

MODERN SLAVERY STATEMENT FY2021

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 2020 to 30 June 2021, pursuant to the *Australian Modern Slavery Act (2018) (Act)* and was approved by the Board of Directors of BM Alliance on 27 September 2021.

This Statement makes reference to the Modern Slavery Statement FY2021 issued with respect to relevant entities in the BHP Group⁽¹⁾ pursuant to the Act (**BHP Statement**). The BHP Statement is set out in the Annexure to this Statement and is also available online at bhp.com.

Structure, governance and operational arrangements

BM Alliance is the manager of the Central Queensland Coal Associates and Gregory Joint Ventures, known as the BHP Mitsubishi Alliance (**BMA**). BMA is owned 50:50 between entities in the BHP Group and entities in the Mitsubishi corporate group and is Australia's largest producer and supplier of seaborne metallurgical coal. BM Alliance is owned 50:50 by BHP MetCoal Holdings Pty Ltd (**BHP MetCoal**) and Mitsubishi Development Pty Ltd (**MDP**).

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. The content of the BHP Statement is applicable to the BHP Group functions and Marketing and Supply business that support BM Alliance with respect to BMA's operations and supply chains.

Operations and supply chains

BMA is headquartered in Brisbane, Australia and its operations comprise seven Bowen Basin metallurgical coal mines (Goonyella Riverside, Broadmeadow, Daunia, Peak Downs, Saraji, Blackwater and Caval Ridge), as well as ownership and operation of the Hay Point Coal Terminal near Mackay in Central Queensland, Australia. There are site offices at each of these locations and offices across Central Queensland in the towns of Moranbah, Dysart and Blackwater.

With the exception of the Broadmeadow underground longwall operation, BMA's mines are open-cut, using draglines and truck and shovel fleets for overburden removal. Facilities include on-site beneficiation processing facilities. Coal is transported by multi-user rail networks to Hay Point and three other multi-user port facilities – the Port of Gladstone (RG Tanna Coal Terminal), Dalrymple Bay Coal Terminal and North Queensland Export Terminal (formerly known as Abbot Point Coal Terminal).

BMA's supply network spans the following 13 jurisdictions: Australia, Canada, China, Germany, Hong Kong, India, Ireland, the Netherlands, New Zealand, Singapore, South Africa, the United Kingdom, and the United States of America. BMA's operations are supported by:

- raw materials
- direct materials (those used in the production cycles, such as trucks and explosives)
- indirect materials (which are all other materials incidental to the BMA business, including technology hardware and consumables such as tools, personal protective equipment, office supplies)
- skilled labour and services.

Payments were made to 1,765 BMA suppliers in FY2021, with the largest spend categories being engineering and construction, maintenance services, and goods for maintenance, repair and operations.⁽²⁾

(1) In this Statement, the term the 'BHP Group' refers to BHP Group Limited, BHP Group Plc and their respective subsidiaries as defined in note 13 'Related undertakings of the Group' in section 3.2 of BHP's Annual Report 2021, available at bhp.com.

(2) These are broad taxonomies that include suppliers that provide construction, labour, design and manufacturing/fabrication services to BHP for BMA.

Risks of modern slavery practices

BMA's risks of modern slavery practices are as described in the 'Organisational structure, business and supply chain' and 'Due diligence and risk management' sections of the BHP Statement, as applicable to Australia for BMA's operations and generally for its supply chains. More specifically, as noted above, BMA's activities, operations and office locations are principally based in Australia, which has a low potential for modern slavery risks according to the Verisk Maplecroft Modern Slavery Index 2021.⁽³⁾ The broader human rights that may be impacted by BMA's own operations include rights related to workplace health and safety, labour, Indigenous peoples, water and sanitation and those of the communities that live near the BMA operations.

Throughout BMA's supply chain, the key human rights (including modern slavery) related risks are in the materials (goods) supply chain and maritime transport of commodities produced from BMA, with additional high potential exposure in BMA's indirect supply chain.

BMA supplier risk is assessed and managed by using the BHP Group's Ethical Supply Chain and Transparency program (**ESCT Program**) to conduct due diligence on BMA suppliers registered in the BHP Group's Global Contract Management System (**GCMS**). The ESCT Program enables a combination of geographic and taxonomy risk identifiers to be applied to assess supplier risk.

The ESCT Program and use of GCMS are more fully described in the 'Due diligence and risk management' sections of the BHP Statement (and in the BHP Modern Slavery Statement FY2020). The BHP Statement outlines the focus of the ESCT team to embed and build the maturity of the ESCT Program and its results in FY2021.

Over 98.5 per cent of BMA's direct suppliers are located (based on country of incorporation⁽⁴⁾) in Australia and other low risk countries for modern slavery, and the remainder in countries that are rated as medium, high or extreme risk,⁽⁵⁾ according to the Verisk Maplecroft Modern Slavery Index 2021.

Modern slavery-related risks in BMA's supply chain are also considered in relation to the sectors (taxonomy) from which goods and services are procured for BMA. In the ESCT Program, when the taxonomy risk of a supplier is assessed, the country of incorporation, and where different, the country of primary manufacturing facilities, is included. Due diligence is prioritised on suppliers who are assessed to be high or very high risk based on their combined country and taxonomy risk.

The table below outlines BHP's high-risk taxonomies and examples of the modern slavery risks within each that are relevant to BMA's supply chain.

Table 1: Taxonomy risks

Taxonomy	Example modern slavery risks ⁽⁶⁾	Taxonomy link to BHP Minimum requirements for suppliers
Bulk materials <i>Example: Fuels including biofuel, tyres, explosives, emulsion, bulk chemicals including sulphurs, acids and reagents.</i>	Migrant worker risks, including bonded labour, retention of passports, and poor working conditions and pay, maritime seafarers' welfare.	- Labour rights - Conflict minerals - Community - Environment and health - Compliance - Remedies
Non-production consumables <i>Example: Apparel, hardware, cleaning agents and food stuffs Biofuels (including palm oil) in food/soaps Manufacturing/ processing, waste management services.</i>	Risks to women, children and migrant workers, including trafficking and forced labour, retention of passports, long work hours below minimum wage, lack of freedom of association.	- Labour rights - Community - Environment and health - Compliance - Remedies
Travel and accommodation <i>Example: Hotel personnel, biofuels in aviation gasoline.</i>	Risks to women, children and migrant workers, including bonded labour, retention of passports, and poor working conditions and pay.	- Labour rights - Environment and health - Remedies
Conveyor belting and parts <i>Example: Conveyor parts, rollers and belts including source material (rubber) and manufacturing.</i>	Child labour, migrant worker risks, including bonded labour (especially at source material rubber), retention of passports, poor working conditions and pay, violations of freedom of association, maritime seafarers' welfare.	- Labour rights - Community - Environment and health - Compliance - Remedies
Tyres, wheels and rims <i>Example: Tyres including source material (rubber) and manufacturing.</i>	Child labour, migrant worker risks, including bonded labour (especially at source material rubber), retention of passports, poor working conditions and	- Labour rights - Community - Environment and health - Compliance

(3) The Verisk Maplecroft Modern Slavery Index assesses the risk to business of exposure to practices of slavery, servitude, trafficking in persons and forced labour. [Verisk Maplecroft](#) Index scores are presented on a scale of 0–10, where 0 represents highest risk and 10 represents lowest risk.

(4) We recognise a supplier's country of incorporation may be different from the country of origin of its goods or services.

(5) United States of America, Singapore, United Kingdom, China, South Africa, New Zealand, Hong Kong, India and Ireland.

(6) According to Verisk Maplecroft Modern Slavery Index 2021 and BHP subject matter expertise.

	pay, violations of freedom of association, maritime seafarers' welfare.	-	Remedies
Technology <i>Example: Computing devices source material (3TGs/conflict minerals) and manufacturing.</i>	Migrant worker risks, including bonded labour, retention of passports, occupational health and safety, and poor working conditions and pay, source materials (3TGs and conflict minerals).	-	Labour rights - Conflict minerals - Remedies
Wear consumables <i>Example: Mill liners, grinding media including source materials (rubber, metals) and manufacturing.</i>	Migrant worker risks, including bonded labour, retention of passports, occupational health and safety, poor working conditions and pay, maritime seafarers' welfare.	-	Labour rights - Conflict minerals - Environment and health - Community - Remedies

Actions to address modern slavery risks

Actions taken to assess and address modern slavery risks relevant to BMA, including due diligence and remediation processes, are as described in the 'Policies and governance' and 'Due diligence and risk management' sections of the BHP Statement.

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 the risks of modern slavery and human trafficking across BMA operations and supply chains:

- *Our Code of Conduct*
- EthicsPoint, BHP's system for reporting misconduct that has either happened to them or they have witnessed, including a 24-hour, multilingual call service and the option to raise a concern anonymously
 - This is available to the BMA workforce, external stakeholders and local community
- *Our Requirements for Supply*
 - *Minimum requirements for suppliers*
 - Ethical Supply Chain and Transparency Guide
- *Our Requirements for Community standard*
 - Human Rights Impact Assessments, which are conducted at an operational level
 - Implementation of complaints and grievance mechanisms across BMA sites
- Risk Framework
 - Requires identification and management of risks to be embedded in specific business activities
- ESCT Program
 - Full program launch occurred in FY2020, including for applicable BMA suppliers. In FY2021, BHP updated its approach to assessing supplier risk to enhance the accuracy of initial screening
- Human rights training and culture building
 - Mandated for the BHP Group's Corporate Affairs, Procurement, Maritime, and Supply Chain Excellence teams, which manage external relationships and support the policies, standards and processes and actions that have been adopted for BMA's operations and supply chains
- Human Rights Breach Remediation and Response Plan

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

Assessment of effectiveness

Assessment of the effectiveness of the actions being taken to assess and address modern slavery risks for BMA are as described in the 'Assessing effectiveness' section of the BHP Statement. Aligned with BHP Group processes, assessment of effectiveness for BMA includes:

- investigation and analysis of complaints and grievances and reports of issues received through EthicsPoint and BMA complaints and grievance mechanisms
- inclusion of BMA-related information in BHP Group Sustainability Committee and Risk and Audit Committee reports
- provision of BMA-related information in the BHP Group's Annual Reporting suite, including external limited assurance of sustainability data
- monitoring modern slavery related metrics, including percentage of BMA suppliers that confirm compliance with the *Minimum requirements for Suppliers*, due diligence conducted on high or very high risk suppliers, and training
- participation in the BHP Group's internal audit program
- inclusion of BMA-specific issues (as applicable) in the BHP Group's annual review of the supply risk assessment and assessment of controls

- application of continuous improvement initiatives within the BHP Group's ESCT Program life cycle to the BMA supply chain
- engaging regularly and collaborating with BMA's stakeholders.

Further detail regarding BMA's risks, actions to mitigate risk and how the effectiveness of those actions (including further detail in relation to the items described above) is assessed is provided in the BHP Statement. The 'Looking forward' section of the BHP Statement is also applicable to BMA.

Consultation

This Statement has been prepared in consultation with key BHP Group teams that collaborate to deliver the human rights (including modern slavery) risk identification, assessment and management processes of the BHP Group that have been adopted by BM Alliance with respect to BMA's operations and supply chains. This Statement (including the BHP Statement in the Annexure) has also been reviewed by BM Alliance's shareholders, BHP MetCoal and MDP.

Adrian Wood
Director



Taro Abe
Director

For and on behalf of BM Alliance Coal Operations Pty Ltd

ANNEXURE

BHP MODERN SLAVERY STATEMENT FY2021

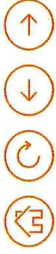


BHP Mitsubishi Alliance



BHP

Modern Slavery Statement 2021



Modern Slavery Statement FY2021

BHP Group Limited. ABN 49 004 028 077. Registered in Australia. Registered office:

171 Collins Street, Melbourne, Victoria 3000, Australia. BHP Group Plc. Registration number 3196209. Registered in England and Wales. Registered office: Nova South, 160 Victoria Street London SW1E 5LB United Kingdom. Each of BHP Group Limited and BHP Group Plc is a member of the BHP Group. BHP is a Dual Listed Company structure comprising BHP Group Limited and BHP Group Plc. The two entities continue to exist as separate companies but operate as a combined group known as BHP.

The headquarters of BHP Group Limited and the global headquarters of the combined Group are located in Melbourne, Australia. The headquarters of BHP Group Plc are located in London, United Kingdom. Both companies have identical Boards of Directors and are run by a unified management team. Throughout this publication, the Boards are referred to collectively as the Board. Shareholders in each company have equivalent economic and voting rights in the Group as a whole.

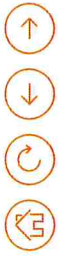
This publication is the Slavery and Human Trafficking Statement (UK) and joint modern slavery statement (Australia) (together, Statement) for the financial year ended 30 June 2021. This Statement is made pursuant to the United Kingdom's Modern Slavery Act (2015) and the Australian Modern Slavery Act (2018) and has been approved by the Board on 2 September 2021. The 'reporting entities' (as defined in the Australian Modern Slavery Act) covered by this joint modern slavery statement (Australia) are listed in the body of this Statement.

In this Statement, the terms 'BHP', the 'Company', the 'Group', 'our business', 'organisation', 'we', 'us', 'our' and 'ourselves' refer to BHP Group Limited, BHP Group Plc and, except where the context otherwise requires, their respective subsidiaries as defined in note 13 'Related undertakings of the Group' in section 3.2 of our Annual Report 2021. Those terms do not include non-operated assets.

This Statement covers assets (including those under exploration, projects in development or execution phases, sites and closed operations) that have been wholly owned by BHP and joint venture assets⁽¹⁾ that are operated by BHP (referred to in this Statement as 'operated assets' or 'operations') during the period from 1 July 2020 to 30 June 2021. Our functions are also included.

BHP also holds interests in joint venture assets that are not operated by BHP (referred to in this Statement as 'non-operated joint ventures' 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 approach risks, including with respect to modern slavery and human trafficking, in relation to our interests in non-operated assets and other investments. Additional information about how we engage with our non-operated asset partners and operator companies at non-operated assets is available at bnp.com/sustainability.

(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.



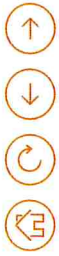
Introduction

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At BHP, we recognise that risks of modern slavery exist throughout our value chain and in our operations and understanding and managing these risks requires a collaborative approach with suppliers, our workforce and other stakeholders. Respecting human rights is one of the foundational principles for contributing meaningful social value to society and we expect the businesses we work with to also meet this commitment.

BHP adopts the Australian Modern Slavery Act definition of modern slavery, including the eight types of serious exploitation (which include human trafficking), each of which has a clear definition in international or Australian law.⁽²⁾

⁽²⁾ We consider these definitions suitable to align with the intended interpretation of slavery and human trafficking under the UK Modern Slavery Act 2015.



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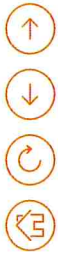
7 Assessing effectiveness and looking forward

UK and Australian Modern Slavery Act Statement

This is our second Statement in response to the Australian Modern Slavery Act and our sixth Statement under the UK Modern Slavery Act. The Statement outlines the governance processes, activities conducted and progress we have made throughout our financial year to improve our understanding and management of the risks of modern slavery and human trafficking in our operations and supply chains.

The sections of the Statement that specifically address what we have done to meet the core mandatory criteria required by the Australian Modern Slavery Act (2018) are outlined below. The table also shows the Statement's alignment with recommended reporting criteria for UK Modern Slavery Act statements.

UK Modern Slavery Act recommended reporting criteria		BHP response:	
UK Modern Slavery Act recommended reporting criteria	Australian Modern Slavery Act mandatory reporting criteria	Section	Detail
Organisation's structure, its business and its supply chains	Identify each reporting entity covered by the joint statement	Organisational structure, business and supply chain	<ul style="list-style-type: none"> list of the 'reporting entities' (as defined in the Australian Modern Slavery Act) covered by this joint modern slavery statement (Australia)
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 structure, operations and supply chains of each reporting entity covered by the joint statement	Organisational structure, business and supply chain	<ul style="list-style-type: none"> our Operating Model countries in which we operate non-operated joint ventures and social investments our supply chain
	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	Organisational structure, business and supply chain Due diligence and risk management	<ul style="list-style-type: none"> modern slavery risks human rights risks human rights impact assessments non-operated joint ventures and other investments: locations and governance and risk management approach taxonomies we procure goods and services from Ethical Supply Chain and Transparency program



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UK and Australian Modern Slavery Act Statement continued

UK Modern Slavery Act recommended reporting criteria

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

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

Australian Modern Slavery Act mandatory reporting criteria

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

Describe how each reporting entity covered by the joint statement assesses the effectiveness of actions being taken to assess and address modern slavery risks

Describe the process of consultation with each reporting entity covered by the joint statement and with any entities that each of those reporting entity owns or controls

Any other relevant information

BHP response:

Section

Detail

Organisational structure, business and supply chain

Policies and governance

Due diligence and risk management

- Our Code of Conduct and human rights training
- non-operated joint ventures and other investments: governance and risk management approach
- Ethical Supply Chain and Transparency program
- updates to *Minimum requirements for suppliers*
- access to remedy, including remediation and response plan, EthicsPoint and complaint and grievance mechanisms
- engagement activities with suppliers, customers, investors

Policies and governance

Due diligence and risk management

Assessing effectiveness and looking forward

- investigation and analysis of complaints and grievances
- annual human rights reporting to Board's Sustainability Committee
- annual supply chain human rights risk review
- internal audit program
- Group Risk reporting process
- results of the Ethical Supply Chain and Transparency Program
- Ethical Supply Chain and Transparency effectiveness review

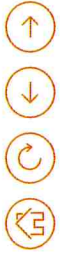
Consultation and collaboration

Due diligence and risk management (training and culture and collaboration)

Assessing effectiveness and looking forward

External consultation and collaboration

- consultation between the reporting entities, and between reporting entities and the entities they own or control
- Our Code of Conduct and human rights training
- further engagement and collaboration activities
- plans for FY2022
- engaging and collaborating with stakeholders e.g. membership of the Global Business Initiative on Human Rights



Our approach

We are successful when we uphold the values set out in *Our Charter*, when our customers, suppliers and the communities where we operate value their relationships with us and when we truly live our purpose – *to bring people and resources together to build a better world*. Our approach to modern slavery and human trafficking risks is underpinned by these values.

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5 Due diligence and risk management

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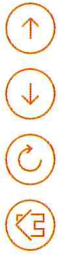
7 Assessing effectiveness and looking forward

BHP recognises it is important for us to seek to understand and to manage the risks of modern slavery and human trafficking in our value chain and our operations. Our approach to managing these risks is embedded in our [Human Rights Policy Statement](#) and the [Our Requirements standards](#),⁽³⁾ and implemented through our management and due diligence systems across our operated assets.

We take a collaborative approach to considering sustainability in our value chain, recognising we must engage with suppliers and other value chain participants to promote sustainable practices across the full life cycle of our products.

There are inherent risks of modern slavery and human trafficking in the resources sector. Responsible sourcing for BHP requires us to integrate sustainability and human rights considerations into procurement and logistics in our supply chains (including shipping). Some of the world's most vulnerable people work deep within supply chains and we continue to evolve and refine our approach to better address the risks.

(3) These describe our mandatory minimum performance requirements and provide the foundation to develop and implement management systems at our operated assets.



Organisational structure, business and supply chain

BHP is a global natural resources company, operating in global markets. We extract, process and explore for minerals, oil and natural gas with around 80,000 employees and contractors (our workforce), primarily in Australia and the Americas.

Our principal operations and locations are described below. Our products are sold worldwide. The BHP Annual Report 2021, available at bhp.com, provides more information on the structure of our workforce.

Structure

BHP consists of BHP Group Limited and BHP Group Plc, operating as a single unified economic entity, following the completion of the Dual Listed Company merger in June 2001. The two entities continue to exist as separate companies but operate as a combined group known as BHP. The headquarters of BHP Group Limited and the global headquarters of the combined Group are located in Melbourne, Australia. The headquarters of BHP Group Plc are located in London, United Kingdom. Both companies have identical Boards of Directors and are run by a unified management team. Shareholders in each company have equivalent economic and voting rights in the Group as a whole.

In FY2021, BHP organised its business into three main divisions: Minerals Australia, Minerals Americas and Petroleum, supported by regional or centralised activities, including sales and marketing led through Singapore and Houston, United States.

Reporting entities (Australian Modern Slavery Act)

The following are the reporting entities covered by this joint modern slavery statement (Australia):

BHP Group Limited	BHP Iron Ore (Jimblebar) Pty Ltd
The Broken Hill Proprietary Company Pty Ltd	BHP Petroleum (North West Shelf) Pty Ltd (formerly BHP Billiton Petroleum (North West Shelf) Pty Ltd)
BHP Lonsdale Investments Pty Ltd	BHP Petroleum International Pty Ltd (formerly BHP Billiton Petroleum International Pty Ltd)
Dampier Coal (Queensland) Proprietary Limited	BHP Petroleum (Bass Strait) Pty Ltd (formerly BHP Billiton Petroleum (Bass Strait) Pty Ltd)
BHP Mitsui Coal Pty Ltd	BHP Petroleum (International Exploration) Pty Ltd (formerly BHP Billiton Petroleum (International Exploration) Pty Ltd)
(formerly BHP Billiton Mitsui Coal Pty Ltd)	BHP Nickel West Pty Ltd (formerly BHP Billiton Nickel West Pty Ltd)
BHP Minerals Pty Ltd	BHP Olympic Dam Corporation Pty Ltd (formerly BHP Billiton Olympic Dam Corporation Pty Ltd)
(formerly BHP Billiton Minerals Pty Ltd)	BHP Petroleum (Australia) Pty Ltd
BHP (Towage Services) Pty Ltd	

Operations and locations

BHP's principal operations comprise:



► Exploration and acquisition

With copper and nickel our primary targets.

► Development and mining

Our aim is to be the industry's best operator through a focus on safety, operational excellence and social value.

► Process and logistics

We process and refine ore, strive to safely manage waste, and aim to efficiently and sustainably transport our products to customer markets.

► Sales and marketing

We seek to maximise value through our commercial expertise, customer insights and proactive risk management.

► Closure and rehabilitation

Are considered throughout the asset lifecycle, to help minimise our impact and optimise post-closure value for all.

Our business model and strategy and a description of BHP's assets and principal office locations (including BHP's interests in mining non-operated joint ventures and petroleum non-operated assets, which are expressly addressed in the Non-operated assets and other investments section below, but not otherwise referenced throughout this Statement) are set out in sections 1.4, 1.6.1, 1.6.2, 1.10 and 1.11 of our Annual Report 2021; BHP locations and the locations of non-operated assets are represented on the map on page 8.



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Organisational structure, business and supply chain continued

BHP locations (includes non-operated operations)



Minerals Australia

- 1 Olympic Dam Australia
- 2 Western Australia Iron Ore Australia
- 3 New South Wales Energy Coal Australia
- 4 BHP Mitsubishi Alliance Australia
- 5 BHP Mitsui Coal Australia
- 6 Nickel West Australia



Minerals Americas

- 7 Escondida Chile
- 8 Pampa Norte Chile
- 9 Antamina⁽¹⁾ Peru
- 10 Samarco⁽¹⁾ Brazil
- 11 Cerrejón Columbia
- 12 Jansen Canada
- 13 Resolution Copper US

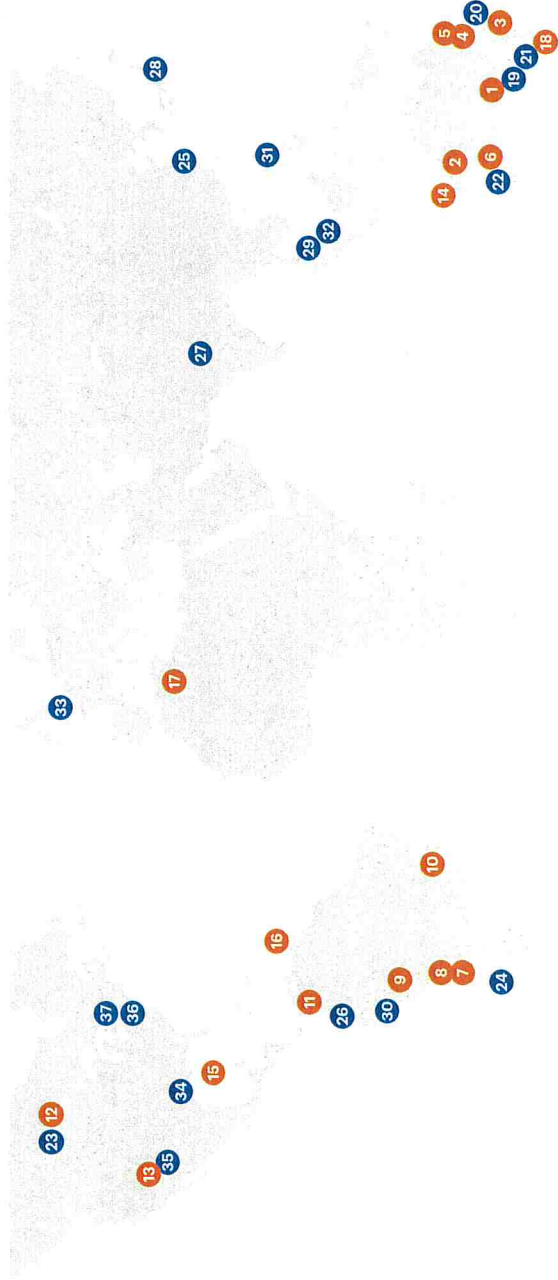


Petroleum

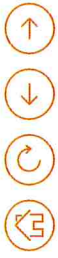
- 14 Australia Production Unit Australia
- 15 Gulf of Mexico Production Unit Joint Interest Unit⁽¹⁾ US
- 16 Trinidad and Tobago Production Unit Trinidad and Tobago
- 17 Algeria Joint Interest Unit⁽¹⁾ Algeria
- 18 Australia Joint Interest Unit⁽¹⁾ Australia

BHP principal office locations

- 19 Minerals Australia office Adelaide, Australia
- 20 Minerals Australia office Brisbane, Australia
- 21 Global headquarters Melbourne, Australia
- 22 Minerals Australia office Perth, Australia
- 23 Minerals Americas office Saskatoon, Canada
- 24 Minerals Americas office Santiago, Chile
- 25 Corporate office Shanghai, China
- 26 Metals exploration office Quito, Ecuador
- 27 Corporate office New Delhi, India
- 28 Corporate office Tokyo, Japan
- 29 Global Business Services Kuala Lumpur, Malaysia
- 30 Metals exploration office Lima, Peru
- 31 Global Business Services Manila, Philippines
- 32 Marketing and corporate office Singapore, Singapore
- 33 Corporate office London, UK
- 34 Petroleum office Houston, US
- 35 Metals exploration office Tucson, US
- 36 Corporate office Washington DC, US
- 37 Corporate office Toronto, Canada



(1) Non-operated joint venture.



Organisational structure, business and supply chain continued

Risks of modern slavery practices within our operations

Our operated assets and office locations span 19 countries and nine of these have either high or extreme potential for modern slavery risks, according to the Verisk Maplecroft Modern Slavery Index 2021.⁽⁴⁾

The risks for modern slavery in the mining and metals sector primarily relate to the labour conditions related to artisanal mining, particularly in areas of conflict.⁽⁵⁾ Of the six countries in which we operate mining activities, two have a high risk of modern slavery at an industry level, none is classified as an area of conflict⁽⁶⁾ and we had no reported artisanal or small-scale mining⁽⁷⁾ on or adjacent to any of our operated assets. While the risks of modern slavery in artisanal mining are not directly relevant for BHP's own operations or our supply chain, we seek to understand and monitor the broader human rights risks related to the resources sector, including the safety and security risks with respect to artisanal mining.

In the oil and gas sector, modern slavery risks primarily relate to the conditions on board offshore supply vessels.⁽⁸⁾ In FY2021, our operated assets in this sector were located across seven countries, two of which have a high risk of modern slavery at an industry level.⁽⁹⁾

In addition to operated assets, BHP maintains corporate offices that are managed by our Property and Workplace function in 16 countries, seven of which are located in countries with a high or extreme risk of modern slavery rating.⁽¹⁰⁾ In managing these offices, we recognise the heightened industry-level risks of modern slavery within the facilities management sector, in particular relating to the lower-skilled sectors within the industry, for example cleaning services, due to the high levels of migrant labour engaged.

The broader human rights that may be impacted by BHP's own operations include rights related to workplace health and safety, labour, indigenous peoples, water and sanitation and those of the communities that live near our assets as detailed in our Human Rights Policy Statement.

Non-operated assets and social investments

BHP also holds interests in companies and joint ventures that we do not operate. These are described in more detail in our Annual Report 2021. Information about how we engage with our non-operated asset partners and operator companies at non-operated assets is available at [bhp.com/sustainability](https://www.bhp.com/sustainability).

Non-operated minerals joint ventures

In FY2021, our Minerals non-operated joint ventures (NOJVs) included Antamina (33.75 per cent ownership) in Peru, Resolution Copper (45 per cent ownership) in the United States, Cerrejón (33.33 per cent ownership) in Colombia⁽¹¹⁾ and Samarco (50 per cent ownership) in Brazil.

We recognise three of the four countries have a high level of risk of modern slavery within the mining and metals sectors according to the Verisk Maplecroft Modern Slavery Index 2021.

We engage with our NOJV partners and operator companies through our NOJV team.

While NOJVs have their own operating and management standards, we seek within the limits of the relevant joint venture agreements to enhance governance processes and influence operator companies to adopt international standards, including in respect of human rights. Subject matter experts from BHP also provided input and support to relevant NOJV operators in relation to risk management, social and environmental impacts and community engagement.

Non-operated petroleum assets

In FY2021, our Petroleum non-operated assets included Atlantis and Mad Dog (offshore deepwater, Gulf of Mexico), Bass Strait (offshore and onshore, Victoria, Australia), North West Shelf (offshore and onshore, Western Australia) and ROD Integrated Development (onshore, Algeria). BHP's percentage interests with respect to these investments are described in our Annual Report 2021.

The ROD Integrated Development is located in Algeria, a country with a medium risk of modern slavery, according to the Verisk Maplecroft Modern Slavery Index 2021.

We have processes in place at our Petroleum non-operated assets within the rights afforded by the respective joint operating agreements to engage in relation to risk identification and management. This includes (as permitted by the relevant operator and/or joint operating arrangements) review of risk control strategies through field visits, review and analysis of the operator's performance data, participation in operator audits and sharing BHP risk management strategies and processes where appropriate.

(4) The Verisk Maplecroft Modern Slavery Index assesses the risk to business of exposure to practices of slavery, servitude, trafficking in persons and forced labour. Verisk Maplecroft index scores are presented on a scale of 0-10, where 0 represents highest risk and 10 represents lowest risk.

(5) According to Verisk Maplecroft Modern Slavery Index 2021.

(6) As defined by Uppsala Conflict Data Program's definition of being in active conflict.

(7) BHP uses the International Council for Mining and Metals (ICMM) definition of artisanal and small-scale mining: as a subsistence miner who is not officially employed by a mining company, but works independently, mining minerals using their own resources. More information can be found on the ICMM website.

(8) According to Verisk Maplecroft Modern Slavery Index 2021.

(9) According to Verisk Maplecroft Modern Slavery Index 2021.

(10) According to Verisk Maplecroft Modern Slavery Index 2021.

(11) In June 2021, we announced our intended divestment of our interest in Cerrejón to Glencore. Subject to the satisfaction of customary competition and regulatory requirements, we expect completion to occur in the first half of the 2022 calendar year.



Organisational structure, business and supply chain continued

Social investments

We make social investments as voluntary contributions in environmental and community initiatives in partnership with local communities and in pursuit of our sustainability public targets and objectives, including with respect to climate change, water stewardship and biodiversity.

Our voluntary social investment includes funding the BHP Foundation, a charitable organisation that works with more than 40 partner organisations across 46 countries to address some of the world's most critical sustainable development challenges. The BHP Foundation's risk management processes include human rights as one of the material risk areas, and was reviewed in FY2021 in consideration of the United Nations Guiding Principles on Business and Human Rights (UNGPs).

Our supply chain

BHP's global supply network encompasses direct suppliers in more than 61 countries. Our operations are supported by raw materials, direct materials (those used in our production cycles, such as trucks and explosives) and indirect materials (which are all other materials incidental to our business, including technology hardware and consumables, such as tools, personal protective equipment, office supplies and skilled labour and services). We made payments to more than 9,000 suppliers in FY2021, with 77 per cent of our spend going towards payment for services. The largest spend categories were engineering and construction, maintenance services, and goods for maintenance, repair and operations.⁽¹²⁾

Across our supply chain, our key human rights related risks are in the materials (goods) supply chain and the maritime transport of our commodities, with additional high-potential exposure in our indirect supply chain. We use a combination of geographic and taxonomy risk identifiers to assess supplier risk.

Risks of modern slavery practices

Approximately 95 per cent of our direct suppliers are concentrated in 10 countries⁽¹³⁾ (based on country of incorporation⁽¹⁴⁾). Eighty-five per cent of our direct suppliers are located in three countries: Australia, Chile and the United States. Of our top 10 supplier countries, three are countries that are rated as high or extreme risk⁽¹⁵⁾ according to the Verisk Maplecroft Modern Slavery Index 2021.

We recognise understanding the risk factors of modern slavery and human trafficking within our supply chain requires assessing the countries and the sectors (taxonomy) from which we procure goods and services. In our Ethical Supply Chain and Transparency program, when assessing the taxonomy risk of a supplier we include the country of incorporation, and where different, the country of primary manufacturing facilities. We prioritise our due diligence on suppliers who are assessed to be high or very high risk based on their combined country and taxonomy risk. The table outlines BHP's high-risk taxonomies and examples of the modern slavery risks within each. Refer to the Due diligence and risk management in our supply chain section for information on the FY2021 results of our supplier assessment program.

Taxonomy risks

Taxonomy	Example modern slavery risks ⁽¹⁶⁾	Taxonomy link to BHP Minimum requirements for suppliers
Bulk materials Example: Fuels including biofuel, tyres, explosives, emulsion, bulk chemicals including sulphurs, acids and reagents.	Migrant worker risks, including bonded labour, retention of passports, and poor working conditions and pay, maritime seafarers' welfare.	- Labour rights - Conflict minerals - Community - Environment and health - Compliance - Remedies
Non-production consumables Example: Apparel, hardware, cleaning agents and food stuffs, Biofuels (including palm oil) in food/soaps, Manufacturing/processing, waste management services.	Risks to women, children and migrant workers, including trafficking and forced labour, retention of passports, long work hours below minimum wage, lack of freedom of association.	- Labour rights - Community - Environment and health - Compliance - Remedies
Travel and accommodation Example: Hotel personnel, biofuels in aviation gasoline.	Risks to women, children and migrant workers, including bonded labour, retention of passports, and poor working conditions and pay.	- Labour rights - Environment and health - Remedies
Conveyor belts and parts Example: Conveyor parts, rollers and belts including source material (rubber) and manufacturing.	Child labour, migrant worker risks, including bonded labour (especially at source material rubber), retention of passports, poor working conditions and pay, violations of freedom of association, maritime seafarers' welfare.	- Labour rights - Community - Environment and health - Compliance - Remedies
Tyres, wheels and rims Example: Tyres including source material (rubber) and manufacturing.	Child labour, migrant worker risks, including bonded labour (especially at source material rubber), retention of passports, poor working conditions and pay, violations of freedom of association, maritime seafarers' welfare.	- Labour rights - Community - Environment and health - Compliance - Remedies
Technology Example: Computing devices source material (3TGs/conflict minerals) and manufacturing.	Migrant worker risks, including bonded labour, retention of passports, occupational health and safety, and poor working conditions and pay, source materials (3TGs and conflict minerals).	- Labour rights - Conflict minerals - Remedies
Wear consumables Example: Mill liners, grinding media including source materials (rubber, metals) and manufacturing.	Migrant worker risks, including bonded labour, retention of passports, occupational health and safety, poor working conditions and pay, maritime seafarers' welfare.	- Labour rights - Conflict minerals - Environment and health - Community - Remedies

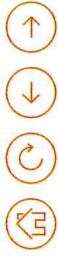
(12) These are broad taxonomies that include suppliers that provide construction, labour, design and manufacturing/fabrication services to BHP.

(13) Australia, Brazil, Canada, Chile, China, Ecuador, Trinidad and Tobago, Singapore, United Kingdom and United States.

(14) We recognise a supplier's country of incorporation may be different from the country of origin of its goods or services.

(15) Brazil, China and Ecuador.

(16) According to Verisk Maplecroft Modern Slavery Index 2021 and BHP subject matter expertise.



Policies and governance

Every member of our workforce who works at or supports our operations is guided by *Our Charter*, *Our Code of Conduct (Our Code)* and the *Our Requirements standards*.

Contractors working at our operated assets are required to comply with our health, safety, environmental and community (HSEC) standards. We are focused on how we can engage with and encourage our suppliers, agents and service providers to maintain business practices and workplace standards that are comparable to our own.

The Board reviews and monitors the effectiveness of the Group's systems of financial and non-financial risk management and internal controls. The broad range of skills, experience and knowledge of the Board assists in providing a diverse view on risk management. The Board's Risk and Audit Committee and Sustainability Committee assist the Board by reviewing and considering BHP's risk profile (covering operational, strategic and emerging risks) on a biannual basis.

Our Code establishes the standard for our commitment to working with integrity and respect. *Our Code* sets out standards of behaviour for our people and outlines the human rights commitments applicable to our people, as well as our contractors and suppliers (where under relevant contractual obligation).

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We continued to conduct activities in FY2021 to maintain and increase awareness about *Our Code* that included:

- ongoing strong focus on awareness of *Our Code* requirements from the CEO, Asset Presidents and General Managers of our operated assets, who continued to raise the importance of culture within BHP in their Group-wide and asset-level communications
- further improvements in reporting of data insights from EthicsPoint (our speak-up service, described below) and sharing lessons from significant investigations with our senior leaders, site management and Integrity Working Group (described in the Access to remedy section on page 12).

Freedom of Association and collective bargaining at BHP

Our Human Rights Policy Statement (HRPS) sets out our expectations of our people and all third parties we work with to respect human rights. In FY2021, we updated the HRPS to provide a more explicit commitment to labour rights, specifically to operate consistently with the terms of the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, including to the four Core Labour Standards;⁽¹⁷⁾ the subject of the ILO Conventions on which the ILO Declaration is based.

Our updated HRPS is available at bhp.com.

BHP is a party to a number of collective agreements that underpin minimum terms and conditions of employment for our employees.

BHP respects the right to freedom of association and does not discriminate in the collective bargaining process where employees elect to be represented.

Requirements for suppliers and social investment

Suppliers

The *Our Requirements for Supply* standard sets mandatory minimum requirements for suppliers of non-traded goods and services, including:

- registration prior to being set up as a new supplier
- application of the *Minimum requirements for suppliers*

Compliance with the *Minimum requirements for suppliers* is necessary for doing business with BHP and they are included in our procurement standard contract suite, BHP standard voyage contract terms⁽¹⁸⁾ and purchase order terms and conditions. Previous Statements have provided more detail on our standard contracts. Of the suppliers that are registered in our Global Contract Management System (GCMS), as at 30 June 2021, over 99 per cent have confirmed they comply with the *Minimum requirements for suppliers* or have confirmed they commit to an equivalent or higher standard. We conduct additional due diligence on those of our suppliers initially screened as high and very high risk to test these responses (refer to the Due diligence and risk management in our supply chain section). A very small number of suppliers that have not committed to complying with the *Minimum requirements for suppliers* (and do not have standards that are equivalent to or higher than BHP's) are proactively followed up. In cases where suppliers are not able to satisfactorily rectify their non-compliance, they will be ineligible to continue to conduct business with BHP.

We continued our work with suppliers during contract negotiations in FY2021, to support an understanding of the *Minimum requirements for suppliers* and our Ethical Supply Chain and Transparency program. We focused on high-risk suppliers, including those in the bulk materials and tyres, wheels and rims industries.

To support our continuous improvement and collaboration with suppliers, our Ethical Supply Chain and Transparency Guide is available to all direct and indirect suppliers at bhp.com.

The Guide complements the direct engagement and relationships we have with our suppliers through our Procurement teams with the intent to collaborate with and enhance the capability of our suppliers in meeting their requirements under our *Minimum requirements for suppliers*.

Social investment

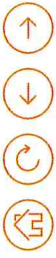
BHP aims to use its standard contract templates for social investment⁽¹⁹⁾, wherever possible, which include:

- a requirement for the partner organisation/donation recipient to comply with a tailored version of our *Minimum requirements for suppliers* in its activities funded by BHP and to ensure any subcontractors also do so
- express acknowledgement of our expectation the partner organisation will read, understand and adhere to *Our Code*

(17) Freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labour, the effective abolition of child labour, and the elimination of discrimination in respect of employment and occupation.

(18) The contract terms most commonly used by BHP for chartering vessels.

(19) Standard contracts are encouraged for all social investment over US\$20,000. Due to regulatory requirements, for social investment in Chile, standard contracts are not used; however, all contracts are required to be developed in compliance with the *Our Requirements standards*.



Policies and governance continued

Access to remedy

There are a number of mechanisms available to employees of BHP and our suppliers, as well as third parties to raise grievances on any topic of importance to them, which may include modern slavery and/or human rights issues.

Aligned with the UNGPs, the *Our Requirements for Community* standard requires that each operated asset has a local complaint and grievance mechanism. More information on complaint and grievance mechanisms can be found at bhp.com.

To ensure these mechanisms are culturally appropriate and accessible to all stakeholders, including Indigenous peoples, we established globally consistent principles in FY2021. These principles align with the UNGPs and apply to how we develop the complaint and grievance mechanisms to ensure any relevant social contexts are considered.

We also worked to improve the quality of reporting of community concerns, complaints and grievances via the BHP Event Management System. Complaints, grievances and reports of community or human rights issues received by our operated assets are required to be logged in our Event Management System, which was launched in FY2020. The system includes categories for community complaints and grievances relating to amenity, behaviour, human rights and Indigenous rights. This allows us to improve our investigation, management and analysis of issues and impacts on communities. There were no complaints relating to modern slavery or human trafficking received through these mechanisms in FY2021.

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At an informal level, BHP promotes a 'safe to speak up' culture in its workplace encouraging resolution through productive working relationships.

At a more formal level, there are documented processes in policies, contractual frameworks and industrial instruments for raising and managing grievances and for their escalation.

BHP's 'Speaking up with confidence' guidance note, embedded in *Our Code* explains how reporters of *Our Code* concerns are protected under BHP policies. We encourage our employees, everyone who works with us and all those affected by our business globally to promptly raise a concern about anything they reasonably believe may be illegal, improper or involve misconduct. This includes concerns about potential human rights violations.

We have mechanisms in place for anyone to raise a query about *Our Code*, or make a report if they feel *Our Code* has been breached.

EthicsPoint is our system for reporting misconduct and can be used by employees, contractors and external stakeholders, including members of the public, to raise concerns about misconduct that has either happened to them or they have witnessed. Reports can be raised in EthicsPoint directly, via an employee or contractor's line leader or via the 24-hour, multilingual call service. Reporters of misconduct can choose to raise their concern anonymously.

All reports received in EthicsPoint are reviewed and categorised by the Ethics team. Once categorised, reports are assigned in accordance with internal policy and processes to an investigator, line leader or appropriate team for resolution. The processes for reporting and investigation are transparent and BHP employees and contractors can access this information via BHP's intranet. External stakeholders can access this via the BHP website.

Reports raised via EthicsPoint provide valuable insight into culture and organisational learning. All significant *Our Code* matters and key trends from investigations are reported to the Board's Risk and Audit Committee. These are then considered as part of its report-out to the Board as set out in the Annual Report 2021 (sections 2.1.10 and 2.1.15). The most serious breaches of *Our Code* are also reported to the Integrity Working Group, which is accountable for oversight of the operational effectiveness of the Investigations Framework, including oversight of investigations completed by the Central Investigations team. The Integrity Working Group is chaired by the Chief Compliance Officer and comprises of a number of senior leaders across BHP.

There were no incidents of modern slavery or human trafficking in breach of our policies reported to EthicsPoint during FY2021.

In FY2021, all suppliers assessed as high or very high risk and with more than 100 employees were asked to provide evidence of a grievance mechanism through the Request for Information (RFI) process under the Ethical Supply Chain and Transparency (ESCT) due diligence program. As due diligence is progressively completed, suppliers that do not have a mechanism in place are placed on a supplier development plan in order to rectify.⁽²⁰⁾

We recognise human rights risks are present in organisations of all sizes. We also acknowledge some organisations, including smaller enterprises, may face challenges with the implementation of management processes and procedures that provide adequate access to remedy for workers and other stakeholders. We are committed to working collaboratively with these suppliers to understand their constraints and seek to find ways to support the provision of complaint and grievance mechanisms. Information on accessing EthicsPoint is available for suppliers in the Ethical Supply Chain and Transparency Guide.

Our Human Rights Breach Remediation and Response Plan was not required to be activated in FY2021. The plan details the coordination of our proposed response and the remediation steps we take in response to an alleged breach of human rights within our supply chain.

Our FY2020 Modern Slavery Statement outlined BHP's approach to the provision of remedy options for seafarers who are on-board vessels undertaking BHP voyages.

(20) For more information on supplier due diligence and supplier development plans, refer to the Ethical Supply Chain and Transparency program section.



Due diligence and risk management

We identify, assess and manage risks that BHP is exposed to, including human rights risks, by applying our overarching Risk Framework.

Due diligence and risk management in our business

The Board's Risk and Audit Committee monitors and, at least annually, will review the effectiveness of the Group's systems of risk management and internal control.

More information on BHP's Risk Framework is provided in our Annual Report 2021, available at [bhp.com](https://www.bhp.com).

We finalised our Human Rights Impact Assessment (HRIA) pilot project in FY2021, which resulted in a globally consistent methodology for HRIsAs to be applied across each of our operated assets. HRIsAs were conducted by an external consultant across Minerals Australia and Minerals Americas, with self-assessments conducted at each of these operated assets. A HRIA was also conducted across the Jansen Potash Project in Canada. A review of findings and recommendations was conducted by functional subject matter experts, including for ethics and compliance, inclusion and diversity, tailings, security, procurement, cultural heritage, indigenous employment, environment, health, safety and employee relations.

In Australia, the most salient human rights related risks reported in the HRIA include sexual assault and harassment, mental health and fair and equitable treatment (for example, discrimination, inclusion and diversity and equal pay for equal work). These findings align with existing risks currently managed across BHP, through measures including the introduction of the sexual assault and harassment support line and ongoing focus on mental health and our commitment to inclusion and diversity.

Human rights related risks to communities, including those related to the environment, Indigenous peoples and access to remedy were also reported.

In Chile, the most salient human rights related risks reported were access to remedy for employees and contractors, access to remedy for communities where we operate, fair and equitable treatment, occupational health and safety, water and the impacts of COVID-19. Additional human rights risks relating to security, cumulative impacts on communities and working conditions were identified across operated assets in Chile.

The HRIsAs also reported the risk of violation of labour rights throughout our local and global supply chain, associated with our variable degree of visibility across our full local and global supply chains to determine whether suppliers, supplier contractors and the other actors in these local and global supply chains are adhering to international human rights and labour standards. The risk of supply chain human rights breach is managed through an existing suite of critical controls, with a plan in place to enhance our supplier due diligence (refer to the Due diligence and risk management in our supply chain section).

The outcomes of the HRIA pilot are expected to strengthen our approach to managing and monitoring human rights related risks. In FY2022, our operated assets and functions intend to use a risk-based approach to determine when a HRIA needs to be reviewed or conducted. Results of the HRIsAs are also expected to be better integrated into our existing risk assessment processes to enhance our understanding of the full spectrum of identified risks, and where required, develop additional controls. Social value assessments are intended to include HRIA results to ensure our operated assets have a deep understanding of their operating context and external environment as inputs into their business planning.

More information on the HRIA methodology is available at [bhp.com/sustainability](https://www.bhp.com/sustainability).

We undertake regular engagement with stakeholders to learn about, understand, prevent and seek to mitigate the adverse human rights impacts of our activities, from new country entry to closure. Through the HRIsAs, community perception surveys and engagement with suppliers, customers and other stakeholders, including civil society and investors (refer to the Due diligence and risk management in our supply chain section), we continue to develop our understanding of the threats to and opportunities for respecting human rights across the Group.

The *Our Requirements* standards require we take a risk-based approach that includes consideration of potential human rights, environmental and community impacts for decisions around major transactions, including all major divestments and, where appropriate and are able to be undertaken, major acquisitions. These standards also apply to new activities in high-risk countries and major projects. In FY2021, the *Our Requirements* standard governing the commencement of activities in high-risk countries was updated to improve identification of high-risk countries and strengthen processes for entry and the ongoing management of human rights related risks in these countries. The revised *Our Requirements* standard requires the application of appropriate internal and external expertise and endorsement from the Group Sustainability and Public Policy Officer and Chief Compliance Officer prior to any activities commencing.

Our Internal Audit and Advisory (IAA) team evaluates the design and effectiveness of our sustainability processes through annual internal audit plans. Results are considered in the development of action plans to address improvements where required. Results are reported to the Executive Leadership Team, which is responsible for the day-to-day management

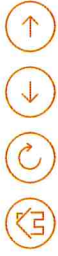
of BHP, and to senior operational leaders, with summary reports provided to the Sustainability Committee and the Risk and Audit Committee. In FY2021, IAA conducted a review of Global Category Management in our Commercial team covering the vendor due diligence process. Management declared some weaknesses in this process with a backlog in the review of active high-risk vendors. Actions to address these gaps have been established.

Due diligence and risk management in our supply chain

We take a collaborative approach to managing the risks of modern slavery and human trafficking in the value chain. Our Ethical Supply Chain and Transparency team within the Commercial and Public Policy team (in External Affairs), Legal and Risk, as well as the Ethics and Compliance team, ensure the approach is integrated with BHP's broader approach to respecting human rights. In FY2021, we continued our risk-based approach to assessing our direct suppliers and improving our understanding of risks within our broader value chain.

Our risk of an actual or perceived failure to prevent or mitigate an adverse human rights impact linked to BHP's supply chain (directly or indirectly), including maritime activities, was reviewed in FY2021 and remains a material risk to BHP. The controls to manage this risk are tested annually for effectiveness and reviewed based on our evolving understanding of the risk. These controls, which are summarised below, remain unchanged from FY2020:

- Ethical Supply Chain and Transparency program (refer to page 14)
- Ethical Supply Chain and Transparency Guide (refer to the Requirements for suppliers and social investment on page 11)



Due diligence and risk management continued

- *Minimum requirements for suppliers* (refer to the Requirements for suppliers and social investment on page 11)
- Training and culture building (refer to the Training and culture section on page 15)
- Human Rights Breach Remediation and Response Plan and complaint and grievance mechanisms (refer to the Access to remedy section on page 12)

Ethical Supply Chain and Transparency program

Throughout FY2021, the Ethical Supply Chain and Transparency (ESCT) team focused on embedding and building the maturity of our ESCT due diligence program.

The program is the primary preventative control to manage the risk of a human rights breach within BHP's supply chain. The program takes a risk-based approach to assessing suppliers,

with extended due diligence against our *Minimum requirements for suppliers* conducted on suppliers that initially register as high or very high risk in the GCMS. To assess supplier risk, we conduct tailored assessments of supplier taxonomy risk in the initial screening, using existing taxonomy metrics (including Verisk Maplecroft indices), third-party data analysis and industry expertise for sector-specific risk profiles.

Our Statements for previous years provided detail on the GCMS registration component of our due diligence process. The FY2020 Statement outlined the ESCT process after registration in the GCMS. In FY2021, we updated our approach to assessing supplier risk to enhance the accuracy of our initial screening.

ESCT program FY2021 results

There were approximately 7,000 active suppliers registered in the GCMS as at 30 June 2021. Of these suppliers, approximately nine per cent

were rated as having very high or high human rights risk potential after the initial screening, with the remaining 91 per cent rated as medium or low risk. We are targeting progressive completion of extended due diligence on all suppliers that initially registered as very high or high risk across the next two years. In FY2021, all such suppliers registered in the GCMS were sent the RFI questionnaire to commence the extended due diligence process.

If suppliers have not responded to the RFI request after three attempts, we trigger escalation protocols that can ultimately result in the supplier being blocked until they respond and complete the due diligence. No suppliers had been blocked due to non-responses as at 30 June 2021.

Detailed due diligence has been completed on 41 per cent of these suppliers. While no significant human rights breaches have been identified, 85 suppliers require a development plan to close identified gaps. Key themes of supplier

gaps include a lack of policy or clear processes related to forced, compulsory and migrant labour, freedom of association, accommodation facilities, and wages and working conditions. In FY2021, 13 suppliers completed the remedies required under their development plans. Progress through the ESCT program is managed through a newly created dashboard in FY2021.

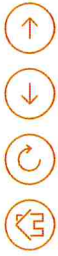
Suppliers may be selected to participate in an independent third-party audit of their operational facilities relevant to BHP. This selection process includes an assessment of the supplier's taxonomy risk and due diligence results, as well as the criticality of a supplier to business continuity where appropriate. Where requested, we require a Sedex Members Ethical Trade Audit (SMETA) to be conducted. After pausing our audit program in FY2020 due to COVID-19, we recommenced the program in FY2021. In FY2021, 15 suppliers with a total of 35 sites (e.g. manufacturing facilities) across 12 countries were selected for SMETA. The suppliers selected were from the following high-risk taxonomies: wear consumables and conveyor belting and parts (e.g. industrial machinery), bulk materials (e.g. explosives) and tyres, wheels and rims. Due to COVID-19 restrictions, only eight of the audits were able to be completed; the remainder have been postponed and will be scheduled for FY2022.

From the completed audits, the primary findings related to safety, hygiene conditions and working hours. The suppliers with findings have been placed on supplier development plans and will have a follow-up audit scheduled in FY2022 to assess remediation of the findings.

The table shows our due diligence and third-party audit priorities across our high-risk taxonomies in FY2021.

Due diligence and third party audit priorities

Taxonomy	
Bulk materials	FY2021 progress Detailed due diligence commenced on largest/critical direct suppliers. SMETAs – commenced. This is a broad, specialised manufacturing taxonomy and we take a risk-based approach, prioritising those commodities with a higher country of origin risk and excluding maritime freight for which sustainability screening is managed by BHP.
Non production consumables	Due diligence commenced on largest/critical direct suppliers. Additional taxonomy review to be conducted to prioritise direct and indirect supplier risks prior to targeted SMETA, in collaboration with direct suppliers in FY2022.
Travel and accommodation	Due diligence commenced, however, de-prioritised in FY2021 due to COVID-19 travel restrictions. Will be re-prioritised when travel recommences with the easing of COVID-19 restrictions. Additional taxonomy review to be conducted to prioritise direct and indirect supplier risks prior to targeted SMETA in collaboration with direct suppliers in FY2022.
Conveyor belting and parts	Detailed due diligence commenced on largest/critical direct suppliers. SMETAs – commenced
Tyres, wheels and rims	Detailed due diligence commenced on largest/critical direct suppliers. SMETAs – commenced
Technology	Due diligence commenced on largest/critical direct suppliers. Additional taxonomy review to be conducted to prioritise direct and indirect supplier risks prior to targeted SMETA, in collaboration with direct suppliers in FY2022
Wear consumables	Detailed due diligence commenced on largest/critical direct suppliers. SMETAs – commenced



Due diligence and risk management in our business continued

The progress of the ESCT program, including the number of suppliers assessed, is reported to the Commercial leadership team quarterly and to the Board's Sustainability Committee twice a year. No BHP suppliers were terminated due to the identification of a modern slavery or human trafficking violation during FY2021.

In FY2021, we continued engagements with customers and their customers, to share with them our ESCT program and approach to human rights. We will continue to engage with our value chains in FY2022, recognising that BHP is also a supplier, and the complexity and challenges of modern slavery and human trafficking require a collaborative approach globally.

Through the Property and Workplace team who manage our corporate facilities, BHP has directly engaged with a facilities management outsourcing partner to seek to ensure contract provisions and contractor obligations are aligned with the *Minimum requirements for suppliers*, and any gaps identified are remedied.

In FY2021, work commenced to align raw material supply chain due diligence with the Organisation for Economic Co-operation and Development (OECD) Due Diligence Guidance on Conflict-Affected and High Risk Areas. This work is expected to be completed by the end of FY2022 and we anticipate providing an update on alignment activities in our FY2022 Statement.

We understand that deep within our supply chain there are limitations on our ability to identify risks and influence how these risks are managed. We commenced steps in FY2021 to improve our understanding of our supply chain beyond our direct suppliers and continue to work alongside

our direct suppliers to build capacity within their organisations and their supply chains.

Effectiveness review

To assess the effectiveness of the ESCT program, a third-party review commenced in FY2021. The objectives of the first phase of this work included reviewing the program's due diligence processes for consistency of application, how supplier risks are understood and evaluated, and to identify any opportunities for improvement. The review included interviews with internal stakeholders and analysis of 20 supplier due diligence results. The review will be completed in FY2022.

Maritime

We have specific controls in place to manage the risks across maritime activities in our inbound and outbound supply chain.⁽²¹⁾

Over 700 vessels were chartered by BHP in FY2021, completing over 1,500 voyages, and the safety and welfare of seafarers on board these vessels is one of our important considerations when vetting vessels that may be used by BHP. Seafarers, while not employed by BHP, form an integral part of the success of the supply chain. As the world's largest bulk charterer, we are in a position to seek to influence the maritime industry by engaging collaboratively with maritime operators to support these key workers.

We work in close collaboration with reputable vessel owners and operators to charter vessels to support our shipping requirements. The operators are chosen based on their maritime operational and safety records. We continued to build on our vessel selection and enhanced vetting and inspection processes in FY2021, in conjunction

with RightShip, through the introduction of their new industry wide Dry Bulk Vetting Standard.⁽²²⁾ The vessel vetting and inspection program assists us to check whether seafarers' statutory rights and welfare are being upheld. Vetting and, when triggered, inspection checks are required to be completed on both BHP-chartered and customer-chartered vessels.

Throughout FY2021, the COVID-19 pandemic continued to present dual safety and wellness challenges for the global shipping industry. In all countries, protecting the health and safety of the port communities where international vessels arrive is paramount. In parallel, the ability to implement crew changes, which protect the health and safety of crew and safeguard global supply chains, remains critical. To support vessel owners in conducting crew changes while seeking to minimise the COVID-19 transmission risk that can arise during port calls, we issued a letter in October 2020 setting out what we considered better practice standards for testing and quarantine procedures during crew changes. We have also sought to work collaboratively with vessel owners to understand the processes they are applying during crew changes and to support them to implement remedial action to address any gaps in these processes through a COVID-19 declaration form provided to the owners of both customer-chartered and BHP-chartered vessels.

BHP worked with industry, vessel owners, customers and relevant global agencies to seek to ensure critical crew changes occurred during FY2021, in particular those impacted by the import restrictions and coal supply chain disruptions. BHP partnered with the Mission to Seafarers in FY2021 to launch a Seafarer Happiness Index survey for seafarers on BHP-chartered vessels. Seafarers had the opportunity to complete the survey to enable BHP's Maritime team to understand the level of seafarer wellbeing in our supply chain and to help ensure vessel owners

had appropriate controls in place. The survey results will provide insight into where our attention should be prioritised with regards to seafarer support.

Training and culture

We are committed to improving the capacity of our teams to understand, identify and manage the risks of modern slavery in our operations and across our value chain. Our *Introduction to Human Rights Training* video is mandatory for our Corporate Affairs, Procurement, Maritime and Supply Chain Excellence teams, which manage external relationships. In FY2021, the training was completed by over 610 members of our workforce.⁽²³⁾

In FY2021, we developed a human rights and modern slavery module within a suite of Value Chain Sustainability training for our Commercial teams. This training is designed to enhance the Commercial function's capability around our social value, regulatory and industry commitments, and will commence in FY2022. The training will be for members of our workforce who have a significant and direct part to play in ethical sourcing, including managing modern slavery risks in the BHP value chain.

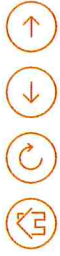
How we work is guided by the core values in *Our Charter*. *Our Code* brings our core values to life, reminds us why they are important and helps us understand what it means to work with those values as our guiding principle.

Acting in accordance with *Our Code* is a requirement for BHP employees. *Our Code* is accessible to all our people and external stakeholders at bhp.com. We deliver annual training to help our workforce understand *Our Code* and the standards of behaviour that are acceptable at BHP. Over 42,000 members of our workforce completed the training in FY2021.

(21) Outbound: the movement of commodities to our customers, inbound: the movement of products supplied to our operated assets.

(22) RightShip is a leading 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.

(23) The number of employees trained has been annualised using data from a 10-month period, July to April, to determine a total for the year. Percentages are calculated using the average of the number of employees at the last day of each calendar month for the same 10-month period.



Consultation and collaboration

Consultation

As outlined in the Our organisational structure and business section, BHP operates and is managed as an integrated Group with overarching policies, systems and processes that are designed to be consistently applied at our operated assets across the Group. Consultation between the Group entities in relation to this Statement occurred as described below, consistent with our Operating Model. This process of consultation included the reporting entities covered by this joint modern slavery statement (Australia) and the entities that each of those reporting entities owns or controls.

This Statement has been prepared in consultation with our key teams that collaborate to deliver our human rights risk identification, assessment and management processes, including modern slavery and human trafficking, for our own operations and supply chain. These teams include the Sustainability and Public Policy; Commercial, including Strategy Planning and Integrity, Procurement, Maritime and Supply Chain Excellence; Legal; Risk; Ethics and Compliance; and Internal Audit and Advisory teams.

Prior to being put to the Board for review and approval, the Statement was reviewed by BHP's Group Company Secretary, Chief Legal, Governance and External Affairs Officer, Chief Commercial Officer and Group Sustainability and Public Policy Officer. The Chief Legal, Governance and External Affairs Officer and Chief Commercial Officer are members of BHP's Executive Leadership Team, which is responsible for the day-to-day management of the Group and leading the delivery of our strategic objectives.

Collaboration

BHP continues to actively participate in forums, including the Global Compact Network Australia's Modern Slavery Community of Practice forum and the Minerals Council of Australia Modern Slavery Taskforce to support the Australian industry's modern slavery reporting. We continue to work with peer companies, customers, civil society, regulators and other industry stakeholders to progress understanding and alignment with the UNGPs and respect for human rights across business practices and value chains.

We regularly respond to investor queries and have been pleased to share our approach to assessing and managing human rights risks, including modern slavery and human trafficking, to investors during FY2021. We look forward to continuing these engagements, as requested by the investment community.

In FY2021, BHP continued its membership of the Global Business Initiative on Human Rights (GBI)⁽²⁴⁾ a global business-led initiative to advance corporate respect for human rights through peer learning and by strengthening business practice.

(24) GBI is a forum that provides the opportunity for practitioners responsible for progressing human rights initiatives within their respective companies to regularly engage with other businesses, civil society and governments to share, contribute to and strengthen the corporate response to global human rights challenges.



Assessing effectiveness and looking forward

Assessing effectiveness

BHP regularly reviews the effectiveness of our modern slavery risk management program by:

- investigating and analysing complaints and grievances, and reports of issues received through our mechanisms (refer to the Policies and governance section)
- reporting annually to the Board's Sustainability Committee on human rights (including modern slavery and human trafficking) (refer to the Policies and governance section)
- monitoring modern slavery related metrics, including percentage of suppliers that confirm compliance with the *Minimum requirements for suppliers* (refer to Policies and governance section), due diligence conducted on high or very high risk suppliers, and training (refer to Due diligence and risk management section)
- conducting our internal audit program (refer to the Due diligence and risk management section)
- implementing our Group Risk reporting process (refer to the Due diligence and risk management section)
- conducting an annual review of the supply risk assessment and assessment of controls (refer to the Due diligence and risk management section)
- undertaking continuous improvement initiatives within our ESCT program life cycle, including the FY2021 effectiveness review of the ESCT (refer to the Due diligence and risk management section)
- engaging regularly and collaborating with stakeholders (refer to the Collaboration section)

Looking forward

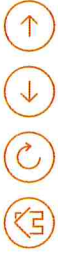
In FY2022, we intend to continue to embed and strengthen the foundations of our compliance framework and understanding of human risks in our supply chain through:

- completing planned due diligence
 - working with suppliers to remedy any potential findings and incorporating human rights considerations into contractual provisions, where relevant
 - further building capability through completion of human rights training and use of the Ethical Supply Chain and Transparency policies
- As our Ethical Supply Chain and Transparency program matures, we will commence the next phase of enhancements to the program, focusing on:
- exploring the role of technology to support greater accuracy, consistency and scalability of the BHP due diligence process
 - increase strategic engagements with industry bodies, suppliers and customers to seek to address human rights risk in our collective supply chains

Mike Henry
Director

For and on behalf of BHP Group Plc
and BHP Group Limited

2 September 2021



Independent Limited Assurance Report to the Management and Directors of BHP Group Limited and BHP Group Plc ('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 2021 (the Statement) have not been prepared in accordance with the Criteria defined below.

What our review covered

Ernst & Young (EY) was engaged by BHP to undertake limited assurance as defined by Australian Audit standards, here after referred to as a 'Review' over the quantitative and qualitative disclosures in the Statement.

Criteria

In preparing the Statement, BHP has applied the requirements in the Modern Slavery Act (UK) 2015 and the Australia Modern Slavery Act (2018) (collectively the Acts) as well as publicly disclosed criteria within the Statement.

Key responsibilities

EY's responsibility and independence
Our responsibility was to express a limited assurance conclusion on the disclosures made in the Statement.

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

BHP's responsibility

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

Our approach to conducting the Review

We conducted this Review in accordance with the *International Federation of Accountants' International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* (ISAE 3000), *Auditing and Assurance Standards Board's Standard for Compliance Engagements* (ASAE 3100), and in accordance with the terms of reference for this engagement as agreed with BHP on 27 January 2021.

We adapted our approach to undertaking our procedures in response to the COVID-19 restrictions and social distancing requirements. The performance of the procedures at head office were conducted remotely and were supported through the use of collaboration platforms for discussions and delivery of requested evidence.

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

- Conducting interviews with personnel to understand the reporting process for complying with the Acts and the additional disclosures on governance structure and internal activities as presented in the Statement
- Reviewing and confirming accuracy of disclosures made in the Statement relating to third party information, including but not limited to Maplecroft global risk data
- Recalculating disclosures of supplier information from source reports, including direct suppliers by country, total spend with suppliers, percentage of suppliers assessed and resulting risk ratings through the Global Contractor Management System, and complaints and grievances

- Reviewing BHP media coverage relating to Modern Slavery and Human Rights to identify material events that may require disclosure
- Undertaking a walkthrough of BHP's complaints and grievances process as well as EthicsPoint claims
- Reviewing referenced policies and documents for consistency of disclosures, including but not limited to the Human Rights Policy, standard contract templates and the Code of Business Conduct
- Comparing the Statement with requirements as defined in the Acts
- Comparing consistency of disclosures on internal activities and initiatives with prior years' Statements
- Comparing the Statement to current disclosures in BHP's Annual Report for the year ended 30 June 2021 (the Annual Report) for consistency
- Evaluating whether the information disclosed in the Statement is consistent with our understanding and knowledge of supply chain management, governance accountability and other sustainability matters as reviewed in our assurance of the Sustainability disclosures within the Annual Report

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

Other Matters

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

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.

Limited Assurance

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

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.

Our 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

Ernst & Young
Melbourne, Australia

Mathew Nelson
Partner

2 September 2021



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