

# MODERN SLAVERY STATEMENT FY2022

BM ALLIANCE COAL OPERATIONS PTY LTD



BHP Mitsubishi Alliance

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 2021 to 30 June 2022, pursuant to the Australian *Modern Slavery Act 2018* (Cth) (**Act**) and was approved by the Board of Directors of BM Alliance on 23 September 2022.

This Statement makes reference to the Modern Slavery Statement FY2022 issued with respect to relevant entities in the BHP Group<sup>1</sup> 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](http://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 and Gregory Joint Ventures, known as the BHP Mitsubishi Alliance (**BMA**). BMA 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**, a BHP Group entity) and Mitsubishi Development Pty Ltd (**MDP**, a member of the Mitsubishi corporate group, which has also submitted a separate statement under the Act).

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 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 operates seven metallurgical coal mines – Goonyella Riverside, Broadmeadow, Daunia, Peak Downs, Saraji, Blackwater and Caval Ridge – in the Bowen Basin, Queensland. 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. A small proportion of BMA's production is sold as energy coal. BMA has access to infrastructure, including a modern, multi-user rail network, and owns and operates its own coal-loading terminal at Hay Point, near Mackay. BMA has contracted capacity at two other multi-user port facilities – the Port of Gladstone (RG Tanna Coal Terminal) and Dalrymple Bay Coal Terminal (**DBCT**). Following BHP's divestment of its interest in BHP Mitsui Coal Pty Ltd (**BMC**) that completed on 3 May 2022, BMA no longer has contracted access to BMC's port allocations at DBCT and North Queensland Export Terminal.

### BMA's workforce

BMA's workforce consists of around 10,000 employees and contractors.

93.6%	full-time employees	3.9%	part-time employees	2.4%	employees on fixed-term full-time contracts	0.1%	employees on fixed-term part-time contracts
<0.1%	casual employees	56%	of active employee workforce on collective bargaining agreements	25.7%	female employee representation		

### BMA's top sourcing countries by spend

Table 1 sets out BMA's top 10 sourcing countries<sup>2</sup> by spend during FY2022, along with its major procurement categories in each country. For the top three countries by spend, we have provided level 1<sup>3</sup> and level 2<sup>4</sup> taxonomy information. For all other countries, we

<sup>1</sup> In this Statement, the term 'BHP Group' refers to BHP Group Limited and, prior to 31 January 2022, BHP Group Plc (now known as BHP Group (UK) Ltd) and, except where the context otherwise requires, their subsidiaries. Refer to Financial Statements note 28 'Subsidiaries in BHP's Annual Report 2022, available at [bhp.com](http://bhp.com), for a list of BHP's significant subsidiaries.

<sup>2</sup> Calculated on the basis of supplier payments made and supplier country of incorporation. We recognise a supplier's country of incorporation may be different from the country of origin of its goods or services.

<sup>3</sup> Level 1 refers to the taxonomy segment under the United Nations Standard Products and Services Code (UNSPSC), which is a hierarchical open, global, multi-sector standard for classification of products and services.

<sup>4</sup> Level 2 refers to the taxonomy family under the UNSPSC.

have provided level 1 taxonomy information. The combined spend for BMA's top 10 sourcing countries represents over 99.9 per cent of BMA's total procurement spend for FY2022. Payments were made to more than 2,000 BMA vendors in FY2022.

**Table 1: Top 10 sourcing countries by spend**

<b>1. Australia</b> Engineering and construction <sup>5</sup> <ul style="list-style-type: none"> <li>Civil works</li> <li>Construction machinery rental or leasing services</li> <li>Engineering and construction</li> </ul> Maintenance, repair and operations (MRO) <sup>6</sup> <ul style="list-style-type: none"> <li>Bearings</li> <li>Drive and transportation systems</li> <li>Electrical MRO</li> </ul> Professional services <sup>7</sup> <ul style="list-style-type: none"> <li>Accounting, assurance and tax</li> <li>Advertising and marketing</li> <li>Contingent commercial labour</li> </ul>		<b>2. United States</b> Technology <sup>8</sup> <ul style="list-style-type: none"> <li>Applications</li> <li>End-user computing</li> </ul> MRO <ul style="list-style-type: none"> <li>Bearings</li> <li>Drive and transportation systems</li> <li>Electrical MRO</li> </ul> Professional services <ul style="list-style-type: none"> <li>Accounting, assurance and tax</li> </ul>		<b>3. Singapore</b> Engineering and construction <ul style="list-style-type: none"> <li>Engineering consulting</li> </ul> Non-production consumables <sup>9</sup> <ul style="list-style-type: none"> <li>Other non-production consumables</li> </ul> Technology <ul style="list-style-type: none"> <li>Applications</li> <li>Automation and control systems</li> <li>End-user computing</li> </ul>	
<b>4. India</b> Technology Professional services		<b>5. Germany</b> Major equipment purchases <sup>10</sup> Engineering and construction MRO		<b>6. Netherlands</b> Engineering and construction Technology	
<b>7. Canada</b> Engineering and construction Maintenance services <sup>11</sup> Indirect services <sup>12</sup>	<b>8. United Kingdom</b> Technology Professional services Engineering and construction	<b>9. China</b> MRO Conveyor belting and parts <sup>13</sup>	<b>10. South Africa</b> Technology Engineering and construction Professional services		

<sup>5</sup> For example: civil works; construction machinery rental or leasing; engineering consulting; Engineering, Procurement and Construction (EPC) contracting; and EPC Management contracting.

<sup>6</sup> For example: bearings; drive and transportation systems; electrical MRO; heat transfer; and hydraulic machinery and equipment.

<sup>7</sup> For example: accounting, assurance and tax; advertising and marketing; contingent commercial labour; financial services; and human resource services.

<sup>8</sup> For example: applications, automation and control systems; end-user computing; infrastructure and security; and service desk.

<sup>9</sup> For example: food and beverage; medical supplies; office consumables; personal protective equipment; and safety consumables.

<sup>10</sup> For example: ancillary equipment and infrastructure; frame and body; major equipment purchase; major conveyor systems and transfer equipment; and major minerals processing equipment.

<sup>11</sup> For example: lab services; onsite equipment rebuild and refurbishment; rail maintenance; specialist equipment maintenance services; and trade maintenance services.

<sup>12</sup> For example: asset disposal and sales; communities/social service/donations; facilities management; health, safety and environment services; and local/community buying and investment.

<sup>13</sup> For example: conveyor belting and conveyor parts.

## Risks of modern slavery practices

BMA's risks of modern slavery practices are as described in the 'Risks of modern slavery practices' section of the BHP Statement,<sup>14</sup> 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 2022.<sup>15</sup>

As outlined in the BHP Statement, the risks for modern slavery in the mining sector primarily relate to the labour conditions related to artisanal and small-scale mining, particularly in areas of conflict. Given that BMA's mining operations are located wholly in Australia, the modern slavery risks associated with artisanal mining, particularly those in conflict zones, are low. According to the Verisk Maplecroft Modern Slavery Index 2022, Australia has a low risk of modern slavery at an industry level and Australia is not classified as an area of conflict.<sup>16</sup> BMA considers that it is more likely to be exposed to modern slavery risks through its global supply chain, which includes some medium risk jurisdictions<sup>17</sup> and higher risk jurisdictions (as shown in Table 2 below), while acknowledging that its own operations are not immune from causing, contributing to or being linked to modern slavery risk, for example by procuring services such as cleaning and facilities management, which are known to present a higher inherent modern slavery risk.

Over 99 per cent of BMA's direct suppliers are located (based on country of incorporation)<sup>18</sup> in Australia.

Building on the taxonomy risks table included in BMA's previous Modern Slavery Statement, Table 2 outlines BMA's high-risk taxonomies, taxonomy spend and higher risk source countries that are relevant to BMA's supply chain. The salient modern slavery risks in these higher risk source countries include forced, compulsory or bonded labour, retention of passports for migrant workers, child labour, poor working conditions and pay and long working hours.

**Table 2: Direct BMA spend in higher risk countries (grouped by taxonomy)**

High-risk taxonomy (Level 1)	Taxonomy spend (Level 2)	Higher risk source countries <sup>19</sup>
Conveyor belting and parts	Conveyor parts (excluding belting)	China
Tyres, wheels and rims	Earth moving tyres, non-earth moving equipment tyres, wheels and rims	Thailand
Technology	Infrastructure and security, applications	India, South Africa

## 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',<sup>20</sup> 'Due diligence and risk management',<sup>21</sup> 'Access to remedy'<sup>22</sup> and 'Training and culture'<sup>23</sup> sections of the BHP Statement.

<sup>14</sup> See pages 9 and 10 of the BHP Statement.

<sup>15</sup> 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.

<sup>16</sup> As defined by Uppsala Conflict Data Program's definition of being in active conflict.

<sup>17</sup> For example, Singapore and the United States according to the [Verisk Maplecroft Modern Slavery Index 2022](#).

<sup>18</sup> We recognise a supplier's country of incorporation may be different from the country of origin of its goods or services.

<sup>19</sup> By country of incorporation, these are the high or extreme risk countries according to the Verisk Maplecroft Modern Slavery Index 2022.

<sup>20</sup> See page 11 of the BHP Statement.

<sup>21</sup> See pages 12–14 of the BHP Statement.

<sup>22</sup> See page 15 of the BHP Statement.

<sup>23</sup> See page 15 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*, BHP Group's code of conduct
- 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 community
- *Our Requirements for Supply*
  - Minimum requirements for suppliers of non-traded goods and services<sup>24</sup>
  - 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
- Ethical Supply Chain and Transparency (**ESCT**) program
  - BMA's supplier risk with respect to modern slavery is assessed and managed by using the BHP Group's ESCT program to conduct due diligence on BMA suppliers. The ESCT program enables a combination of geographic and taxonomy risk identifiers to be applied to assess supplier risk. Commencing in the first half of FY2023, the BHP ESCT team will perform screening and due diligence across new high-risk suppliers covering ethical supply chain risks at the time of onboarding, as opposed to the detailed due diligence being an activity subsequent to supplier onboarding.
  - In FY2022, BHP moved the ESCT team's reporting line from the Commercial team to the Compliance team, an independent function that reports quarterly via the Chief Compliance Officer to the Risk and Audit Committee. The BHP Statement outlines the focus of the ESCT team to embed and build the maturity of the ESCT program and its results in FY2022. The ESCT program is more fully described in the 'Due diligence and risk management' section of the BHP Statement.<sup>25</sup>
- Human rights training and culture building
- Human Rights Breach Remediation and Response Plan

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.

## 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.<sup>26</sup> 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's own complaints and grievance mechanisms
- reporting to the BHP Board's Sustainability Committee on human rights (including modern slavery where relevant) as well as to the BHP Board's Risk and Audit Committee and Sustainability Committee on the BHP Group's material risk profile (including human rights)
- conducting an internal audit program (refer to the 'Due diligence and risk management' section in the BHP Statement),<sup>27</sup> which from time to time involves auditing risks and controls associated with modern slavery practices
- engaging with specialist external consultants, including EY Australia which provides limited assurance over the BHP Statement<sup>28</sup>
- monitoring and taking onboard feedback received through industry benchmarking initiatives

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<sup>24</sup> Available at [bhp.com/suppliers](http://bhp.com/suppliers).

<sup>25</sup> See pages 12 and 13 of the BHP Statement

<sup>26</sup> See page 16 of the BHP Statement.

<sup>27</sup> See page 12 of the BHP Statement

<sup>28</sup> See Appendix 2 of the BHP Statement for the EY Assurance Report.

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<sup>29</sup> is also applicable to BMA.

## Consultation

BM Alliance does not control or own any entities. However, 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.



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For and on behalf of BM Alliance Coal Operations Pty Ltd

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<sup>29</sup> See page 16 of the BHP Statement.





**BHP**

**Modern  
Slavery  
Statement**

**2022**

**Bringing people and  
resources together to  
build a better world**





## Modern Slavery Statement 2022

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

Prior to unification of its corporate structure on 31 January 2022, BHP had a Dual Listed Company structure with two parent companies, BHP Group Limited and BHP Group Plc (now known as BHP Group (UK) Ltd).<sup>1</sup>

For all references throughout this publication relating to the part of the financial year ended 30 June 2022 which occurred prior to 31 January 2022, the Boards of BHP Group Limited and BHP Group Plc are referred to collectively as the Board.

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 2022. This Statement is made pursuant to the United Kingdom's Modern Slavery Act 2015 and the Australian Modern Slavery Act 2018 and was approved by the Board of BHP Group Limited on 2 September 2022. For the purposes of the Australian Modern Slavery Act, the 'reporting entities' covered by this joint modern slavery statement are identified in Appendix 1 to 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 and, prior to 31 January 2022, BHP Group Plc and, except where context otherwise requires, their respective subsidiaries as defined in Financial Statements note 28 'Subsidiaries' of our Annual Report 2022 available at [bhp.com](http://bhp.com).

This Statement covers functions 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 2021 to 30 June 2022.<sup>2</sup>

On 3 May 2022, we completed the divestment of our 80 per cent interest in BHP Mitsui Coal Pty Ltd (BMC), a metallurgical coal joint venture in Queensland, Australia operated by BMC, to Stanmore Resources Limited. Separately, on 1 June 2022, the merger of our Petroleum business with Woodside Energy Group Limited was completed. Accordingly, this Statement only applies to BMC operations for the period from 1 July 2021 to 3 May 2022 and to operated assets that were in our Petroleum business for the period from 1 July 2021 until 1 June 2022.

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, in relation to our interests in non-operated assets and other investments.

More information about how we engage with our non-operated asset partners and operator companies at non-operated assets is available at [bhp.com](http://bhp.com).

1 Registration number 3196209. Registered in England and Wales. Registered office: Nova South, 160 Victoria Street London SW1E 5LB, United Kingdom.

2 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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This is our third Statement under the Australian Modern Slavery Act and our seventh Statement under the UK Modern Slavery Act. It was approved by the Board of BHP Group Limited on 2 September 2022. The Statement outlines our understanding of the modern slavery and human trafficking risks we face, as well as the governance processes, activities and progress we have made throughout our financial year to improve that understanding and manage those risks.

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.<sup>3</sup>

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





# UK and Australian Modern Slavery Act Statement

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 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	<b>Organisational structure, business and supply chain</b> Appendix 1	<ul style="list-style-type: none"> <li>list of the 'reporting entities' (as defined in the Australian Modern Slavery Act) covered by this joint modern slavery statement (Australia)</li> </ul>
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	<b>Organisational structure, business and supply chain</b>	<ul style="list-style-type: none"> <li>major transactions in FY2022</li> <li>operations infographic</li> <li>map of BHP locations</li> <li>workforce infographic</li> <li>non-operated assets, the BHP Foundation and BHP Ventures</li> <li>supply chain tables</li> </ul>
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	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	<b>Organisational structure, business and supply chain</b> <b>Risks of modern slavery practices</b> <b>Due diligence and risk management</b>	<ul style="list-style-type: none"> <li>map of operated assets, non-operated assets and office locations</li> <li>supply chain tables</li> <li>modern slavery and broader human rights risks</li> <li>Human Rights Impact Assessments</li> <li>responsible mining standards</li> <li>Ethical Supply Chain and Transparency program</li> <li>Organisation for Economic Co-ordination and Development (OECD) due diligence alignment activity</li> </ul>
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	<b>Policies and governance</b> <b>Due diligence and risk management</b> <b>Training and culture</b>	<ul style="list-style-type: none"> <li><i>Our Charter, Our Code of Conduct</i> and the <i>Our Requirements</i> standards</li> <li>Human Rights Policy Statement</li> <li>Human Rights Impact Assessments</li> <li>responsible mining standards</li> <li>Ethical Supply Chain and Transparency program and Ethical Supply Chain and Transparency Guide</li> <li>Supplier audit program</li> <li>OECD due diligence alignment activity</li> <li>local level community complaints and grievance mechanisms and EthicsPoint</li> <li><i>Our Code of Conduct</i> and human rights training</li> <li>Commercial Academy Masterclass: Sustainable Value Chain</li> </ul>
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	<b>Policies and governance</b> <b>Due diligence and risk management</b> <b>Assessing effectiveness and looking forward</b>	<ul style="list-style-type: none"> <li>investigation and analysis of complaints and grievances</li> <li>human rights reporting to Board's Sustainability Committee</li> <li>material risk reporting to the Board's Risk and Audit Committee and Sustainability Committee</li> <li>internal audit program</li> <li>key performance indicators to assess the effectiveness of Ethical Supply Chain Transparency program will be considered in FY2023</li> </ul>
	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	<b>Consultation</b>	<ul style="list-style-type: none"> <li>cross-functional, interdisciplinary approach</li> <li>consultation between the reporting entities and between reporting entities and the entities they own or control</li> </ul>
	Any other relevant information	<b>Assessing effectiveness and looking forward</b>	<ul style="list-style-type: none"> <li>plans for FY2023</li> </ul>



## A message from our Chief Executive Officer

**BHP is committed to playing our part in combatting modern slavery and working to ensure it is not present in our supply chain.**

Our business is wide-ranging and complex. The risk of modern slavery exists throughout our supply chain and in our operations. We work collaboratively with suppliers, our workforce and other stakeholders to fully understand and manage this risk.

Modern slavery is a challenge within the global resources sector and the impacts of this abuse on vulnerable people is something we must continue to work together to stop.

Since releasing our first Modern Slavery Statement in 2016,<sup>4</sup> we have pursued year-on-year improvements in our approach to identifying and responding to modern slavery risks and related human rights and exploitation risks.

In FY2022, we continued to build on this multi-year effort. The further actions we took include:

- we developed a new 2030 social value framework. It includes a goal to create a sustainable, ethical and transparent supply chain together with our supply chain partners
- we defined our plan to align our minerals and metals supply chain due diligence with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas
- we were awarded the Copper Mark, which includes criteria related to ensuring no child labour and forced labour, for our Escondida and Spence operations in Chile, and Olympic Dam in South Australia
- we completed supplier audits focused on modern slavery and labour exploitation issues and engaged with relevant suppliers to address findings
- we conducted training programs dedicated to improving the capacity of our teams to understand, identify and manage the risks of modern slavery in our operations and supply chain

In line with our overarching commitment to human rights, BHP will continue to work to prevent modern slavery.

**Mike Henry**  
Chief Executive Officer



**BHP is committed to operating responsibly and playing our part to combat modern slavery. We recognise that risks of modern slavery exist throughout our supply chain and in our operations. Understanding and managing these risks requires a collaborative approach with suppliers, our workforce and other stakeholders and this is the approach we have adopted.**

<sup>4</sup> Under UK legislation.

## Organisational structure, business and supply chain

**BHP is a global natural resources company. We extract, process and explore for metals and minerals and, prior to the merger of BHP's Petroleum business with Woodside on 1 June 2022, oil and natural gas.**

### Structure

From 29 June 2001 to 31 January 2022, BHP had a Dual Listed Company (DLC) structure, with:

- two parent companies, BHP Group Limited and BHP Group Plc (now known as BHP Group (UK) Ltd), operating as a single unified economic entity
- both companies having identical Boards of Directors and being run by a unified management team
- shareholders in each company having equivalent economic and voting rights in the Group as a whole

The headquarters of BHP Group Limited and the global headquarters of the combined Group were located in Melbourne, Australia. The headquarters of BHP Group Plc were located in London, United Kingdom.

On 31 January 2022, BHP was reorganised to unify its DLC structure. Following unification, BHP Group Plc and all its subsidiaries became subsidiaries of BHP Group Limited, and BHP Group Limited became the sole parent company of the BHP Group. The global headquarters of the Group remain located in Melbourne, Australia. More information on our unification is available at [bhp.com](http://bhp.com).

BHP Group Limited is incorporated in Australia and has a primary listing on the Australian Securities Exchange, a standard listing on the London Stock Exchange, a secondary listing on the Johannesburg Stock Exchange and an American Depositary Receipt program listed on the New York Stock Exchange. Unification of our corporate structure did not affect the day-to-day governance and running of BHP's business nor our systems of financial and non-financial risk management and internal controls.

In FY2022, we continued to operate our business under three main divisions: Minerals Australia, Minerals Americas and, prior to completion of the merger with Woodside, Petroleum. These divisions are supported by regional or centralised activities, including sales and marketing led through Singapore and (prior to completion

of the merger with Woodside) Houston, United States. BHP's structure targets cross-functionality and minimal organisational layers and is designed to enable teams to come together to rapidly create opportunity and solve problems.

Consistent with our strategy to secure further growth in future facing commodities, in FY2022 BHP:

- approved an investment of US\$5.7 billion in Stage 1 of the Jansen Polish Project in Canada
- pursued the merger of our Petroleum business with Woodside, which was completed on 1 June 2022
- divested our 80 per cent interest in BHP Mitsui Coal Pty Ltd (BMC), a metallurgical coal joint venture operated by BMC, to Stanmore Resources Limited. BMC includes the Poitrel and South Walker Creek operations, Red Mountain Infrastructure and the Wards Well development in Queensland, Australia. The sale was completed on 3 May 2022
- completed the sale of our 33.3 per cent interest in Cerrejón, a non-operated energy coal joint venture in Colombia to Glencore. The sale was completed on 11 January 2022

announced (on 15 June 2022) that, following a two-year review, we would retain New South Wales Energy Coal (NSWEC). We will be seeking approvals to continue mining at NSWEC beyond its current mining consent that expires in 2026 and intend to proceed with a managed process to cease mining at the asset by the end of FY2030

BHP's principal operations are complemented by additional activities including the following:

- Non-operated joint ventures:** in FY2022, our Minerals non-operated joint ventures included Antamina (33.75 per cent ownership, copper) in Peru, Resolution Copper (45 per cent ownership) in the United States and Samarco (50 per cent ownership, iron ore) in Brazil and, prior to divestment on 11 January 2022, Cerrejón (33.33 per cent ownership, energy coal) in Colombia. In addition, prior to the merger with Woodside, 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 the Rhourde Ouled Djemma (ROD) Integrated Development (onshore, Algeria).

## Operations and locations

### Development and mining

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



### 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.

### 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.



### 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.



### Sales, marketing and procurement

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



### Process and logistics

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



\* 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 interests in Petroleum non-operated assets held prior to the merger with Woodside) are set out in the Operating and Financial Review 1, 2, 3 and 5 of our Annual Report 2022, available at [bhp.com](http://bhp.com); BHP locations (including non-operated assets) during FY2022 (subject to the portfolio changes described above) are represented on the following page.

- Social investment:** BHP's social investment activity includes funding the BHP Foundation, a charitable organisation that works with more than 40 partner organisations across 49 countries. The BHP Foundation is headquartered in the United States.
- Financial investments:** BHP Ventures is BHP's dedicated venture capital unit. We seek to take non-operating stakes in game-changing technologies and emerging companies to help drive sustainable growth within BHP today and provide us with a portfolio of new growth options for the decades ahead, including those enabling supply chain traceability.





# Organisational structure, business and supply chain continued

## BHP locations (includes non-operated operations)

### Minerals Australia

- Olympic Dam
- South Australia
- Western Australia Iron Ore
- Western Australia
- New South Wales Energy Coal
- New South Wales
- BHP Mitsubishi Alliance
- Queensland
- BHP Mitsui Coal (divested)
- Queensland
- Nickel West
- Western Australia

### Minerals Americas

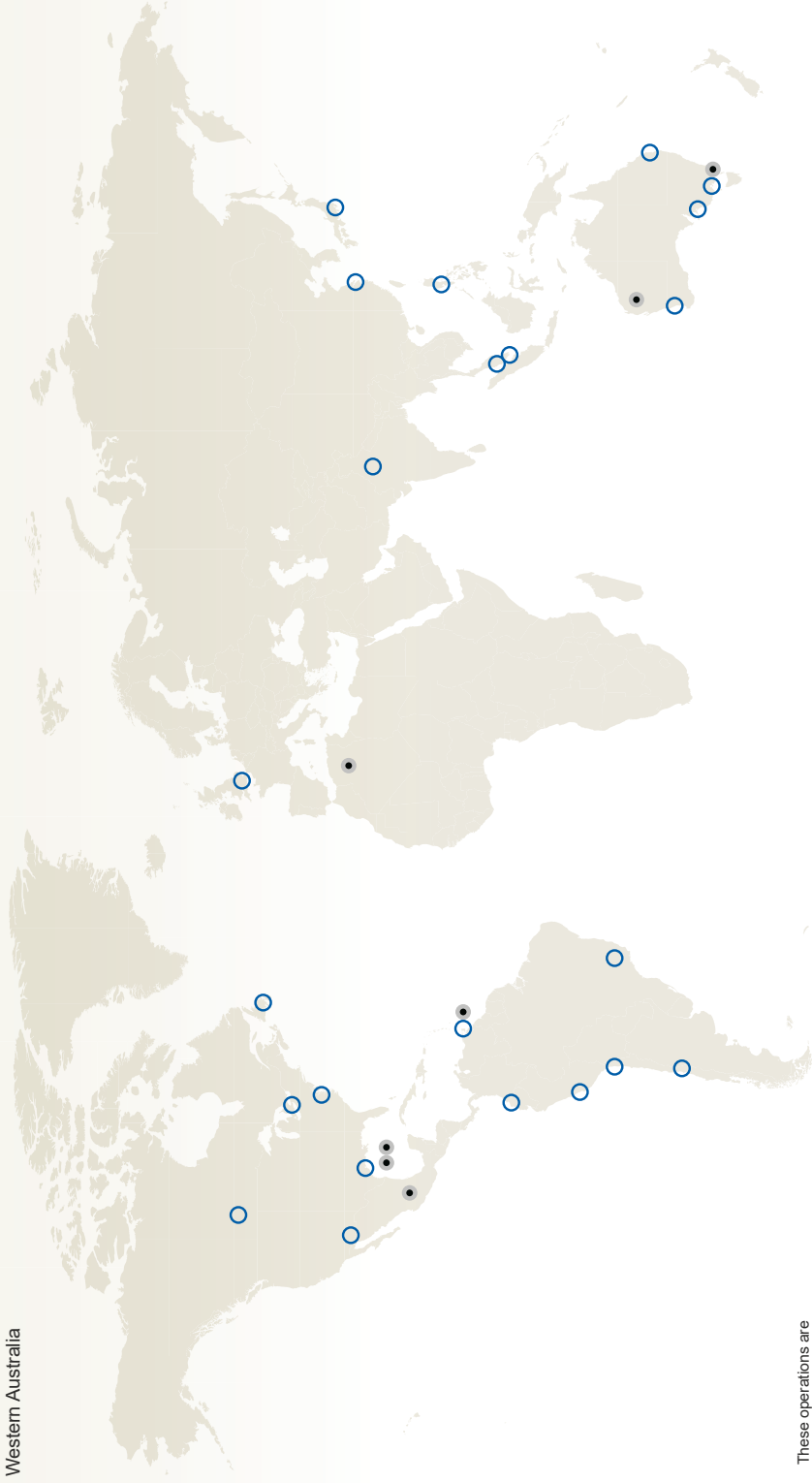
- Escondida
- Chile
- Pampa Norte
- Chile
- Antamina\*
- Peru
- Samarco\*
- Brazil
- Cerrejón (divested)\*
- Colombia
- Jansen Potash Project
- Canada
- Resolution Copper\*
- United States

### Petroleum (all divested)

- Australia Production Unit
- Australia
- Gulf of Mexico Production Unit
- United States
- Gulf of Mexico Joint Interest Unit
- United States
- Trinidad and Tobago Production Unit
- Trinidad and Tobago
- Algeria Joint Interest Unit\*
- Algeria
- Australia Joint Interest Unit
- Australia
- Trion
- Mexico

### BHP principal office locations

- Adelaide
- Minerals Australia office, Australia
- Belo Horizonte
- Minerals Americas office, Brazil
- Brisbane
- Minerals Australia office, Australia
- Gurgaon
- Corporate office, India
- Houston
- Petroleum office, United States (closed)
- 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
- Newfoundland
- Petroleum office, Canada (closed)
- 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
- Trinidad and Tobago
- Petroleum office (closed)
- Tucson
- Metals exploration office, United States
- Washington DC
- Corporate office, United States



\* These operations are non-operated operations.

## Organisational structure, business and supply chain continued

### Workforce

Our global workforce is the foundation of our business. It consists of around 80,000 employees and contractors, primarily in Australia and the Americas.

**94.3%**

full-time employees

**3.1%**

part-time employees

**2.4%**

employees on fixed-term full-time contracts

**0.1%**

employees on fixed-term part-time contracts

**0.1%**

casual employees

**>417**

apprentices and trainees trained by FutureFit Academy, with 175 graduating

**50.9%**

of active employee workforce on collective bargaining agreements

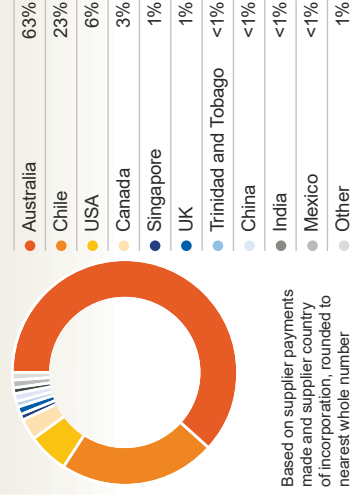
**32.3%**

female employee representation

### Supply chain

BHP's supply network largely reflects its global operational footprint, meaning the majority of our spend is incurred in the countries in which we have operated assets.

### Total procurement spend in FY22



Based on supplier payments made and supplier country of incorporation, rounded to nearest whole number

Table 1 depicts our top 10 sourcing countries<sup>5</sup> by spend during FY2022, along with our major procurement categories in each country. Where our procurement spend exceeded US\$1 billion (e.g. in Australia, Chile and the United States), we have provided level 1<sup>6</sup> and level 2<sup>7</sup> taxonomy information. For all other countries, we have provided level 1 taxonomy information. The combined spend for our top 10 sourcing countries represents over 98 per cent of BHP's total procurement spend for FY2022. The relationships we have with our suppliers reflect our belief that they are integral partners in achieving our purpose to bring people and resources together to build a better world. All our strategic supplier relationships are underpinned by multi-year contractual arrangements and mutually agreed performance metrics. The balance of high-value spend and longer-term engagements is governed by tailored contract terms and conditions while lower-spend or shorter-term arrangements are governed by purchase order terms and conditions.

5 Calculated on the basis of supplier payments made and supplier country of incorporation.

6 Level 1 refers to the taxonomy segment under the United Nations Standard Products and Services Code (UNSPSC) which is a hierarchical open, global, multi-sector standard for classification of products and services.

7 Level 2 refers to the taxonomy family under the UNSPSC.

**Table 1: Top 10 sourcing countries by spend**

1. Australia	2. Chile	3. United States	4. Canada	5. Singapore
<b>Engineering and construction</b> <ul style="list-style-type: none"> <li>Engineering consulting</li> <li>Civil works</li> <li>Engineering, Procurement and Construction (EPC) contracting</li> </ul> <b>Maintenance, repair and operations (MRO)</b> <ul style="list-style-type: none"> <li>MRO hardware</li> <li>Electrical MRO</li> <li>Drive and transportation systems</li> </ul> <b>Professional services</b> <ul style="list-style-type: none"> <li>Contingent commercial labour</li> <li>Human resources services</li> <li>Accounting, assurance and tax</li> </ul>	<b>Utilities</b> <ul style="list-style-type: none"> <li>Electric utilities</li> <li>Gas utilities</li> <li>Other utilities</li> </ul> <b>Maintenance services</b> <ul style="list-style-type: none"> <li>Specialist equipment maintenance services</li> <li>Maintenance and repair contracting</li> <li>Trade maintenance services</li> </ul> <b>MRO</b> <ul style="list-style-type: none"> <li>MRO hardware</li> <li>Drive and transportation systems</li> <li>Electrical MRO</li> </ul>	<b>Engineering and construction</b> <ul style="list-style-type: none"> <li>Engineering consulting</li> <li>EPC contracting</li> <li>Marine construction services</li> </ul> <b>Oil and gas services</b> <ul style="list-style-type: none"> <li>Drilling rigs</li> <li>Well drilling mud or fluid services</li> <li>Subsea well services</li> </ul> <b>Professional services</b> <ul style="list-style-type: none"> <li>Human resources services</li> <li>Legal services</li> <li>Contingent commercial labour</li> </ul>	<b>Engineering and construction</b> <sup>8</sup> <ul style="list-style-type: none"> <li>Mining drilling<sup>9</sup></li> <li>Major equipment purchases<sup>10</sup></li> </ul>	<b>Technology</b> <sup>11</sup> <ul style="list-style-type: none"> <li>Oil and gas services<sup>12</sup></li> <li>Indirect services<sup>13</sup></li> </ul>
<b>Professional services</b> <sup>14</sup> <ul style="list-style-type: none"> <li>Construction machinery rental or leasing; engineering consulting; EPC contracting; and EPC Management contracting</li> <li>For example: drilling equipment hire; drilling equipment services; and mining exploration drilling.</li> </ul>	<b>Oil and gas services</b> <sup>15</sup> <ul style="list-style-type: none"> <li>For example: ancillary equipment and infrastructure; frame and body; major equipment purchase; major conveyor systems and transfer equipment; and major minerals processing equipment.</li> </ul>	<b>Travel and accommodation</b> <sup>17</sup> <ul style="list-style-type: none"> <li>For example: applications, automation and control systems; end-user computing; infrastructure and security and service desk.</li> </ul>	<b>Technology</b> <ul style="list-style-type: none"> <li>For example: cement pumping services; coring services; drilling measurement services; drilling rigs; emergency well control services; and oilfield data management services.</li> </ul>	<b>Engineering and construction</b> <ul style="list-style-type: none"> <li>For example: asset disposal and sales; communities/social service/donations; facilities management; health, safety and environment services; and local/community buying and investment.</li> </ul>
<b>Indirect services</b> <ul style="list-style-type: none"> <li>For example: accounting, assurance and tax; advertising and marketing; contingent commercial labour; financial services; and human resource services.</li> </ul>	<b>Freight and logistics</b> <sup>16</sup> <ul style="list-style-type: none"> <li>For example: air freight; containers and storage; freight and logistics; freight forwarding services; ground freight loading and unloading services.</li> </ul>	<b>MRO</b> <sup>18</sup> <ul style="list-style-type: none"> <li>For example: bearings; drive and transportation systems; electrical MRO; heat transfer and hydraulic machinery and equipment.</li> </ul>	<b>Bulk materials</b> <ul style="list-style-type: none"> <li>For example: chemicals and additives; construction materials; coolant; drilling mud and materials; earth, stone and materials.</li> </ul>	<b>Indirect services</b> <ul style="list-style-type: none"> <li>For example: accommodation; air transportation; and travel facilitation.</li> </ul>
<b>Technology</b> <ul style="list-style-type: none"> <li>For example: construction machinery rental or leasing; engineering consulting; EPC contracting; and EPC Management contracting.</li> </ul>	<b>Bulk materials</b> <sup>16</sup> <ul style="list-style-type: none"> <li>For example: chemicals and additives; construction materials; coolant; drilling mud and materials; earth, stone and materials.</li> </ul>	<b>Conveyor belting and parts</b> <sup>19</sup> <ul style="list-style-type: none"> <li>For example: conveyor belting and conveyor parts.</li> </ul>	<b>Professional services</b> <ul style="list-style-type: none"> <li>For example: accounting, assurance and tax; advertising and marketing; contingent commercial labour; financial services; and human resource services.</li> </ul>	<b>Professional services</b> <ul style="list-style-type: none"> <li>For example: asset disposal and sales; communities/social service/donations; facilities management; health, safety and environment services; and local/community buying and investment.</li> </ul>



# Risks of modern slavery practices

We are committed to operating in a manner consistent with the United Nations Guiding Principles on Business and Human Rights (UNGPs). The UNGPs establish the corporate responsibility to respect human rights and the 'cause, contribute, direct linkage' continuum, which the guidance to the Australian Modern Slavery Act adopts. That continuum describes how businesses may be connected to adverse human rights impacts, including modern slavery practices, as follows:<sup>20</sup>

- A business may cause an adverse human rights impact directly through its own activities
- A business may contribute to an adverse human rights impact through its own activities or through a third party – for example if it incentivises or facilitates the adverse impact
- A business may be directly linked to an adverse human rights impact through the business relationships arising from its operations, products or services

As our processes for supplier due diligence develop, we will consider using this continuum to guide our work and educate our people.

In this Statement, we have described our modern slavery risks primarily by reference to the Verisk Maplecroft Modern Slavery Index 2022. In FY2022, our Ethical Supply Chain and Transparency (ESCT) team used a different scoring system, which drew on a range of sources including Verisk Maplecroft indices, to assess supply chain risks. Refer to the 'Due diligence and risk management in our supply chain' section below at pages 12 to 15 for information on our plans to streamline our approach to assessment and reporting.

## Our operated assets and offices

As identified above in the map on page seven, our operated assets and office locations in FY2022 spanned 16 countries. Eight of those countries<sup>21</sup> have either high or extreme potential for modern slavery risks according to the Verisk Maplecroft Modern Slavery Index 2022.

The risks for modern slavery in the mining and metals sector primarily relate to the labour conditions in artisanal and small-scale mining, particularly in areas of conflict. According to the Verisk Maplecroft Modern Slavery Index 2022, all three countries in which we operated mining activities in FY2022 (Australia, Canada and Chile) have a low risk of modern slavery at an industry level. None is classified as an area of conflict<sup>22</sup> and we had no reported artisanal and small-scale mining<sup>23</sup> on or adjacent to any of our operated assets. While the risks of modern slavery in artisanal mining and small-scale mining are not directly relevant for BHP's own operated assets 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 and small-scale mining.

In the oil and gas sector, modern slavery risks primarily relate to the conditions on board offshore supply vessels.<sup>24</sup> In FY2022, before the merger with Woodside, our operated assets in this sector were located across three countries (Australia, United States (Gulf of Mexico) and Trinidad and Tobago), two of which have a medium risk of modern slavery at an industry level according to the Verisk Maplecroft Modern Slavery Index 2021.<sup>25</sup> These operated assets are no longer part of BHP's portfolio.

In addition to operated assets, in FY2022, BHP maintained corporate offices in 15 countries. While some of those countries attract higher modern slavery risk

ratings according to the Verisk Maplecroft Modern Slavery Index 2022,<sup>26</sup> we consider it is important to distinguish the inherent risk profile of our operated assets versus our global corporate offices. While we recognise corporate offices are not immune to modern slavery

risks (e.g. via touchpoints with higher-risk sectors, such as facilities management and IT services), they do not present the same kind or scale of potential risks as our operated assets.

## Our non-operated assets, the BHP Foundation and BHP Ventures

BHP holds interests in companies and joint ventures that we do not operate. These are described in more detail in our Annual Report 2022, available at bhp.com.

### Non-operated Minerals joint ventures

We recognise three of the four countries in which we held non-operated joint venture (NOJV) interests during FY2022 (Peru, Brazil and Colombia) have a high level of risk of modern slavery within the mining and metals sectors according to the Verisk Maplecroft Modern Slavery Index 2022.

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 with respect to human rights.

In FY2022, our NOJV team engaged with the management of Samarco Mineração S.A (Samarco)<sup>27</sup> and with the Fundação Renova (the not-for-profit, private foundation that is implementing remediation and compensatory programs with respect to the failure in 2015 of the Fundão tailings dam operated by Samarco) in relation to human rights and modern slavery issues, including through participation on boards and committees,

21 Brazil, India, Malaysia, Peru, the Philippines, Ecuador, Mexico and China.

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

23 BHP uses the International Council for Mining and Metals (ICMM) conception 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.

24 According to BHP subject matter expertise and analysis prepared by the Australian Human Rights Commission and KPMG regarding modern slavery risks in the resources and energy sector (2021).

25 United States (Gulf of Mexico) and Trinidad and Tobago. Note: the relevant edition of the index cited here is current as at Q4 of CY2021, which is within FY2022.

26 Brazil, India, Malaysia, Peru, the Philippines, Ecuador and China.

27 Samarco is a non-operated joint venture owned by BHP Billiton Brasil Ltda and Vale S.A., with each having a 50 per cent shareholding.

as well as BHP subject matter expert presentations to the operators' management teams.

### Non-operated Petroleum assets

Prior to the merger with Woodside, our Petroleum non-operated assets included the ROD Integrated Development in Algeria, a country with a medium risk of modern slavery according to the Verisk Maplecroft Modern Slavery Index 2022.

We had 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 included (as permitted by the relevant operator/joint operating arrangements) review of risk management 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.

### BHP Foundation

Given its mission to address some of the world's most critical sustainable development challenges, the BHP Foundation (a charitable organisation established and funded by BHP) is exposed from time to time, through its funded projects, to jurisdictions that may pose a higher risk for modern slavery. For more information on how the BHP Foundation manages modern slavery risks refer to page 11.

### BHP Ventures

Most of the companies in which we have invested through BHP Ventures are based in low or medium-risk jurisdictions for modern slavery practices (e.g. Canada and the United States)<sup>28</sup> and we partner with established co-investors. We have processes in place to subject proposed investments to tailored legal, compliance and integrity checks, which may involve consideration of supply chain and ethical sourcing practices as applicable. We also monitor and engage on an ongoing basis with the companies in which we have an investment. During FY2022, our Ventures team engaged with a number of these companies regarding ethical supply chain practices.

28 According to Verisk Maplecroft Modern Slavery Index 2022.



## Risks of modern slavery practices continued

### Our supply chain

We consider our supply chain is where the greatest modern slavery-related risks lie for BHP. We consider those risks in relation to the taxonomies and jurisdictions from which we procure goods and services. As Table 1 shows, the majority of BHP's total procurement spend for FY2022 occurred in low- or medium-risk countries,<sup>29</sup> which reflects the fact that none of BHP's operated assets was located in a higher risk country according to the Verisk Maplecroft Modern Slavery Index 2022. Three of the countries in BHP's top 10 list are rated as high or extreme risk.<sup>30</sup>

BHP, like many large businesses, makes use of short term contracted labour in order to meet business needs. For us, that labour is used mainly on-site at our operated assets to perform a range of roles – from non-mining equipment operation to equipment and facilities maintenance and services, such as camp housing, catering and security. In Minerals Explorations locations, such as Peru, Chile and Ecuador, this also extends to exploration and land access roles. We recognise that the labour hire industry is associated with higher modern slavery risks due to a number of factors, including a host company's potential lack of visibility over employment terms and sub-contracting arrangements.

Building on the high taxonomy risks table contained in our FY2021 Statement,<sup>31</sup> Table 2 includes additional high-risk taxonomies identified in FY2022, namely major equipment purchases and rail goods and services.

29 According to the Verisk Maplecroft Modern Slavery Index 2022: Australia, Chile, United States, Canada, Singapore, UK and Trinidad and Tobago.

30 According to the Verisk Maplecroft Modern Slavery Index 2022: China, India and Mexico.

31 See table on page 10 of our Modern Slavery Statement 2021 at bhp.com.

### Salient risks

We have determined that the range of BHP's most salient human rights issues and associated risks across our taxonomies includes:

**Labour rights, including:**

- Forced / compulsory / bonded labour
- Child labour
- Wages and benefits
- Working hours
- Working conditions

- Freedom of association**
- Occupational health and safety**
- Access to grievance mechanisms**
- Source materials, including 3TCs and conflict minerals**
- Maritime seafarers' welfare in ocean freight**

**Table 2: Direct BHP spend in higher risk countries (grouped by taxonomy)**

High-risk taxonomy (Level 1)	Taxonomy spend (Level 2)	Higher risk source countries <sup>32</sup>
Bulk materials	Chemicals and additives, construction materials	China, India, Mexico, Peru, South Africa
Non-production consumables	Safety consumables, office consumables, other non-production consumables	Ecuador, India, Mexico, Peru, South Africa
Travel and accommodation	Travel facilitation, ground transportation, accommodation	Brazil, China, Ecuador, Peru
Conveyor belting and parts	Conveyor belting, conveyor parts (excluding belting)	China, Peru
Tyres, wheels and rims	Earth moving tyres, non-earth moving equipment tyres, wheels and rims	Thailand
Technology	Infrastructure and security, technology consulting, applications, automation and control systems, end-user computing	Brazil, China, Ecuador, India, Malaysia, Mexico, Peru, South Africa
Wear consumables	Wear plates, bars or strips	China, Peru, South Africa
Major equipment purchase	Ancillary equipment and infrastructure, major power sources	China, Peru, South Africa
Rail goods and services	Rolling stock, track and signals	China

32 By country of incorporation, these are the high or extreme risk countries according to the Verisk Maplecroft Modern Slavery Index 2022.



## Policies and governance

### Our Code of Conduct, Human Rights Policy Statement and Board oversight

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

*Our Code* establishes the standard for our commitment to working with integrity and respect. During FY2022, we began work to refresh *Our Code* to ensure it aligns with global best practice and is an effective basis for standard setting and enforcement. We launched the refreshed version of *Our Code* in early FY2023. A scenario within the refreshed document provides guidance on what our people should do if they have a concern about potential modern slavery practices in BHP's operations or supply chain.

As described in our previous Statement, our Human Rights Policy Statement (HRPS) details our commitment to human rights, including the additional issue-specific frameworks we adhere to, as well as the standards and processes set out for our people, business partners and other relevant parties. Updates to the HRPS commenced in FY2022 to more clearly articulate how our human rights governance and due diligence approach is organised.

The Board reviews and monitors the effectiveness of BHP'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 material risk profile (covering operational, strategic and emerging risks, including human rights risks) on a biannual basis.

### Requirements for suppliers and social investment

#### Suppliers

The *Our Requirements for Supply* standard sets mandatory minimum performance 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* (available at [bhp.com/suppliers](http://bhp.com/suppliers)), which have been described in previous Statements

With respect to contracted labour, BHP's *Minimum requirements for suppliers* are incorporated into the standard services contract and purchase order we most commonly use to engage labour hire agencies and service contractors. In addition, in light of our commitment to improve contractor safety at BHP operated assets, we have mobilised a dedicated Integrated Contractor Management (ICM) team to embed a global mandatory minimum performance standard to govern how we work with contractors. The ICM team is also piloting a Global Contractor System that will become the single repository for global contractor data by assigning a unique identification number, providing contractors with a single profile no matter where they work across BHP. While the ICM program's current focus is on safety and inclusion (including preventing sexual harassment and other hazards to psychological health), its aims and technological solutions may also help to address modern slavery risks by improving culture and visibility and creating a safe environment to speak up about concerns.

In FY2022, we developed our new social value scorecard with 2030 goals, which commenced on 1 July 2022 and include responsible supply chains as a key pillar. The ESCT team was involved in the development of the objectives, such as responsible supply chains.

The 2030 goals comprise overarching long-term goals across six key focus areas and are underpinned by short-term metrics and milestones. The responsible supply chains goal is to create sustainable, ethical and transparent supply chains with our partners. The pathway to the goals is articulated through a number of short-term milestones. These are the implementation of the London Metal Exchange (LME) Policy on Responsible Sourcing of LME-listed Brands, completion of the International Council on Mining and Metals (ICMM) Performance Expectations for all operating assets and the determination of ethical supplier improvement plans with partners, where required. We will provide annual updates on the implementation of and progress against these goals and the key activities undertaken to meet each short-term milestone.

#### Social investment

We make social investments as voluntary contributions in environmental and community initiatives in partnership with local communities. These support our sustainability public targets and objectives, relating to climate change, water stewardship and biodiversity. Our total social investment spend for FY2022 was US\$186.4 million. We have committed to investing not less than 1 per cent<sup>33</sup> of our pre-tax profit in social and environmental projects.

Our voluntary social investment includes funding the BHP Foundation. In our previous Statement we reported that the BHP Foundation's risk management framework includes human rights as a material risk area and that risk was reviewed in FY2021 against the UNGPs.

As a result of that review, the BHP Foundation has several action items in progress, including improving due diligence processes to assess the human rights (including modern slavery) competence of potential grantees and updating the BHP Foundation's template grant agreement to improve identification, management and remediation requirements.

33 To date, our voluntary social investment has been calculated as 1 per cent of the average of the previous three years' pre-tax profit. For FY2023–FY2030, our social investment will be assessed as a total over the seven-year goals period to FY2030, rather than calculated as an average of the previous three years' pre-tax profit.



# Due diligence and risk management

## Due diligence and risk management in our business operations

The Board's Risk and Audit Committee monitors and at least annually, reviews the effectiveness of BHP's systems of risk management and internal controls.

As described in our Annual Report 2022, BHP's risk factors include risks associated with significant impacts of operations and contributions to communities and environments throughout the life cycle of our assets and across our value chain. We work to proactively manage risks across all our operations, including the material risk of a failure to prevent or mitigate adverse human rights impacts (including modern slavery) linked to our supply chain.

BHP's Risk Framework requires identification and management of risks (both threats and opportunities) to be embedded in business activities. We classify all risks to which BHP is exposed using our Group Risk Architecture, within which human rights risks are considered together in a group, to support our understanding and management of risks. Our Risk Framework also requires the consideration of potential human rights impacts, as relevant, in all risk assessments.

**More information on BHP's Risk Framework is provided in our Annual Report 2022, available at [bhp.com](https://www.bhp.com).**

### Human rights impact assessments

In our previous Statement, we described the Human Rights Impact Assessment (HRIA) pilot project that was finalised in FY2021.

In FY2022, we used the findings from the HRIAs completed in FY2021 to conduct a gap analysis of each operated asset's material risk profile (as recorded in our enterprise risk management system) and identified opportunities for improvement including:

- better representing the human rights context and potential impacts to human rights for existing material risks, including labour conditions (such as sexual harassment and mental health) and environment (such as climate change, water and biodiversity)
- improving representation of specific human rights risks in our risk profile, such as risks in local procurement programs that operate independently of our global procurement process, the risk of violating consultation

and consent frameworks that respect the rights of Indigenous peoples, the risk of lacking accessible and effective complaints and grievance mechanisms, and analysis regarding potential impacts specific to vulnerable groups (such as Indigenous peoples, women, LGBTQ+ peoples)

We are reflecting these learnings in our internal governance standards and processes, planned to be updated in FY2023. In FY2023, the relevant risk owners and regional teams will work with our human rights subject matter experts to progress these opportunities for improvement. We intend to also pursue opportunities to improve our overall due diligence process, such as enhancing our external human rights research, better highlighting stakeholder voices throughout our due diligence and better integrating human rights analysis into business planning cycles and our Risk Framework.

### Responsible mining standards

BHP developed a sustainability standards strategy in FY2022, which defines our pathway for the implementation of responsible mining and sourcing standards. The strategy was developed by a cross-functional team and focuses on the foundations to enable a more efficient adoption of standards to better position BHP's participation in the sustainability standards landscape.

The standards that form part of our strategy are the Copper Mark, the LME's Policy on Responsible Sourcing of LME-Listed Brands, the ICMM Mining Principles and associated Performance Expectations, the Global Industry Standard on Tailings Management and Towards Sustainable Mining.

In FY2022, BHP's Chilean operations, Escondida and Spence and Olympic Dam in South Australia were awarded the Copper Mark. The Copper Mark is an assurance framework specific to the copper industry, which was developed to ensure the participants across the copper value chain demonstrate best practice in responsible production and contribute to the United Nations Sustainable Development Goals. Copper Mark is a voluntary program that independently assesses participants in 32 critical areas, including community, child labour, forced labour, freedom of association and collective bargaining, artisanal and small-scale mining, human rights generally and grievance mechanisms.

Escondida, Spence and Olympic Dam also completed independent third-party verification of self-assessments against the ICMM Mining Principles and associated Performance Expectations. The ICMM Mining Principles require member companies to conduct a prioritisation process to determine which assets will be subjected to third-party validation across a three-year cycle. All of BHP's operated assets have completed their self-assessments and the external validation sequence has been determined in consideration of commitments made by BHP to other standards, such as Copper Mark and the LME Policy on Responsible Sourcing of LME-Listed Brands, to enable operational efficiencies.

### Internal audit

Our Internal Audit (IA) team provides assurance to the Board, CEO and Executive Leadership Team on whether risk management, internal control and governance processes are adequate and functioning. The IA team is independent of the External Auditor. Results of IA's activities are reported to the Executive Leadership Team, which is responsible for the day-to-day management of BHP and leading the delivery of our strategic objectives, and to senior operational leaders, with internal audit reports provided to the Board's Sustainability Committee and Risk and Audit Committee. As of 1 August 2022, our Risk and IA teams were combined to form a Risk and Internal Audit sub-function, led by a Chief Risk and Audit Officer.

The Risk team and IA team will continue to operate in the second and third lines respectively. Please refer below for more information on the 'three lines model'.

In our FY2021 Statement, we reported that IA had conducted a review of Global Category Management in our Commercial team covering the vendor due diligence process. Actions to address identified weaknesses, which centred on a backlog of due diligence on suppliers and adoption of a single (rather than multiple) external benchmarking data source, have been completed.

In FY2022, IA completed a Global Communities and Cultural Heritage audit in our External Affairs team, covering the community and human rights groups of risk under our Group Risk Architecture. No human rights issues were identified by IA. In addition, a follow-up of HRIA actions resulting from the FY2019 community audits found all actions had been implemented appropriately.<sup>34</sup>

IA also conducted a Maritime and Supply Chain Excellence audit, in our Commercial team. The audit covered certain Maritime risks rather than specifically human rights. IA reported adequately controlled outcomes across Maritime and Supply Chain Excellence, with a consistently mature risk culture across the team.

## Due diligence and risk management in our supply chain

We take a collaborative and risk-based approach to managing the risks of modern slavery in our supply chain. We aim to achieve year-on-year improvements in our processes and systems to identify and respond to human rights risks, including modern slavery and other related exploitation risks.

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 staff, operational management and people in functional roles (for example, procurement or contract owners) – anyone who engages day-to-day with third parties in the supply chain is responsible for identifying and managing the associated risk. The second-line Risk team and Compliance team (as subject-matter experts) are responsible for providing expertise, support, monitoring and challenge on risk-related matters. The third line, our Internal Audit team, is responsible for providing assurance on whether risk management, internal controls and governance processes are adequate and functioning. Refer to our Annual Report 2022 (available at [bhp.com](https://www.bhp.com)) for more information on how BHP manage risk.

Our previous Statements have described BHP's ESCT program. During Q4 FY2022, BHP moved the ESCT team's reporting line from the Commercial function to the Compliance team, an independent function that reports quarterly via the Chief Compliance Officer to the Risk and Audit Committee. The transfer is expected to provide a number of advantages to progress the ESCT program.

<sup>34</sup> Refer to BHP's Modern Slavery Act (UK) Statement FY2019 (available at [bhp.com](https://www.bhp.com)) for more information on the Community audits.



## Due diligence and risk management continued

The benefits of this transfer include:

- optimising the effective management of modern slavery-related risks through the planned development by the second line of a documented company-level framework with specific requirements (in addition to our mandatory minimum performance requirements for risk management) to manage modern slavery risks in the supply chain, as well as the provision of second-line expertise, support, monitoring and challenge on implementation of the framework by the first line staff. This is also intended to support BHP to improve delivery of social value through our supply chain, inform strategy to proactively influence relevant ESG standards and empower greater differentiation of BHP products as ethically sourced
- allowing for a more holistic, consistent and optimised approach to due diligence across compliance-related risks, including corruption, sanctions and now ethical supply chain, leveraging common systems, teams, subscriptions and processes

This change in structure represents the next step in the maturity of BHP's ESCT program. However, it is taking time to implement fully and, as a result, the progress of our supplier due diligence program slowed in FY2022.

Commencing in the first half of FY2023, BHP will perform screening and due diligence across new high-risk suppliers covering ethical supply chain risks at the time of onboarding, as opposed to detailed due diligence being an activity undertaken subsequent to supplier onboarding. This will help prevent suppliers who do not meet BHP's expectations reaching the onboarding stage and provide BHP with greater leverage when seeking additional ethical supply chain information or the opportunity to work collaboratively on improvement initiatives with our supply partners.

Our Enterprise Resource Planning (ERP) system, a transaction management system, is a key enabler in ethical supply chain risk management. It allows for the collection and transfer of information on suppliers and transactions across all functions and assets, irrespective of geographic location. Without a single ERP system, an effective and efficient ethical supply chain program is difficult when factoring in organisational commercial realities. The ERP will integrate with BHP's new third-party due diligence tool (for review of high-risk suppliers at

the time of onboarding) which will be launched in the first half of FY2023.

BHP understands that an entity's own procurement practices can apply downward pressure on suppliers, which could lead to an increased risk of modern slavery practices, for example, unfair pricing or unmanageable lead times. To appropriately manage delivery lead time expectations, we take a planned approach to sourcing, inventory, warehousing and logistics management, underpinned by continuous process improvement.

The reference performance metrics that guide our supplier contracts encompass a range of factors beyond financial and delivery performance, including social value (e.g. safety, inclusion and diversity, and local employment).

In FY2022, we also reduced our payment terms to seven days for all small, local and Indigenous businesses globally, to alleviate downward cashflow pressure on these suppliers. This change benefits approximately 6,000 (67 per cent) of active BHP vendors in the key operating regions of Australia, Chile, the United States, Canada, Mexico and (prior to the merger of the Petroleum business with Woodside) Trinidad and Tobago.

### ESCT supplier audit program FY2022 results

As noted, our supplier due-diligence program slowed in FY2022. However, the ESCT team was able to progress the supplier audit program described in the previous Statement.

Suppliers were selected for a third-party independent audit 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. In FY2022, a third-party independent audit was completed for 11 suppliers with 18 sites (e.g. manufacturing plants) across nine countries.

The COVID-19 pandemic continued to impact our third-party independent audits in FY2022. Due to border controls and travel restrictions, there were fewer opportunities for on-site audits with some audits performed virtually. Planned audits that could not be completed will be scheduled for FY2023.

**Table 3: Summary of FY2022 audits**

Taxonomy	Country audited	Number of audits
<b>Bulk materials</b>	Chile	1
	Philippines	1
	United States	2
<b>Conveyors</b>	China	1
<b>Tyres</b>	Japan	1
	Thailand	2
<b>Wear consumables</b>	Brazil	1
	Chile	1
	China	1
	India	5
	Malaysia	1
	Thailand	1

Our independent auditors found no incidents of modern slavery. However, across the audited suppliers, there were opportunities for improvements in the four primary areas of the external Sedex Members Ethical Trade Audit (SMETA) review

- safety and hygienic conditions
- working hours
- living wages and benefits
- management systems and code implementation

We appreciate that potential gaps, such as these, create a risk of escalation into more serious concerns, including exposure to modern slavery practices. Accordingly, the suppliers subject to these findings have been placed on supplier development plans, which are tracked by the ESCT team, and may be scheduled for a follow-up audit if warranted.

Building on previous engagement through our Property and Workplace team, in FY2022 BHP renewed our agreement with one of our major facilities' management providers. That agreement incorporates our *Minimum requirements for suppliers* and *Our Code*, both of which contain express prohibitions on modern slavery practices and set clear expectations regarding management of associated risks.

### Case study

#### Recruitment fees

A non-compliance regarding regular employment was identified in a country in Asia through the FY2022 audit program, where foreign workers at a supplier's manufacturing facility were charged recruitment fees by the sourcing agent in their home country.

The supplier sought to proactively address the matter and is reimbursing the workers. The precise amount of the recruitment fee was not able to be substantiated so a reasonable approximation based on a range provided by the various affected workers is being repaid.

The supplier has adopted a position that they will only recruit in the future through companies which do not charge the relevant worker a fee, and instead charge the employer.

### Case study

#### Passport safekeeping for foreign workers

During the FY2022 audit program, a potential issue was identified through the SMETA process in a country in Asia where a direct supplier's manufacturing site was located. Management at the site retained the passports of foreign workers in the administration building adjacent to the worker dormitories. A selection of foreign workers (who were interviewed by the auditor separately from management) indicated that their passports were kept on their behalf for safekeeping. Workers could request their passports for banking, visa renewal or medical reasons.

The workers stated that they prefer management to retain their passport on their behalf for safety reasons.

The supplier was proactive in addressing this matter and has implemented a formal passport safekeeping and request procedure which also clarifies the process for 24-hour access to retrieve a passport in the case of an emergency. For the supplier to hold a passport for safekeeping, a signed consent (in English and the worker's native language) is also now required. As part of the ESCT program, the ESCT team will check implementation of the controls that have been implemented.



## Due diligence and risk management continued

### OECD alignment

Aligned with the intent expressed in our previous Statement, in FY2022, we defined the scope and plan to align our due diligence management system, where relevant to our minerals and metals supply chain, 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 scope of OECD-aligned due diligence relates 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. The scope of our suppliers under this due diligence includes longer-term suppliers that supply minerals and/or metals either directly into our operated assets and physically form part of our products and/or for the purpose of third-party trading.

Our plan defines how we will adopt the five-step framework for risk-based due diligence in alignment with Annex I of the OECD Guidance. The Annex I five-step framework involves:

1. Establishing strong company management systems
2. Identifying and assessing risk in our minerals and metals supply chain
3. Designing and implementing a strategy to respond to identified risks
4. Carrying out independent audits at identified points in the supply chain where applicable
5. Reporting on minerals and metals supply chain due diligence

The risks BHP will consider in this due diligence will 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. We intend to progress the OECD-aligned due diligence management system and commence implementation of the system within our minerals and metals supply chain in FY2023.

### Maritime

As reported in our previous Statements, we have specific controls in place and a dedicated team to manage the risks across maritime activities in our inbound and outbound supply chain.<sup>35</sup>

More than 500 vessels were chartered by BHP in FY2022, completing over 1,500 voyages. The safety and welfare of seafarers on board these vessels remains 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 and organisations, such as Mission to Seafarers, 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 work with RightShip in FY2022 to vet and inspect vessels to confirm that seafarers' rights and welfare are protected.<sup>36</sup> The RightShip Dry Bulk Standard Vetting Criteria, which we reported on as a new initiative in FY2021, came into effect on 30 June 2021, along with RightShip's new platform. RightShip's Dry Bulk Standard Vetting Criteria was largely based on BHP's existing vetting standard, helping to bring industry participants into alignment with BHP's expectations. One of the vetting criteria in the standard examines compliance with the International Labour Organization's Maritime Labour Convention 2006 and includes a new optional questionnaire regarding crew welfare.

<sup>35</sup> Outbound refers to the movement of commodities to our customers. Inbound refers to the movement of products supplied to our operated assets.

<sup>36</sup> 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](http://rightship.com).

Although the COVID-19 pandemic continued to present safety and wellbeing challenges for the global shipping industry in FY2022, the testing and quarantine standards endorsed by BHP have assisted in managing COVID-19 on-board the vessels we charter. We strengthened those standards in FY2022 by introducing a new COVID-19 declaration form for use on our charters and by working with port authorities in relation to testing requirements and crew changes.

In our previous Statement, we reported on the launch of a Seafarer Happiness Index survey in conjunction with Mission to Seafarers on BHP-chartered vessels. We received limited responses to the survey and are now encouraging vessel owners to perform their own self-assessment through the RightShip Crew Welfare questionnaire. BHP hopes that the data gathered by RightShip through this process will provide valuable insights into crew welfare and, in due course, be used to provide benchmarking and ultimately promote a standard. BHP continues to work closely with Mission to Seafarers to improve seafarer wellbeing. BHP sponsored key initiatives such as the annual Seafarers Awards in Singapore in FY2022.

### Our customers

We continued to engage with customers on sustainability and human rights issues in FY2022, including by completing questionnaires and self-assessments in our role as a supplier.

We signed a landmark supply agreement with an electric vehicle (EV) maker in FY2022. Under the agreement, BHP will supply the EV maker with nickel from our Nickel West asset in Western Australia. Nickel is a key metal used to manufacture EV battery technology. As part of the partnership, BHP and the EV maker will also collaborate on ways to make the battery value chain more sustainable, with a focus on end-to-end raw material traceability using blockchain, a technical exchange for battery raw materials production and promoting sustainability in the resources sector generally.

A memorandum of understanding was also signed in FY2022 between BHP, Prime Planet Energy & Solutions and Toyota Tsusho Corporation for the creation of a Green EV Ecosystem in Japan expected to enhance sustainability, recyclability and traceability. In addition to collaborating on environmental sustainability issues, the parties intend to identify ways to implement standards for end-to-end raw materials traceability, ethical sourcing and human rights reporting.



## Due diligence and risk management continued

### Access to remedy

We recognise that despite our due diligence and risk management efforts, modern slavery incidents may arise. As stated in our Human Rights Policy Statement and consistent with the UNGPs, we will provide or cooperate in providing appropriate remediation where we have caused or contributed to adverse human rights impacts.

There are a number of mechanisms available to employees of BHP and our suppliers, as well as other third parties, to raise grievances or reports on any topic of importance to them, which may include modern slavery and/or human rights issues. These include our employee line leaders and other leaders, Corporate Affairs, Legal, Human Resources, EthicsPoint (which was described in detail in our FY2021 Statement; see also the 2022 Annual Report at [bhp.com](http://bhp.com)) and our local level community complaints and grievance mechanisms.

As reported in our FY2021 Statement, to ensure our local level community complaints and grievance mechanisms are culturally appropriate and accessible to all stakeholders, including Indigenous peoples, we conducted a project in FY2021 to identify globally consistent principles for grievance mechanisms. These principles align with the UNGPs and apply to how we develop the complaints and grievance mechanisms to ensure any relevant social contexts are considered. In FY2022, we continued to evaluate feedback from our stakeholders, external experts and internal teams on how to make our complaints and grievance mechanisms more accessible and our internal culture and processes more effective in recognising concerns that have a human rights connection. We plan to embed this feedback in our approach by the end of FY2023.

We received no complaints or grievances classified as relating to modern slavery through our local level community complaints and grievance mechanisms or EthicsPoint in FY2022.

Our Human Rights in Supply Chain Breach Remediation Plan (the Remediation Plan) was not required to be activated in FY2022, however the appropriate escalation steps in the Remediation Plan were followed for the Passport safekeeping for foreign workers issue referred to on page 13. The Remediation Plan details the coordination of our response and remediation steps we take in response to an alleged or actual breach of human rights within our supply chain and helps ensure issues are appropriately flagged, escalated and addressed.

### 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.

During FY2022, over 400 employees and contractors, as well as employees of some of our business partners and community partners, completed our online human rights training. We also publish an 'introduction to Human Rights' video at [bhp.com](http://bhp.com). Our Corporate Affairs and Commercial teams who lead our operational and supply chain human rights practices completed further human rights training with an external expert to better support their capabilities to identify and address human rights risks and impacts. Our Board of Directors also participated in a human rights training session led by an external expert to enhance their understanding of the increasing complexity and connectivity of human rights issues, including those related to climate change and Indigenous peoples.

In addition, in September 2021, our Commercial team held its inaugural Sustainability Week. During the week, subject matter experts within BHP delivered two Commercial Academy Masterclass sessions – one on the importance of a sustainable value chain generally and the other on BHP's approach to managing modern slavery risks in our supply chain. These sessions were attended by more than 300 participants and the recordings have been made available across our workforce.

We deliver annual training to help our workforce understand *Our Code* and the standards of behaviour that are acceptable at BHP. In FY2022, over 70,000 employees and contractors, as well as employees of some of our business partners and community partners, completed the annual training.



## Consultation

As outlined in the Organisational structure, business and supply chain section at pages six to eight, 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. Consultation between BHP entities in relation to this Statement occurred as described below. This process of joint modern slavery statement (Australia) and the entities that each of those reporting entities owns or controls. BHP continues to take an interdisciplinary approach to modern slavery reporting. This Statement has been prepared by subject matter experts in consultation with our key teams that collaborate to deliver our human rights risk identification, assessment and management processes, including modern slavery. The teams involved in consultation and review of the Statement in FY2022 include Sustainability and Climate Change; International Relations and Public Policy; Global Community, Social Investment and Human Rights; Commercial (including Strategy Planning and Integrity, Procurement, Maritime and Supply Chain Excellence); Sales and Marketing; Legal; Governance; Risk; Internal Audit; Compliance; and Ethics and Investigations. The BHP Foundation was also consulted with respect to its activities.

Prior to being put to the Board for review and approval, the Statement was reviewed by BHP's Chief Legal, Governance and External Affairs Officer and Chief Commercial Officer. The Chief Legal, Governance and External Affairs Officer and Chief Commercial Officer are members of BHP's Executive Leadership Team.

## 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 to the Board's Sustainability Committee on human rights (including modern slavery where relevant) as well as to the Board's Risk and Audit Committee and Sustainability Committee on BHP's material risk profile (including human rights) (refer to the Policies and governance section)
- conducting our internal audit program (refer to the Due diligence and risk management section), which from time to time involves auditing risks and controls associated with modern slavery practices
- engaging with specialist external consultants, including EY Australia which provides limited assurance over our Statement (see appendix 2)
- monitoring and taking onboard feedback received through industry benchmarking initiatives

As noted above, in FY2022 our ESCT program transitioned into the Compliance team and plans for a new supplier screening and due-diligence approach were devised. As part of that transition, we will define and report on the quantitative metrics and, importantly, qualitative outcomes that will allow us to more effectively track the impact of our supplier due diligence efforts.

### Looking forward

In FY2023, we intend to continue to embed and strengthen the foundations of our compliance framework and understanding of human risks in our operations and supply chain through:

- implementing our ESCT team's new approach to supplier screening and due diligence
- implementing OECD-aligned due diligence for 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 of 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.

**Mike Henry**  
Director and Chief Executive Officer  
For and on behalf of BHP Group Limited  
2 September 2022



## Appendix 1

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

- BHP Group Limited**
- The Broken Hill Proprietary Company Pty Ltd**
- BHP Lonsdale Investments Pty Ltd**
- BHP Minerals Pty Ltd**
- BHP (Towage Services) Pty Ltd**
- BHP Iron Ore (Jimblebar) Pty Ltd**
- BHP Nickel West Pty Ltd**
- BHP Olympic Dam Corporation Pty Ltd**

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## 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 2022 (the Statement) have not been prepared in accordance with the Criteria defined below.

Ernst & Young (EY) was engaged by BHP to undertake limited assurance as defined by Australian Audit Standards, here after referred to as the 'Review' over the quantitative and qualitative 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) 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 Standards), 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 ensuring the Statement was appropriately prepared to present its contents fairly, in all material respects 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 the Review in accordance with the *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 2022. We adapted our approach to undertaking our procedures in response to COVID-19 safety considerations. 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 Verisk Maplecroft global risk data and audit reports
- Recalculating disclosures of supplier information from source reports, including direct suppliers by country, total spend with suppliers, third-party audits, 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 BHP *Our Code*

- 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 2022 (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. 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. 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.

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**  
Melbourne, Australia

2 September 2022

**Mathew Nelson**  
Partner

bhp.com



**BHP**

[bhp.com](http://bhp.com)