

BHP

Bringing people and
resources together to
build a better world

RESPONSIBLE
MINERALS
PROGRAM
2024




Contents

In this report

1	Introduction Responsible Minerals and Metals in our Supply Chain Responsible Standards and Certifications	3
2	Due diligence under our Responsible Minerals Program Objectives Governance and responsibilities	4
3	Risk methodology process	5
4	Risk in our metals and minerals supply chain	6
5	Achievements and challenges Internal engagement and development External engagement and development Key focus areas looking ahead	7
6	Appendix 1	8

 2024 Report Suite

 Cover photo
Jimblebar, Pilbara region,
Western Australia



1. Introduction

BHP plays an important role in the production of some of the essential resources needed to support today's global challenges such as decarbonisation and population growth and we strive to produce them through sustainable¹, ethical and transparent supply chains. Our role in minerals and metals supply chains for the resources we produce is key to our purpose of building a better world.

Through our [Responsible Minerals Policy](#) we publicly commit to the responsible sourcing and production of minerals and metals in our supply chains, embedding sustainability-related considerations and due diligence in our way of working with minerals and metals markets.

In FY2023, we established a 5-step due diligence framework (**Responsible Minerals Program**) in alignment with the OECD's Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (**OECD Guidance**).

This is our second annual report and covers all minerals and metals purchased by BHP in FY2024 and describes due diligence undertaken under the Responsible Minerals Program. This report aligns with Step 5 of the OECD Guidance which specifically refers to public reporting on minerals and metals supply chain due diligence.

Responsible Minerals and Metals in our Supply Chain

The mining and trading of minerals and metals have the potential to contribute to sustainable development and prosperity, support livelihoods and foster local advancement. However, we acknowledge that, particularly from conflict-affected and high-risk areas (**CAHRA**), companies may be at risk of being associated with actual or potential adverse impacts, such as serious human rights abuses, conflict, and financial crimes.

Our CAHRA determination is based on TDI Sustainability's published CAHRA list (**TDI CAHRA | TDI Sustainability**) which incorporates up to 11 indexes as a guide to support company risk assessments. Conflict-affected areas are identified by the presence of armed conflict, widespread violence, or other risk of harm to people. High-risk areas may include areas of political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure and widespread violence.

Our program prioritises risk-based due diligence with suppliers of minerals and metals associated with extraction, trade, handling, processing and export within or from CAHRA's

With respect to our minerals and metals production, in FY2024, our BHP-operated assets included iron ore, nickel, copper, steelmaking coal and thermal coal assets located in Australia, and copper assets located in Chile, therefore our BHP-operated assets are not located within a CAHRA.

We also source certain minerals and metals from external parties, which falls within the scope of the Responsible Minerals Program. In FY2024 our Sales and Marketing teams purchased minerals and metals from external parties in two circumstances:

- For supply into our operated assets² that forms part of our products.
- Third-party trading, where supply is traded directly into the market (and does not form part of our own equity production nor pass through our operated assets).

Responsible Standards and Certifications

BHP is currently committed to a set of standards for the responsible production and sourcing of minerals and metals. These standards include The Copper Mark's Criteria Guide for the Risk Readiness Assessment 2.0 (**The Copper Mark**), the International Council for Mining and Metals Principles and Performance Expectations (**ICMM**), Towards Sustainable Mining's Protocols and Frameworks (**TSM**), the London Metals Exchange Policy for Responsible Sourcing for LME Brands (**LME Policy**), and the Global Industry Standard for Tailings Management (**GISTM**).

The adoption of these standards is primarily aimed at ensuring we continuously improve against international standards. By being externally assessed against these standards, we can more transparently demonstrate to our stakeholders our intent to be a responsible actor within the mining and metals industry and for the global value chains we serve. This also allows us to align with ESG-related requirements set out by national mining associations, industry associations, commodity exchanges and emerging regulations.

As at the end of FY2024, external third-party verification of self-assessments against ICMM were completed at WA Iron Ore, Nickel West, BHP Mitsubishi Alliance (BMA) and Olympic Dam in Australia, as well as at Escondida and Spence in Chile. External assurance against The Copper Mark has been completed at BHP's operated copper assets at Escondida, Spence and Olympic Dam. In FY2024, BHP undertook risk-based disclosures of its self-assessments against GISTM for all tailings storage facilities at its operated assets that were classified as either 'extreme' or 'very high risk'.

Aligned with the due diligence requirements set out under the LME Policy, in FY2024, we achieved Track A compliance against the Joint Due Diligence Standard (**JDDS**) for all BHP LME metal brands, covering Escondida, Spence, Olympic Dam and Nickel West. The JDDS was established by The Copper Mark in collaboration with relevant metals associations to promote the responsible minerals and metals supply chain for copper, nickel, and other metals, aligned with the OECD Guidance.

The JDDS process also included external limited assurance against our first Step 5 Report from FY2023³.

1. We describe our approach to sustainability and its governance in our Annual Report 2024.

2. 'Operated assets' refers to assets that are wholly owned and/or operated by BHP or owned as a BHP-operated joint venture.

3. [2023 Responsible Minerals Program Report](#).

2. Due diligence under our Responsible Minerals Program

Objectives

Risk management helps us to protect and create value and is important to achieving our purpose and strategic objectives⁴.

We have developed a risk-based and fit-for-purpose due diligence management system for our inbound minerals and metals supply chain under our Responsible Minerals Program which also enables us to meet the due diligence performance criteria set out under the following intergovernmental guidance and voluntary standards:

- the OECD Guidance and other relevant standards that guide their implementation such as the JDDS as an OECD-aligned standard;
- The Copper Mark's Criteria 31 under the Risk Readiness Assessment 2.0;
- Towards Sustainable Mining's Responsible Sourcing Supplement Criteria 11;
- ICMM's Performance Expectation 4.2; and
- the LME's Responsible Sourcing Policy.

The Responsible Minerals Program focuses on identifying and managing risks as set out in Annex II of the OECD Guidance (see infographic 1).

In our effort to continually improve the way we conduct due diligence for our inbound metals and minerals supply chains, we are currently undertaking a project to develop and integrate an expanded scope of environmental risks which will seek to align the due diligence undertaken within the Responsible Minerals Program with the OECD's Handbook on Environmental Due Diligence in Mineral Supply Chains that was published on 19 September 2023 ([OECD Environmental Handbook](#)).

4. For more information on our mandatory minimum performance requirements for risk management visit our Annual Report "How we manage risk" section.

Governance and responsibilities

As the primary interface with minerals and metals suppliers, the Responsible Minerals Program is led by Sales and Marketing within the Commercial Function with the Group Sales & Marketing Officer as the executive sponsor.

Key roles and responsibilities are as follows:

- The **Marketing Sustainability** team is accountable for the Responsible Minerals Program including strategy, implementation, governance, and reporting. The team is responsible for developing and promoting responsible minerals and metals supply chains. The team has subject matter expertise on the OECD Guidance, responsible production and sourcing standards, chain of custody, product transparency and product traceability.
- The **Sales & Marketing** team through its trading and marketing units are responsible for the purchasing of minerals and metals and leads engagements with suppliers. They are responsible for engaging with minerals and metals suppliers in the due diligence process including communicating risk management plans and actions where required.
- The **Ethical Supply Chain & Transparency (ESCT)** team within Compliance is a second-line function responsible for the Ethical Supply Chain and Transparency Framework. It is the primary team within BHP dedicated to defining minimum standards and providing assurance in relation to modern slavery risks across the non-traded and trade-related supply chains. Subject matter experts within the ESCT team provide advice and monitoring for medium and high-risk minerals and metals transactions.

The program includes regular governance through the **Responsible Minerals Governance Group** which includes representatives across Marketing Sustainability, Sales & Marketing and the ESCT team. The primary purpose of this Governance Group is to co-review any medium or high-risk sourcing of minerals and metals and monitor the effectiveness of the program. Continuous improvement is at the centre of program implementation and includes engagement with other key internal stakeholders such as teams from Sustainability & ESG Legal, Global Policy and Assurance – Human Rights, Communities and Indigenous People and the International Relations & Portfolio Growth team.

Infographic 1 – OECD Guidance Annex II risk themes



3. Risk methodology process

The OECD Guidance recommends a 5-step framework for conducting due diligence and managing risks. In addition to applying our mandatory minimum performance requirements for risk management, BHP's Responsible Minerals Program follows the 5-step guidance as outlined in this report.

Step 1

Establishment of effective company management systems

Our [Charter](#) and [Our Code of Business Conduct](#) set out the standards of behaviour for those who work for us, with us or on our behalf, including with respect to BHP's human rights commitments as set out in our [Human Rights Policy Statement](#).

- To ensure that our commitment to responsible sourcing is acknowledged by our minerals and metals suppliers, BHP has set out minimum expectations in a Responsible Minerals Policy, aligned with the OECD Guidance's Annex II risks. To strive for continuous improvement in responsible sourcing in our minerals and metals supply chains, BHP aims to foster long-term relationships with regular suppliers. As part of the relationship building efforts and to help suppliers better understand BHP's requirements pertaining to due diligence, BHP may engage minerals and metals suppliers in reasonable training and capacity building where appropriate.
- BHP has management structures in place to implement our due diligence management system, including systems of control and transparency over the inbound minerals and metals supply chain. As part of this commitment, BHP trains relevant staff.
- BHP has a mechanism for internal and external stakeholders, including suppliers, to report complaints and grievances including those relating to BHP's responsible sourcing practices, in a confidential, or if chosen, anonymous manner via our misconduct reporting channels ([Integrity @BHP](#) or the [BHP Protected Disclosure Reporting Channel](#)). BHP will not tolerate retaliation or allow any form of punishment, discipline or retaliatory action to be taken against anyone for speaking up.

Step 2

Identifying and assessing risks in the supply chain

BHP collects, reviews and assesses relevant information on minerals and metals suppliers. This may include any of the following tools and sources:

- Know Your Supplier Questionnaires;
- Responsible Minerals Policy or equivalent policy document from the supplier;
- Factual circumstances of the extraction, trade, handling, processing, and export within the relevant supply chain;
- Review of audit reports;
- Desk-based research of publicly available information on the supplier (e.g. reports, media coverage);
- Additional information provided by relevant internal and external stakeholders (e.g. sustainability teams of our suppliers or third-party traders).

This allows us to identify potential red flags as outlined in the OECD Guidance. In doing so, a key consideration is whether the material to be supplied is extracted from, transported through, or traded in a conflict affected or high-risk area (CAHRA). Additional considerations include:

- whether artisanal mining could be involved in, or within the proximity of the area of the production of the material;
- recent convictions of unlawful activity;
- adverse commentary in publicly available media⁵;
- if the supplier is located in an Extractive Industries Transparency Initiative (EITI) member country, whether the supplier is undertaking EITI aligned reporting.⁶

BHP typically conducts further risk evaluation (enhanced due diligence) for suppliers where red flags have been identified to determine risks of potential or actual adverse impacts.

5. Adverse media screening is a review of negative information and data sources about a supplier.

6. The Extractive Industry Transparency Initiative set principles to disclose payments of taxes, fees, and royalties to mineral extraction, trade and export from conflict-affected and high-risk areas.

Step 3

Designing and implementing a strategy to respond to identified risks

BHP rates all our minerals and metals suppliers according to the risk framework developed for the Responsible Minerals Program, aligned with the OECD Guidance. We define the risk levels according to the OECD Guidance Annex II categories, as well as an overarching summary for the relevant transaction. Our risk levels are:

- **Very high:** A confirmed actual adverse impact is occurring or has occurred within the past year within supplier operations. The actual adverse impact was confirmed by the supplier or through an on-the-ground assessment and/or audit.
- **High:** There is a potential risk of adverse impacts occurring within supplier operations based on our assessment and/or due to absence of supplier policies, procedures or practices to prevent such adverse impacts and/or provision of inaccurate, incomplete or manipulated risk-related information by the supplier.
- **Moderate:** There is a possibility of actual adverse impacts occurring within supplier operations due to ineffective or incomplete supplier policies, procedures or practices to prevent such adverse impacts and/or lack of commitment to or participation in relevant frameworks and multi-stakeholder initiatives.
- **Low:** No information was identified or provided to suggest the presence of relevant risks.

Where any high or very high risks are identified, we aim to develop measurable risk mitigation plans in consultation with the supplier. These include risk mitigation measures which take into account the type and severity of risks identified and agreed tracking of the implementation of measures set out in the action plans.

We monitor implementation of the risk management plan (and controls) within an agreed timeframe and continue to engage with suppliers to support them in seeking to prevent and mitigate adverse impacts identified in the supply chain.

Step 4

Ensuring due diligence practices are audited by third-parties at identified points in the supply chain

The Responsible Minerals Program has been subject to limited assurance by external auditors against the JDDS for our operated assets that produce LME-approved Brand products: Olympic Dam, Spence, Escondida and Nickel West. Certificates against this standard were issued by Copper Mark in November 2023 and are available on our website [Value chain sustainability | BHP](#).

The Responsible Minerals Program was also subject to audit with the below components of responsible production standards:

- Copper Mark Criteria 31 of the Risk Readiness Assessment 2.0 to implement the OECD Guidance; and
- ICMM Performance Expectation 4.2 to undertake risk-based due diligence on conflict and human rights that aligns with the OECD Guidance, when operating in, or sourcing from, a conflict affected or high-risk area.

Within the last three years the Responsible Minerals Program was found to fully meet Copper Mark Criteria 31 at Escondida, Spence and Olympic Dam, and fully meet the ICMM Performance Expectation 4.2 at Nickel West, Olympic Dam, BMA and WA Iron Ore.

Internal validation at select operated assets (BMA, Olympic Dam and Nickel West) has also been conducted to test the equivalency of compliance with the ICMM requirements against compliance with the Responsible Sourcing Alignment Supplement from [Towards Sustainable Mining](#).

BHP expects our suppliers of minerals and metals to carry out similar due diligence on their minerals and metals supply chain.

In doing so, we adopt a risk-based approach that includes education and support to suppliers where appropriate and embedding responsible supply chain commitments in contractual clauses where appropriate and possible.

Step 5

Publicly report on supply chain due diligence

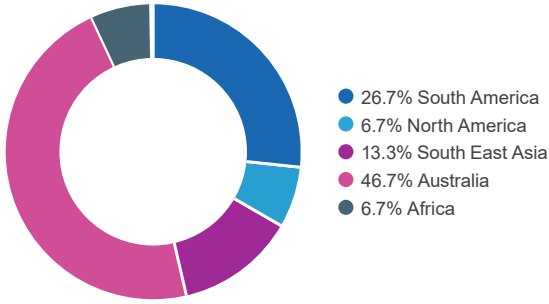
Since the creation of the Responsible Minerals Program, and in supporting transparency of minerals supply chain due diligence, we have published our Responsible Minerals Program Report (also known as a Step 5 Report) to the public on an annual basis since FY2023.

4. Risks in our metals and minerals supply chain

According to TDI's CAHRA index, the origin of our externally sourced material was predominantly from low and moderate risk countries. Structural feed was required for Nickel West and Olympic Dam (Australia) with all of this material fully sourced from domestic sources within Australia. For material sourced for third party trading purposes, this related solely to purchases of copper concentrates which were sourced from different regions and with 90% per cent originating from low and moderate risk countries.

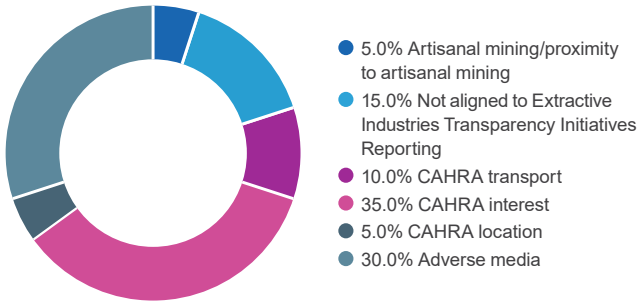
A summary of the origin of our externally sourced material can be found in infographic 1⁸.

Infographic 1 – Region of material origin



Red flag risk assessments highlighted the following risk themes in our inbound minerals and metals supply chain:

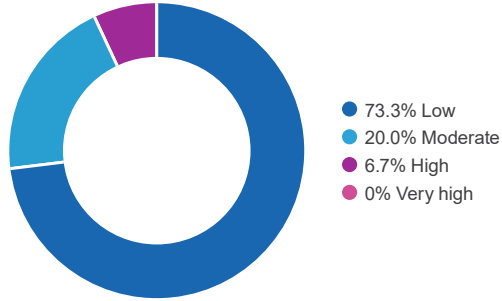
Infographic 2 – Red flag risk themes



In FY2024, 20% per cent of minerals and metals sourced required enhanced due diligence.

A high-level summary of the risk rating for BHP's minerals and metals inbound supply chain is shown below⁹:

Infographic 3 – Summary of risk rating



Across all our materials that were assessed as either moderate and high risk, a total of six (6) risk mitigation actions remain active. The high risk material illustrated in Infographic 3 relates to the same material that was assessed as high risk in our FY2023 reporting with that specific material originating from a CAHRA. An improvement plan remains in progress with the relevant supplier of this material.

We continued to work together with our suppliers to build a common understanding, improve communications and promote greater transparency.

7. This includes copper concentrate purchases from OZ Minerals to Olympic Dam.

8. This includes sourcing of nickel and copper concentrate.

9. Note this is based on the amount of deals or transactions.

5. Achievements and challenges

We continue to see broad-based multi-stakeholder engagement as critical to embracing risk-based due diligence as a catalyst for change, including supporting capacity building in BHP, our minerals and metals supply chains, and our broader industry.

Internal engagement and development

Key activities undertaken internally in FY2024 included:

- Developing our internal resources and refining responsibilities under the Responsible Minerals Program to support in-house capacity building and enhance clarity on responsibilities;
- Expanding the scope of representatives in our Responsible Minerals Governance Group to include a more diverse range of perspectives on risks and opportunities;
- Raising internal cross-company awareness of the Responsible Minerals Program's objectives, scope, successes to-date and improvement opportunities;
- Continuing periodic internal training of our Sales and Marketing team and other relevant employees, focusing not just on the process but on connecting employees to 'why' due diligence is critical and how it connects back to BHP's purpose, values and social value goals.

External engagement and development

Key activities undertaken externally in FY2024 included:

- Monitoring emerging practices by engaging external advisors and participating in external due diligence working groups to exchange learnings both within and beyond our industry;
- Actively participating in key thought leadership forums and panels such as at the OECD Forum for Responsible Mineral Supply Chains 2024, Chatham House Global Trade 2024, the Ethical Trade Forum 2024, the International Energy Agency, and the ICMM's Leadership Forum;
- Contributing to relevant working groups and whitepapers including the OECD's Business Experts on Sustainability (cross-sectoral working group) with the OECD's Centre for Responsible Business Conduct, the UN Secretary-General's Working Group on Transforming the Extractive Industries for Sustainable Development, and the World Economic Forum's trade-related whitepaper '[Translating Critical Raw Material Trade into Development Benefits](#)' published in May 2024;

- Continuing to actively engage in the development of better practice ESG guidance and standards through bilateral and multi-stakeholder dialogue with organisations such as the OECD, The Copper Mark, Towards Sustainable Mining and the ICMM;
- Advocating externally to promote the harmonisation of ESG-related performance and due diligence standards to lift the effectiveness of standards for the benefit of all types of stakeholders. This includes actively engaging with the multi-stakeholder community to consolidate major international ESG performance standards;
- Promoting multi-stakeholder collaboration aimed at the development of credible and comprehensive production standards into commodity exchange policies, product passport requirements, critical minerals regulations and trade agreements.

Key focus areas looking ahead

We recognise that improving the effectiveness of our Responsible Minerals Program is a long-term continuous improvement journey. We intend to maintain our continuous improvement philosophy to continue to build our maturity in minerals and metals supply chain due diligence.

Over the next financial year, our improvement focus areas include:

- Continuing to assess relevant emerging due diligence expectations set out under intergovernmental guidance, standards and regulations such as the OECD's Handbook on Environmental Due Diligence in Mineral Supply Chains, the Responsible Minerals Initiative (RMI) and Copper Mark's Risk Readiness Assessment 3.0, the EU Battery Regulation and EU Corporate Sustainability Due Diligence Directive (CSDDD); and
- Continuing to enhance engagements with key minerals and metals actors in our supply chains, with the intention of building longer term relationships and greater effectiveness in mitigating ESG-related risks.



6. Appendix 1

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



Our Conclusion:

Ernst & Young ('EY', 'we') were engaged by BHP Group Limited ('BHP') to undertake a limited assurance engagement as defined by International Auditing Standards, hereafter referred to as a 'review', over the BHP Responsible Minerals Program 2024 Report for the year ended 30 June 2024. Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe the BHP Responsible Minerals Program Report 2024 has not been prepared, in all material respects, in accordance with the Criteria (as defined below).

What our review covered

Ernst & Young ('EY') was engaged by BHP to provide limited assurance over the BHP Responsible Minerals Program Report 2024 for the year ended 30 June 2024 (the 'Report') in accordance with the Criteria (as defined below).

Our limited assurance engagement also included a selection of performance disclosures in the Report.

Criteria

In applying its Responsible Minerals Program (BHP's responsible minerals due diligence management system) and preparing the Report, BHP applied:

- the Joint Due Diligence Standard for Copper, Lead, Molybdenum, Nickel and Zinc ('JDDS') conformance criteria for Step 5: Reporting¹

The standard referenced above in this Criteria section constitutes the 'Criteria', which is what we assured the Report and its presentation of how BHP's Responsible Minerals Program adheres to the JDDS against.

Key responsibilities

BHP's responsibility

BHP's management is responsible for selecting the Criteria, and for ensuring the Report is prepared in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Report, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibility and independence

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

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

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

Our approach to conducting the review

We conducted this review in accordance with the International Auditing and Assurance Standards Board's International Standard on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000'), the Copper Mark Assurance process and the terms of reference for this engagement as agreed with BHP on 22 March 2024. That standard requires that we plan and perform our engagement to express a conclusion on whether anything has come to our attention that causes us to believe that the Report is not prepared, in all material respects, in accordance with the Criteria, and to issue a report.

Summary of review procedures performed

A limited assurance engagement consists of making enquiries, primarily of persons responsible for applying BHP's Responsible Minerals Program and preparing the Report and related information and applying analytical and other appropriate procedures.

The nature, timing, and extent of the procedures selected depend on our professional judgement, including an assessment of the risk of material misstatement, whether due to fraud or error. The procedures we performed included, but were not limited to:

- Conducted interviews with personnel to understand the business and reporting process
- Interviewing select BHP personnel to understand the reporting process at group, business, asset, and site level, including BHP's responsible minerals processes
- Assessed the Report against the requirements as defined in the JDDS
- Undertaking analytical procedures of the quantitative disclosures in the Report to determine the reasonableness of the information presented
- On a sample basis, based on our professional judgement, checked the adherence of BHP processes to the JDDS and any additional requirements outlined in its Responsible Minerals Program to support assessment of the accuracy of claims within the Report
- Assessed referenced policies and documents for consistency with the disclosures made in the Report
- Assessed whether the information disclosed in the Report is consistent with our understanding and knowledge of BHP's Responsible Minerals Program.

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

Inherent limitations

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

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

Other matters

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

Use of our Assurance Report

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

Our assurance procedures were performed over certain web-based information that was available via web links as of the date of this assurance report. We provide no assurance over changes to the content of this web-based information after the date of this assurance report.

Ernst & Young

Ernst & Young
Melbourne, Australia
27 August 2024

Mathew Nelson

Mathew Nelson
Partner

1. JDDS criteria: https://coppermark.org/wp-content/uploads/2023/01/Joint-Due-Diligence-Standard_v3_26AUG22-1.pdf

BHP