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21 November 2022

H.E. António Guterres
Secretary-General
United Nations
New York, NY 10017
United States of America

Dear Mr Secretary-General,

UNGC Letter of Commitment

I am pleased to confirm that BHP supports the Ten Principles of the United Nations Global Compact (UNGC) on human rights, labour, environment and anti-corruption. With this communication, we express our intent to continue to implement those principles within our sphere of influence. We are committed to making the UNGC and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals (SDGs). BHP has made a clear statement of this commitment to our stakeholders and the general public through our annual sustainability reporting and our website.

We recognise that a key requirement for participation in the UNGC is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the Ten Principles. We support public accountability and transparency, and therefore commit to report on progress annually according to the UNGC Policy on Communicating Progress, which requires:

- A statement signed by the chief executive expressing continued support for the UNGC and renewing our ongoing commitment to the initiative and its principles. This Letter of Commitment constitutes that statement. A description of practical actions (i.e., disclosure of any relevant policies, procedures, activities) that the company has taken (or plans to undertake) to implement the UNGC principles in each of the four issue areas (human rights, labour, environment, anti-corruption). These actions are summarised in Attachment A. Our annual sustainability reporting as contained in our Annual Report 2022 and the sustainability content on our website, including our ESG Standards and Databook, serves as our COP on implementation of the UNGC Ten Principles and support for the UNGC's broader development objectives.
- A measurement of outcomes (i.e., the degree to which targets/performance indicators were met, or other qualitative or quantitative measurements of results). Our annual sustainability reporting as contained in our Annual Report 2022 and the sustainability content on our website, including our ESG Standards and Databook, includes measurement of outcomes across the Ten Principles.

Yours sincerely

Mike Henry
Chief Executive Officer

Attachment A: Supplementary information

Practical actions to implement the UNGC principles¹

Our management of sustainability helps generate social value. We also know our stakeholders and partners are increasingly focused on our sustainability performance and use it as a key determinant in assessing BHP and our industry. We strive to continuously improve and exceed these expectations.

We define our approach to sustainability through *Our Charter* and it is governed through the *Our Requirements* standards. These standards describe our mandatory minimum performance requirements and provide the foundation to develop and implement management systems at our operated assets.

We set clear direction through our social value framework and we embed and measure sustainability performance through our public sustainability targets and goals. We completed our most recent five-year sustainability targets in FY2022.

This year we developed new 2030 goals under the pillars of People, Planet and Prosperity in line with the World Economic Forum and the United Nations (UN) Development Program, following extensive internal and external engagement. The 2030 goals comprise overarching long-term goals across six key focus areas (Decarbonisation; Healthy Environment; Indigenous Partnerships; Safe, Inclusive and Future Ready Workforce; Thriving, Empowered Communities; and Responsible Supply Chains) and are underpinned by short-term metrics and milestones. We are working to embed them through asset plans and capital allocation.

The key changes compared to the previous five-year sustainability targets include a new time horizon of seven years to align with BHP's 2030 climate change targets and goals and reference timelines set out in global frameworks and agreements, such as the UN Sustainable Development Goals, the Paris Agreement, the Convention of Biological Diversity and the Global Goal for Nature. The goals provide opportunities for BHP to engage and work in partnership with others, build capability and co-design approaches to deliver positive outcomes and shared prosperity for people and our planet. They are reinforced by our continued commitment to pursue zero significant health, safety, environment, community or supply chain events and to making a social investment of at least 1 per cent pre-tax profit².

Our sustainability reporting, including content on our website and in our ESG Standards and Databook, is prepared in accordance with the Global Reporting Initiative (GRI) 2021 Sustainability Reporting Standards, the International Council on Mining and Metals (ICMM) Sustainable Development Framework, the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and the Sustainability Accounting Standards Board (SASB) Metals and Mining standard.

Human rights³

Our Human Rights Policy Statement (HRPS) details our commitment, 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. The HRPS was developed in line with Principle 16 of the UN Guiding Principles on Business and Human Rights, included consultation with internal and external stakeholders and was endorsed by BHP's Executive Leadership Team. Updates to the HRPS commenced in FY2022 to more clearly articulate how our human rights governance and due diligence approach is organised.

Our Code of Conduct (Our Code), which applies to everyone who works for us, with us, or on our behalf, includes a section on human rights. Annual training on Our Code is mandatory and we provide an additional introductory human rights training video on our internal learning system and our website. Teams within Corporate Affairs and Commercial 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 manage human rights risks and potential impacts. Our Directors also participated in human rights training, led by an external expert.

Labour⁴

BHP commits to operating in a manner consistent with the terms of the ILO Declaration on Fundamental Principles and Rights at Work, including the four Core Labour Standards the subject of the ILO Conventions upon which the Declaration is based, concerning:

- Freedom of association and the effective recognition of the right to collective bargaining;

¹ Refer to Section 7 of our Annual Report 2022 and our website for further information (see: [Sustainability | BHP](#)).

² 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.

³ Refer to Section 7.11 of our Annual Report 2022 and our website for further information (see: [Human rights | BHP](#)).

⁴ Refer to Section 6 of our Annual Report 2022 and our website for further information (see: [Inclusion and diversity | BHP](#)).

- The elimination of all forms of forced or compulsory labour⁵;
- The effective abolition of child labour; and
- The elimination of discrimination in respect of employment and occupation.

BHP releases a Modern Slavery Statement annually that outlines our approach to understanding and mitigating the risks of modern slavery and human trafficking in our operated assets and supply chain. Refer to our Modern Slavery Statement 2022, available on our website, for further information.

With the ambition to achieve a more diverse and inclusive workplace, we have an aspirational goal of a gender-balanced workforce by the end of FY2025 and have set targets to increase Indigenous employment. Our progress against these ambitions is reported in Section 6 of our Annual Report 2022.

Environment⁶

We are committed to preventing or minimising our adverse environmental impacts and contributing to the resilience of the natural environment. Our operations and growth strategy depend on obtaining and maintaining the right to access environmental resources. However, with growing pressure on and competition for these resources, and with climate change amplifying certain sensitivities of our natural systems, our environmental performance and management of our environmental impacts on the communities where we operate is critical to creating social value.

We recognise our activities have an environmental footprint and commit to making voluntary contributions to support environmental resilience across the regions where we operate. Our Group-wide approach to environmental management is set out in the *Our Requirements for Environment and Climate Change* standard and our mandatory minimum performance requirements for risk management.

In addition to our Climate Transition Action Plan 2021 (which sets out our strategic approach to achieving our long-term greenhouse gas emissions reduction goals) and Water Stewardship Position Statement (which sets out our vision for water stewardship within and beyond our operations), in June 2022 we launched a social value framework and scorecard with 2030 goals under each of our six social value pillars, including Healthy Environment. Our Healthy Environment goal is to create nature-positive⁷ outcomes by having at least 30% of the land and water we steward⁸ under conservation, restoration or regenerative practices. In doing so we focus on areas of highest ecosystem value both within and outside our own operational footprint, in partnership with Indigenous Peoples and local communities. In FY2022, we successfully completed our most recent Group-wide public sustainability targets, including environmental targets for water, biodiversity and greenhouse gas emissions. Further information on these FY2018-FY2022 targets and our 2030 goals can be found in Sections 2.2, 7.1, 7.8, 7.15, 7.16 and 7.17 of our Annual Report 2022.

Anti-corruption⁹

We continue our commitment to the global fight against corruption in the resources industry. Our commitment to anti-corruption is embodied in *Our Charter* and *Our Code*.

As part of this commitment, we prohibit authorising, offering, giving or promising anything of value directly or indirectly to anyone to influence them in their role, or to encourage them to perform their work disloyally or otherwise improperly.

We also prohibit facilitation payments, which are payments to government officials for routine government actions. Our people must take care that third parties acting on our behalf do not violate anti-corruption laws. Disciplinary action including dismissal, or termination of contractual relationships, may follow from a breach of these requirements.

Our Compliance function regularly reviews our anti-corruption framework for compliance with the requirements of the US Foreign Corrupt Practices Act, the UK Bribery Act, the Australian Criminal Code and the applicable laws and regulatory developments of all places where we do business. These laws are consistent with the standards of the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

⁵ Forced or compulsory labour includes slavery or slave-like practices, various forms of debt bondage, and human trafficking.

⁶ See also our website, [Environment | BHP](#).

⁷ Nature positive is defined by the World Business Council for Sustainable Development (WBCSD) / TNFD as "A high-level goal and concept describing a future state of nature (e.g. biodiversity, ecosystem services and natural capital) which is greater than the current state." It includes land and water management practices that halt and reverse nature loss – that is, supporting healthy, functioning ecosystems.

⁸ Excluding greenfield exploration licences (or equivalent tenements). "Greenfield" means the development or exploration located outside the area of influence of our existing mining operations/infrastructure.

⁹ Refer to Section 7.7. of our Annual Report 2022 and our website for further information (see [Ethics and business conduct | BHP](#)).

Information on the Fundão dam failure

On 5 November 2015, the Fundão tailings dam operated by Samarco Mineração S.A. (Samarco) failed. Samarco is a non-operated joint venture owned by BHP Billiton Brasil Ltda (BHP Brasil) and Vale S.A. (Vale), with each having a 50 per cent shareholding. BHP Brasil has been and remains fully committed to supporting the extensive ongoing remediation and compensation efforts of Fundação Renova in Brasil. The Framework Agreement entered into between Samarco, Vale and BHP Brasil and the relevant Brazilian authorities in March 2016 established Fundação Renova, a not-for-profit, private foundation that is implementing 42 remediation and compensatory programs. BHP Brasil provides support to Fundação Renova, including through representation on the foundation's governance structures. To 30 June 2022, BHP Brasil has provided US\$1.8 billion to fund Framework Agreement programs when Samarco has been unable to do so.

Section 8 of our Annual Report 2022 provides further information regarding BHP's response to the Fundão dam failure. Furthermore, the 'Legal proceedings' part of the Additional information section of our Annual Report 2022 (pp.227-9) contains information regarding current legal proceedings and investigations and associated matters relating to the Fundão dam failure in which BHP is currently involved or has finalised since our last Annual Report.