equipment purchase	China	1
	Indonesia	1
Port security services	Hong Kong SAR	1
Conveyor belting	Brazil	1



¹ Two further audits took place in June 2023 but reports were not received by the end of the reporting period. Any relevant findings will be reported in FY2024.



Case study: BHP attendance at follow-up audits in Southeast Asia and India

In our previous Statement, we reported that a SMETA audit had identified non-compliances relating to passport retention and recruitment fees at one of BHP's direct suppliers' manufacturing sites in Southeast Asia. While these are not considered modern slavery practices in themselves, both passport retention and recruitment fees are recognised as potential indicators of forced labour.

In addition to working with the relevant supplier to support its remediation of those issues (including the supplier's actions to reimburse affected workers and introduce new policies as reported in our previous Statement), in February 2023 two members of the Ethical Supply Chain and Transparency team within Compliance travelled to the manufacturing site to accompany our third-party auditor on a follow-up audit.

This was a valuable exercise. Our team members were able to confirm major findings from the initial audit have been closed out and that, based on the selection of workers interviewed, workers are satisfied with the outcome. Our team members also gained first-hand understanding of factory conditions and audit methodology.

We conducted a similar exercise in April 2023 with one of our senior Compliance leaders travelling to India to observe a follow-up audit at a different supplier manufacturing site. We were again pleased to confirm major findings from the previous audit (relating to labour, wages and hours, health and safety, management systems and environment) have been addressed.

We thank our suppliers and third-party auditors for their cooperation in having BHP representatives attend these follow-up audits.

Maritime

BHP completed over 1,200 voyages in FY2023. The safety and welfare of seafarers on board these vessels remain important considerations when vetting vessels that may be used by BHP.

We work in collaboration with reputable vessel owners and operators to charter vessels to support our shipping requirements. The operators are selected based on factors including their maritime operational and safety records. We continued to work with RightShip in FY2023 to vet and inspect vessels with respect to seafarers' rights and welfare protections. BHP's Standard Vetting Criteria, which RightShip's Dry Bulk Standard Vetting Criteria is largely based on, provides our customers with guidance on how we review, assess and seek to mitigate supply chain risk.

Through our vetting process, we seek to ensure all vessels comply with the International Labour Organization's Maritime Labour Convention (2006), which prescribes standards for seafarers' living and working conditions, including the fundamental rights and principles relating to forced or compulsory labour and child labour. We do this by checking the validity of the relevant vessel's Maritime Labour Convention certificate (issued by competent authorities) as part of the Class Status Survey report before accepting the vessel into our supply chain.

Additional actions in FY2023 included:

- supporting a vessel owner's seafarer wellness campaign, which involved the vessel owner running physical and mental health programs with matched fundraising by BHP
- encouraging vessel owners to complete the RightShip voluntary crew welfare questionnaire during the vessel vetting process, which seeks to reinforce and supplement compliance with the Maritime Labour Convention with respect to, among other things, ship owner/operator commitments, inclusion, recruitment fees, passport retention, crewing strategy, crew safety and wellbeing, and grievance mechanisms
- working with the Compliance team in arranging a SMETA audit for one of our port agents, in accordance with our 2030 social value scorecard and our commitment to responsible supply chains. Port agents are required to provide safe and productive services to the vessel and its owner, ensuring a consistent experience for all port calls. The audit involved a site visit and interviews with port agency employees by BHP's third-party auditor and no non-compliances were reported

Responsible Minerals Program

Our Responsible Minerals Program is aligned with the Organisation for Economic Co-operation and Development's Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance). The program applies to BHP's operated assets and our suppliers of minerals and metals where such operated assets or inbound supply chain have any extraction, transportation or trade association with any conflict-affected and/or high-risk areas.¹ The scope of our suppliers under this due diligence includes suppliers of minerals and/or metals either as structural feed directly into our operated assets that physically form part of our products and/or for the purpose of third-party trading.

The program adopts the five-step framework for risk-based due diligence in alignment with Annex I of the OECD Guidance.

The risks BHP considers in this due diligence include, but are not limited to, the Annex II risks under the OECD Guidance. Annex II risks include any form of forced or compulsory labour, the worst forms of child labour and other gross human rights violations such as widespread sexual violence.

This ongoing due diligence shows the following impacts in Conflict Affected and High-Risk Areas (CAHRA):

- operated assets – no impacts as no BHP operated assets are located in a CAHRA
- suppliers of minerals/metals into our assets² – no impacts as structural feed is only required for Nickel West, and this is sourced from Australian mines

Third-party trading does not form part of BHP-produced products and it will be covered in our Responsible Minerals Program Step 5 Report on minerals and metals supply chain due diligence, which we intend to publish later in CY2023.

BHP commenced implementation of the OECD-aligned due diligence management system with our minerals and metals supply chain in FY2023, including publishing our Responsible Minerals Policy. Independent verification of the program's application occurred at Escondida, Spence and Olympic Dam under Copper Mark Criteria 31, and at Nickel West, Western Australia Iron Ore and Olympic Dam under ICMM PE 4.2.³ Further independent assurance by Ernst & Young Australia of the program is planned for later in CY2023.

- 1 BHP expects our suppliers of minerals and metals to carry out similar due diligence on their minerals and metals supply. More information is contained in our Responsible Minerals Policy. In doing so, we adopt a risk-based approach that includes education and support to suppliers where appropriate, and embedding responsible supply chain commitments in contractual clauses where appropriate and possible.
- 2 This supply could include 'structural feed' or 'ad hoc feed'. Structural feed is always necessary to achieve the right product blend. Ad-hoc feed is sometimes necessary to supplement our own minerals/metals, depending on a range of factors.
- 3 Copper Mark and ICMM are part of BHP's process stewardship sustainability accreditation program. More information can be found at bhp.com/sustainability/value-chain-sustainability.



Building capacity and raising awareness

In addition to the activities described above, we pursued several initiatives designed to raise modern slavery awareness and build capacity internally, including:

- Compliance hosted a guest speaker in the Singapore office in February 2023. The guest speaker is a human rights lawyer based in the Asia-Pacific region specialising in human trafficking and modern slavery. The presentation was well attended by members of our Commercial, Compliance and Legal teams. The session was recorded and has been shared as part of Compliance’s regular internal communications. Feedback on the session was positive with the speaker blending personal frontline experience with guidance and case studies of businesses making positive impacts in the modern slavery space.



It was a powerful story of how an individual can contribute to the battle against modern slavery. A heartfelt story that we can all relate to. We are only in this privileged position because of the society we are born into, so we must create awareness ... I’m really proud of BHP for its action in contributing to support the global fight against modern slavery”

Commercial team member

- A cross-functional group of representatives (including Compliance, Procurement, Marketing Sustainability, Maritime, Risk and Commercial functional integrity) conducted a series of collaborative workshops in FY2023 to re-evaluate the way in which modern slavery supply chain risk is recorded in our Risk Management Framework and raise awareness of modern slavery risks within relevant teams.
- As part of the regular routines between the first and second line, one of BHP’s senior Compliance leaders led a discussion with our Commercial leadership team on the development of the Ethical Supply Chain and Transparency Framework as a second-line function, emerging expectations, risks and internal engagement. This discussion used case studies to explore the ways in which BHP could be connected to modern slavery and other adverse human rights impacts (even where we do not cause or contribute to such impacts), and ethical decision-making frameworks. A similar discussion was held with the Procurement leadership team.

The above activities were in addition to BHP’s established learning program, with over 600 employees and contractors (and business and community partners) completing our online human rights training in FY2023. Our online *Our Code* training continued to be mandatory for all employees and contractors.

 **Our Introduction to Human Rights video is also available at bhp.com/human-rights**

Remediation

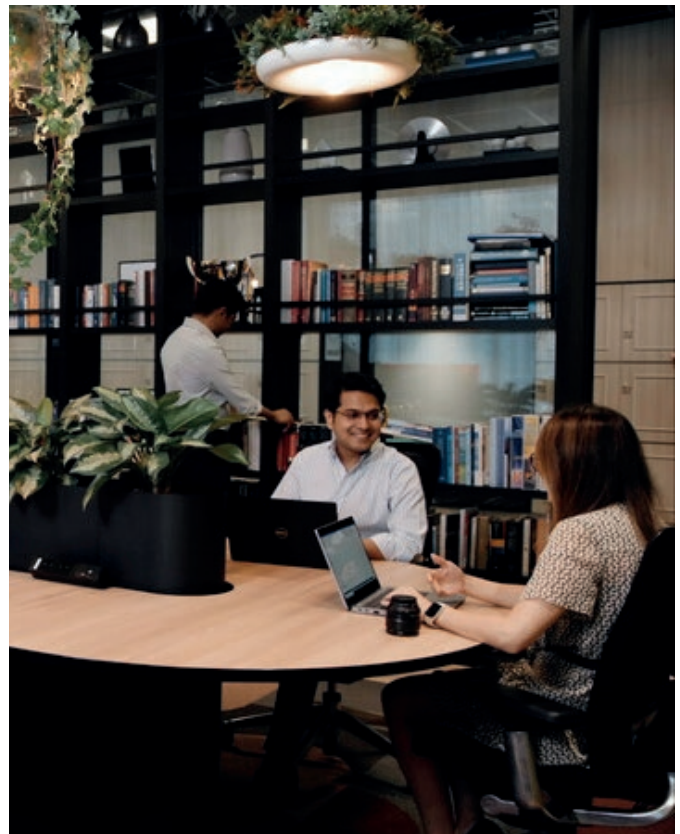
In our Human Rights Policy Statement, BHP commits to provide or cooperate in providing appropriate remediation where we have caused or contributed to adverse human rights impacts, including modern slavery.

As described in our previous Statement, our EthicsPoint system (comprising an online portal and 24-hour multilingual call service) and the local-level community complaints and grievance mechanisms remain the primary avenues for concerns to be raised. EthicsPoint continues to be made available to third parties via our website and through the information provided in Our Code, which is provided to new suppliers when they are onboarded to our Global Contract Management System. We did not receive any complaints or grievances classified as relating to modern slavery through these avenues in FY2023. Under the Our Requirements for Business Conduct standard, reports concerning modern slavery are classified as one of the most serious report types and are required to be allocated to Compliance lawyers for investigation.

As committed in FY2022, in FY2023 we progressed improvements to our complaints and grievance mechanisms. This included the development of external feedback portals that community members can access to directly log feedback, concerns, complaints or grievances. These will be available in multiple languages and may be anonymous. We continue to develop training and internal processes that are more effective in recognising concerns that have a human rights connection.

In FY2023, as part of our ongoing support for Mission to Seafarers and a number of Seafarers’ Centres around Australia, our Maritime team provided internet access for seafarers on board BHP chartered vessels that berth at BHP-operated berths in Port Hedland so they can access avenues to raise concerns, as well as donating goods and food supplies for seafarer hampers to be distributed during the holiday period. We have also maintained our gold sponsorship of Singapore’s Mission to Seafarers Safety Awards.

The case study above relating to passport retention and recruitment fees demonstrates that supplier audits are another avenue for remediation. This was reinforced in FY2023 when a SMETA conducted on a supplier of mining equipment components found similar recruitment fee and passport retention practices were present at their manufacturing plant in Southeast Asia. Our Compliance and Procurement teams are working with the supplier to address these issues and prevent escalation into actual modern slavery practices.





Assessing effectiveness

As a number of recent studies have shown,¹ assessing the effectiveness of anti-modern slavery programs is a challenging task. For BHP, the challenges relate to devising simple, reliable and qualitative impact indicators in circumstances where modern slavery practices are often deliberately obscured (especially in regulated jurisdictions where there may be a greater incentive to hide problematic practices). Even positive outcomes (such as those described in the supplier audit case study) may indicate there have been issues in the past.

In FY2023, we were able to assess on an anecdotal level through our audit program that we (in collaboration with our suppliers) have made a tangible difference in workers' lives through our previous audit remediation efforts involving repayment of recruitment fees and safety improvements. We also reviewed and considered the effectiveness of our various modern slavery risk management processes through:

- developing and documenting the Ethical Supply Chain and Transparency Framework, which involved regular assessment of risks and effectiveness of key controls
- undertaking the modern slavery risk evaluation described in the 'Building capacity and raising awareness' section above
- reporting to and seeking feedback from the Executive Leadership Team and the Board's Sustainability Committee on the Ethical Supply Chain and Transparency Framework and associated issues
- engaging with external stakeholders through the BHP Forum on Corporate Responsibility, which comprises independent civil society leaders in various fields of sustainability. In FY2023, the Forum considered the Responsible Supply Chains pillar of BHP's 2030 social value scorecard
- engaging with specialist external advisors and considering civil society benchmarking and guidance material available in this space
- updating our Human Rights Policy Statement and associated internal governance documents

We have previously used process indicators such as the percentage of high-risk suppliers registered in our systems and the percentage of suppliers with due diligence completed. While we moved away from that approach in FY2023 due to a desire to focus on more qualitative metrics, as noted above, all our suppliers have been assessed on our updated modern slavery risk methodology. For our FY2023 suppliers, this has resulted in 5 per cent rated as high risk, 7 per cent as medium risk and 88 per cent as low risk. In our previous Statement, we stated we would consider developing formal key performance indicators (KPIs) to assess the effectiveness of our Ethical Supply Chain and Transparency program. During FY2023, we elected to prioritise enhancements to our due diligence and risk management measures and systems as described above as foundational objectives. These enhancements are intended to enable us to generate more meaningful and reliable data that can form the basis of effective KPIs in the future.

¹ For example, see ACSI and Pillar Two, Compliance without ambition: ASX200 reporting under Australia's Modern Slavery Act (April 2023) and Monash University, Modern Slavery Disclosure Quality Ratings: ASX100 Companies Update 2022 (October 2022).

Consultation and collaboration

Consultation

BHP operates and is managed as an integrated group with overarching policies, systems and processes that are designed to be consistently applied across our operated assets and functions. Consultation between BHP entities in relation to this Statement occurred as described below. By virtue of BHP's centralised management structure, the consultation process included the Australian reporting entities and their owned or controlled entities.

BHP continues to take an interdisciplinary approach to modern slavery reporting. In FY2023, we convened a Modern Slavery Statement Working Group to oversee preparation of the Statement. Key representatives from Compliance, Global Community, Social Investment and Human Rights, Procurement, Marketing Sustainability and Maritime were members of the Working Group to ensure a cross-functional view.

The Statement was prepared as part of BHP's broader annual reporting suite and, as part of that process, was reviewed by a range of internal and external stakeholders – including those represented on the Working Group, as well as BHP Ventures, the BHP Foundation, Sustainability and Climate Change, the Sustainability and ESG Legal team, Group Governance, Communications and Risk. Members of our Executive Leadership Team, including the Chief Legal, Governance and External Affairs Officer and the Chief Commercial Officer, also reviewed and provided feedback on the Statement during the drafting process.

The Board's Sustainability Committee was provided with an early outline of the Statement and reviewed the Statement before it was put to the Board for final review and approval.

Collaboration and engagement

Modern slavery cannot be tackled alone. We are committed to working with and learning from peer companies, suppliers, customers and civil society to continuously improve our understanding of modern slavery risks, controls and the evolving regulatory environment.

In FY2023, we benefitted from engagement with industry peers and businesses exposed to similar risks to BHP. We participated in expert and industry forums, including the UN Global Compact Network of Australia's Modern Slavery Community of Practice and the Global Business Initiative on Human Rights. Our Compliance team also began targeted engagement with global experts to identify opportunities for BHP to make proactive contributions to modern slavery initiatives outside our due diligence program in FY2024 and beyond.

We continue to respond to due diligence enquiries and requests from our customers and, increasingly, suppliers. In November 2022, we welcomed the opportunity to make a submission to the review of the Australian Modern Slavery Act and reviewed Professor MacMillan's report on the outcomes of the review with interest. We also attended the 2023 Modern Slavery Conference held by the Attorney-General's Department in June 2023.





Looking back and forward

BHP seeks to continuously improve how we operationalise our responsibility to respect human rights. We have reflected on the forward-looking intentions stated in our previous Statement and provide the following updates:

FY2022 intentions

Implementing our ESCT team's new approach to supplier screening and due diligence.

Implementing OECD-aligned due diligence with our minerals and metals supply chain.

Considering development of KPIs to assess the effectiveness of our ESCT program.

Continuing to enhance our approach to operating consistently with the UNGPs by ensuring human rights are embedded across all our relevant policies and frameworks and enhance our public reporting and disclosures on human rights.

More broadly, we will embed and promote the pursuit of our 2030 goals. We also look forward to the opportunity to participate in the review of the Australian Modern Slavery Act, which was announced in March 2022 and will take place during FY2023.

FY2023 progress

The new 3PR tool went live in September 2022 and is operational and being used by our Global Business Services and Compliance teams to conduct supplier due diligence. We continue to review the 3PR tool in response to user feedback and improved data inputs.

Implementation commenced in FY2023, including the publication of our Responsible Minerals Policy.

During FY2023, we elected to prioritise enhancements to our due diligence and risk management measures and systems as described above. These enhancements are intended to enable us to generate more meaningful and reliable data that can then form the basis of effective KPIs in future.

This is an ongoing effort. Relevant actions in FY2023 include the annual review of our Human Rights Policy Statement and work to update our internal governance documents.

Refer to the BHP Annual Report 2023 Annual Report for updates to our 2030 social value scorecard.

We made a written submission to the review of the Australian Modern Slavery Act in November 2022.

In FY2024, we intend to:

1. continue to embed the Ethical Supply Chain and Transparency Framework as a second line function and raise modern slavery risk awareness among our frontline teams
2. further refine our supplier modern slavery risk assessment process using the 3PR tool
3. progress integration of OZ Minerals into BHP's compliance framework
4. publish our first Responsible Minerals Program Step 5 Report in alignment with the OECD Guidance, and undertake independent assurance of the program
5. complete the Human Rights Impact Assessments for operated assets and certain exploration regions globally

Mike Henry

Director and Chief Executive Officer
For and on behalf of BHP Group Limited

22 August 2023



Appendix 1: List of Australian reporting entities

The following companies qualify as reporting entities for the purposes of the Australian Modern Slavery Act. Refer to the notes that accompany the Table of Contents for an explanation of our approach to OZ Minerals.

Name	Description
BHP Group Limited	BHP Group Limited is the ultimate parent entity of the BHP Group and substantially all of its operations are carried on through its subsidiaries.
The Broken Hill Proprietary Company Pty Ltd	Holding company with interests in the Group's marketing entities.
BHP Lonsdale Investment Pty Ltd	Holding Company with interests in Nickel West, Olympic Dam and OZ Minerals.
BHP Minerals Pty Ltd	Owns the BHP Group's interests in the joint ventures with Mitsui, ITOCHU and POS-Ore that own the Western Australia Iron Ore (WAIO) assets.
BHP (Towage Services) Pty Ltd	Provides towage services to WAIO joint ventures.
BHP Iron Ore (Jimblebar) Pty Ltd	Incorporated joint venture with Mitsui and ITOCHU that owns the Jimblebar Iron Ore Mine.
BHP Nickel West Pty Ltd	Owns and operates the BHP Group's Nickel West mining operation in Western Australia.
BHP Olympic Dam Corporation Pty Ltd	Owns and operates the BHP Group's Olympic Dam mining operation in South Australia.



Appendix 2

Independent Limited Assurance Report to the Management and Directors of BHP Group Limited (BHP)

Our Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that suggests that the disclosures made in BHP's Modern Slavery Statement for the year ended 30 June 2023 (the Statement) have not been prepared, in all material respects, in accordance with the Criteria defined below.

What our review covered

Ernst & Young (EY) was engaged by BHP to undertake a limited assurance engagement as defined by Australian Auditing Standards, hereafter referred to as a 'Review' over the disclosures in the Statement.

Criteria

In preparing the Statement, BHP has applied the requirements in the United Kingdom's *Modern Slavery Act (2015)* and the Australian *Modern Slavery Act (2018)* (collectively the Acts) in addition to Management's own publicly disclosed Criteria relating to quantitative disclosures as articulated within footnotes throughout the Statement.

Key responsibilities

EY's responsibility and independence

Our responsibility is to express a conclusion on the Statement based on our review.

We have complied with the independence and relevant ethical requirements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

BHP's responsibility

BHP's Management was responsible for selecting the Criteria and ensuring the Subject Matter was prepared, in all material respects, in accordance with that Criteria.

This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

Our approach to conducting the Review

We conducted the Review in accordance with the Australian Auditing and Assurance Standards Board's *Australian Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ASAE 3000') and the *Standard for Compliance Engagements* ('ASAE 3100'), and in accordance with the terms of reference for this engagement as agreed with BHP on 6 February 2023. Those standards require that we plan and perform our engagement to express a conclusion on whether anything has come to our attention that causes us to believe that the Statement is not prepared, in all material respects, in accordance with the Criteria, and to issue a report.

Summary of review procedures performed

A review consists of making enquiries, primarily of persons responsible for preparing Statement and related information and applying analytical and other review procedures.

The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risk of material misstatement, whether due to fraud or error.

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

- Conducting interviews with personnel to understand the (1) reporting process for complying with the Acts; and (2) the additional disclosures on governance structure and (3) internal activities as presented in the Statement

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- Reviewing disclosures made in the Statement relating to third party information to check accuracy of information
- Recalculating supplier information through review of source reports, in order to assess that the data supported the disclosures in the Statement.
- Reviewing BHP media coverage relating to Modern Slavery and Human Rights to identify material events that may require disclosure
- Undertaking a process walkthrough of and reviewing evidence related to BHP's complaints and grievances process to consider relevance of and consistency with disclosures made in the Statement
- Undertaking a process walkthrough of BHP's supplier risk assessment process to confirm consistency with disclosures made in the Statement
- Reviewing referenced policies and documents for consistency of disclosures made in the Statement, including but not limited to the Human Rights Policy Statement, standard contract templates and BHP's *Our Code of Conduct*
- Assessing the Statement against requirements as defined in the Acts
- Assessing whether the information disclosed in the Statement is consistent with our understanding and knowledge of BHP's supply chain management, governance accountability and other sustainability matters.

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

Inherent limitations

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

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

Other matters

We have not performed assurance procedures in respect of any information relating to prior reporting periods, including those presented in the Statement. This assurance report does not extend to any disclosures or assertions made by BHP relating to future performance plans and/or strategies disclosed in the Statement.

Use of our assurance report

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

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

Ernst & Young

Mathew Nelson

Ernst & Young
Melbourne, Australia

Mathew Nelson
Partner

22 August 2023

BHP

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