



BHP 2023 Voluntary Principles on Security and Human Rights Annual Report

23 April 2024



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Report to Plenary on Voluntary Principles on Security and Human Rights

Annual Progress Report 2023

1) Introduction

BHP is a leading global resources company that employs around 80,000 people worldwide. Our strategy is to responsibly manage the most resilient long-term portfolio of assets, in highly attractive commodities, and 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. We bring people and resources together to build a better world.

We have a portfolio of large, high-quality, low-cost assets. We are investing in technology to improve productivity and drive sustainable growth across our operations. Our portfolio contains iron ore, copper, metallurgical coal, nickel and potash. We are reshaping this portfolio to focus on higher-quality iron ore and metallurgical coal preferred by our steelmaking customers, copper for electrification and renewable energy, nickel for electric vehicles and potash to make food production and land use more efficient and sustainable. Although a global company, with a presence in over 40 countries including marketing and administration offices, these are separate from the operations within the scope of this report, which are those in Canada, Chile and Australia.

This report describes BHP's commitment to, and implementation of, the Voluntary Principles on Security and Human Rights. While there have been no material changes within this reporting period, BHP has invested in its Group Security function to support critical initiatives including implementation of the Voluntary Principles. This addition will support BHP in continuously enhancing and evolving its approach to managing security-related human rights risks.

2) Commitment to the Voluntary Principles

The basis for BHP's human rights approach is an ongoing commitment to operate in a manner consistent with the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the 10 UN Global Compact Principles. Our Human Rights Policy Statement details our commitment to respecting human rights, including the additional issue-specific human rights standards we seek to adhere to, as well as the systems and processes set out for our people, business partners and other relevant parties. In FY2023, we completed a review of the Human Rights Policy Statement, identifying an opportunity to simplify its format and language to state our expectations for human rights due diligence and other practices more clearly. The updated Human Rights Policy Statement was approved by the Board in February 2023. Our Code of Conduct (Our Code) which applies to everyone who works for us, with us or on our behalf, and Our Code training covers our expectations in relation to human rights.

BHP is committed to aligning with the Voluntary Principles on Security and Human Rights and sets mandatory minimum performance requirements for our operated assets, to support implementation of these principles. We report annually on our approach to Human Rights through our Annual Report, and specifically on our commitment

to the Voluntary Principles Initiative through the Annual Progress Report. BHP are also represented on working groups run by the Voluntary Principles Initiative.

3) Policies, Procedures and Related Activities

3.1 Policies and Procedures

In addition to our Code of Conduct, BHP requires all operations to comply with a set of minimum global standards. The Security and Business Resilience Global Standard requires the business to implement the Voluntary Principles.

This Global Standard is mandatory and ensures:

- The Voluntary Principles are implemented.
- All contracted security provision complies with the Voluntary Principles, as well as the International Code of Conduct for Private Security Providers.
- Where public security providers are providing security services or support to BHP, the relevant Asset or Function must establish a Memorandum of Understanding or equivalent document, which includes a commitment by both parties to the VPSHR.

BHP's Group Security function has accountability for second line assurance of VPSHR alignment and is integrating this activity into its forward assurance planning.

In addition, in FY2023, all operated assets and exploration regions completed human rights baseline studies, which seek to provide an objective baseline of the external human rights context in the regions where we operate. These studies include a review of the national and regional human rights policies, frameworks and issues as well as analysis of priority human rights risks and issues for the communities that host our operations, such as labour conditions, environment, community wellbeing and Indigenous rights.

3.2 Group Security, Crisis and Emergency Management (SCEM)

BHP operates in an increasingly volatile, uncertain world, where the physical security risks we face are evolving from local criminal activity and asset protection risks to more complex transnational threats, which transcend traditional asset and jurisdictional boundaries. Key emerging themes include social activism, international criminal enterprise, global terrorism, and war. We are also seeing the increasingly integrated nature of physical security with other risk areas, including the physical security threats that stem from cybersecurity risks or climate-related risks. These threats are developing against a backdrop of increasing anti-government sentiment, inequality, and political polarisation across the globe; challenges that have been exacerbated by COVID-19.

To respond to this shifting external landscape, in 2022 we established a new Group Security function, to provide additional expertise and support to the business and conduct assurance over security risk management globally. Priorities for the function include revising our security framework, to refresh BHP's mandatory minimum global security requirements and developing a consistent taxonomy for defining and categorising security threats. Over 2023 Group Security provided further support to all business lines, in particular ensuring that VPSHR issues were factored into new opportunities and further integrated into risk assessments for the operating assets. For 2024, a priority will be further assurance over VPSHR implementation across the assets.

3.3 Company procedure to conduct security and human rights risk assessments

Through the Global Standard, Group SCEM requires all sites to conduct risk assessment activities in a manner that considers the full range of external threats and concerns, of which human rights is a critical component. Assets are

also required to produce, and provide when requested, appropriate security governance documentation that critically supports the management of such risks. Finally, the Global Standard requires the business to ensure that security resources have appropriate, fit-for-purpose capabilities to support and enable positive security outcomes.

Working in this manner ensures that our first line can correctly conduct a security risk assessment, with human rights concerns being considered through the process. Moreover, ensuring the appropriate capability is in place can support a mitigation strategy that is fully compliant.

Building on the findings of the broader human rights baseline studies, we are progressing Human Rights Impact Assessments at all operated assets and exploration regions, expected to be completed in FY2024. These assessments seek to compare asset and exploration plans with the external context to identify and prioritise potential and actual human rights risks, impacts and opportunities for management.

3.4 Company mechanisms to report security-related incidents with human rights implications by public/private security forces relating to the companies activities

BHP provides clear mechanisms to report grievances, including security-related incidents with human rights implications. 'EthicsPoint' is a confidential reporting tool, accessible to all, including external stakeholders and the public. Its purpose is to report conduct that may be unethical, illegal or inconsistent with the BHP Code of Conduct.

Additionally, since the formation of Group SCEM, there is now a structurally independent second line function for security. This provides an additional avenue (outside of operational business reporting lines) for individuals to raise a concern.

Throughout 2023, 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 identifying concerns that have a human rights connection. These approaches are now considered at the earliest stage for any new opportunity to ensure such mechanisms are built into plans.

3.5 Company procedure to consider the Voluntary Principles in entering into relations with private security providers

The Global Standard clearly requires the business to fully integrate VPSHR awareness and training into any engagement with private security providers. The minimum global requirement relating to managing security-related human rights risks states that where contractors (whether on or off-contract) are providing security services to BHP, they are required to comply with the VPSHR and comply with the International Code of Conduct for Private Security Providers.

All providers used must be vetted and pass the BHP requirements for contract management. Although all providers globally are required to undertake VPSHR training, there are no BHP sites with armed security in place.

3.6 Company procedure or mechanism to address security related incidents with human rights implications by public/private security forces relating to the company's activities

The EthicsPoint anonymous reporting service is supported by an ethics and investigations framework and central investigations team. All reports received in EthicsPoint are reviewed and categorised by the Ethics team. Once categorised, reports are assigned in accordance with internal policy and processes to an investigator, line leader or appropriate team for resolution. Group SCEM can also support this process in its capacity as a second line function.

For community members, each operated asset and exploration region maintains a Complaints and Grievance Mechanism with multiple avenues of communication including in-person, phone, and email. All community concerns, complaints, and/or grievances are reviewed and actioned in accordance with internal policy for

resolution. The corporate Global Community and Human Rights team monitors concerns and complaints on a bi-annual basis to ensure issues are being resolved.

Alongside EthicsPoint and the Complaints and Grievance Mechanisms, BHP's incident reporting system (EMS) also ensures that any security incidents are escalated and investigated accordingly. Where required, a thorough and independent investigation would take place, involving subject matter experts to fully support to conclusion.

3.7 Examples of promoting awareness of the Voluntary Principles throughout the organisation

Every year assets engage their security providers to ensure that VPSHR training is provided and completed. Although considered standard practice for operating assets, this continual process ensures that leaders and security personnel at sites retain knowledge of the Voluntary Principles and their importance during normal activity.

Group SCEM are the security lead for any new opportunities that the company is considering. Consequently, human rights concerns are tabled at the earliest point in the process, ensuring again that their importance is made relevant for leaders throughout BHP and integrated into opportunities.

3.8 Examples of promoting and advancing implementation of the Voluntary Principles internationally

In Chile, the local team has created and now implemented an online training module that forms part of staff training. The content covers Voluntary Principles on Security and Human Rights and its applicability to BHP, as well as more general, country-specific areas. This is currently in Spanish only but may be rolled out to support our business in Canada in 2024.

4) Country Implementation

4.1 Overview of country operations selected for reporting (include any notable changes from the previous reporting year if the same country is being reported this year)

BHP Operations covered in this report are those operated ventures within the portfolio. This covers three main countries – Australia, Chile, and Canada. This portfolio remains the same as in previous reporting years, and the operations within each contain multiple mine sites for copper, nickel, metallurgical coal and iron ore in Australia, copper in Chile, and potash in Canada. The integration of OZ Minerals assets is underway, with integration of Australian and Brazilian assets progressing. These will be covered in the next reporting cycle as by this stage, integration should be finalised.

In Tanzania, an MoU has been signed between the Tanzanian Police and the majority venture partner of a project in which we invest and support. BHP staff across the project have been actively supporting this activity, and ensuring the MoU is implemented correctly, and training provided for venture partner's security company and the police assisting with security on the project.

4.2 Engagements with stakeholders on country implementation

All assets are required to comply with the Global Standard as it relates to VPSHR, as covered in [this section](#). All risk assessments that are produced will consider human rights risks and integrate VPSHR concerns into the outputs. At a country level, Group SCEM requires documentation to be provided that ensures training of security providers has taken place and that the Voluntary Principles are implemented.

As conditions change within any particular country or region, Group SCEM also advises on any potential changes in risk profile and the consequences of such changes. Where security conditions have changes, requiring new

controls which create VPSHR concerns, country/project leads are made aware of these and of the requirements, to ensure correct standards are maintained during any project.

4.3 Voluntary Principles considerations in the selection of private security providers and formulation of contractual agreement with private security providers, as well as arrangements with public security forces

Please refer to section 3.4 and 3.5 and note that the BHP Contractor Management Global Standard requires contractors to have a set of minimum standards, and for a BHP Responsible Person to continually monitor compliance to the contract and performance. This ensures robust mechanisms for selection of providers and monitoring of performance.

Where public security providers are to be used, alongside conventional risk assessments related to the country of operations and the history of the security forces, BHP will establish a Memorandum of Understanding or equivalent document which includes a commitment by both parties to the VPSHR. Within this, grievance mechanisms and independence of investigations will also be clearly articulated.

4.4 Examples of supporting outreach, education, and/or training of (i) relevant personnel, (ii) private security, (iii) public security, and/or (iv) civil society (e.g. local NGOs, community groups)

Security-related human rights training is conducted regularly within BHP. As employees are onboarded at sites, their training includes VPSHR and Use of Force modules. Local teams are also encouraged to develop their own outreach programs, particularly to government/law enforcement so they can better understand the trajectory of security conditions. This approach ensures that they can implement suitable controls through private security when risk exposure changes, and provide the correct training to such contractors as required.

Additionally, BHP's Group Security representatives attended both the Annual Plenary in London in 2023, and the Steering Committee Strategic Retreat, to ensure awareness of issues and developments can be filtered back into the organisation.

4.5 Company procedure to review progress on implementing the Voluntary Principles at local facilities

Further assessments of implementation and understanding of human rights related security risks are captured through the formal risk assessment process that sites undertake. Group SCEM conduct governance and assurance activities to ensure that local understanding of risks is achieved, and that the Voluntary Principles are implemented correctly. This information is also referenced within the [Country Implementation](#) section.

5) Lessons and Issues

5.1 Lessons or issues from this reporting year, as well as plans or opportunities to advance the Voluntary Principles for the organisation

There have been no reported incidents with human rights implications this year. The intent for 2024 is to build upon the current foundation for VPSHR implementation, using a current state assessment to identify opportunities for improvement and build those into forward plans. Establishment of Group SCEM as a second line function provides an enhanced ability to coordinate VPSHR requirements and oversight at a global level, to ensure country and asset level understanding. BHP are also attempting to take a more active role in the Voluntary Principles Initiative, attending the Plenary and Strategic Retreat in 2023 as well as contributing to an implementation working group.

There is an acknowledgement that some areas with high contractor turnover require more diligence in training and onboarding, an issue that was exacerbated throughout COVID-19. We will reinforce and continue our focus on ensuring appropriate onboarding and training for staff and contractors as we continue to grow and develop our standards.