



Response to Business and Human Rights Resource Centre

22 October 2020

BHP provides the following response **as at 22 October 2020** to the article *BHP betrays international safety efforts*, 15 September 2020, Ecologist (<https://theecologist.org/2020/sep/15/bhp-betrays-international-safety-efforts>).

At BHP, our purpose is to bring people and resources together to build a better world. As a part of this, we must ensure the integrity of tailings storage facilities (TSFs) across our operations and legacy assets to protect our people, the environment and communities in which we operate¹.

TSFs are dynamic structures that can comprise of multiple dams (or cells) that have contiguous, structurally similar interconnected walls but are operated under the same tailings disposal regime. Maintaining the integrity of these TSFs requires consideration of a range of factors, including appropriate engineering design, quality construction, ongoing operating discipline and effective governance processes and transparency.

Following the Brumadinho incident, BHP established a Tailings Taskforce that reports to our Executive Leadership Team and the Board's Sustainability Committee. The Taskforce is working to ensure best practice is embedded consistently across BHP, which includes learning the lessons from both the Brumadinho and Samarco events.

Tailings Storage Facility Safety Management

As part of the management of our TSFs, we implement controls that are designed to both prevent a TSF failure and reduce the impacts of a failure should this occur. Our short-term strategy is focused on reducing potential downstream impact zones. For example, at Olympic Dam, a barrier wall is being constructed.

Risks associated with TSFs are identified as principal risks to BHP under our Group Risk Architecture. This provides additional visibility of TSF risks and the steps that are being taken to manage those risks across the organisation. BHP uses the 'three lines of defence' model of risk governance and management to define the relationships and clarify the roles of different teams across the organisation in managing risk. Effective monitoring systems, routine surveillance and review are central to ongoing dam integrity and governance. Third party experts and regulators conduct regular inspections and reviews on our facilities and we regularly review and test our Emergency Response Plans and warning systems.

Tailings Storage Facility Design

Maintaining TSF integrity over the entire life cycle of the TSF from initial planning to ultimate closure and rehabilitation is guided by the principles and criteria specified through the Australian National Committee on Large Dams (**ANCOLD**), the Canadian Dam Association (**CDA**) and local regulation.

The safe design and operation of a TSF is influenced by many factors, including proximity of the dam to employees, communities, infrastructure and other sensitive areas, the geological conditions on which a dam is constructed, climatic and seismic factors and tailings deposition and characteristics

Tailings Storage Facility Classification

TSFs are classified under the CDA system. The TSF classification is a risk management tool and provides guidance on the standard of care expected from dam owners and designers. The classification reflects the modelled, hypothetical most significant possible failure mode without regard to probability and assuming that

¹ Legacy assets refers to those BHP-operated assets, or part thereof, located in the Americas that are in the closure phase

all risk controls are ineffective. It does not reflect, and is not intended to reflect, the physical state of the dam, the safety of the dam, or the likelihood of the dam failing.

The dam classification informs the design, surveillance and review components of dam management. Therefore, dams with a higher level CDA classification will be subject to more rigorous requirements than dams assessed to have a lower level CDA classification.

Transparency and Collaboration

We support more detailed transparency and integrated disclosure around TSF management and will work with the industry and community, regulatory and financial stakeholders to seek to achieve this. We support and have contributed to the development of the new Global Industry Standard on Tailings Management, which has been developed as an international standard for safer tailings management through a process co-convened with the International Council on Mining and Metals, the United Nations Environment Programme and the Principles for Responsible Investing.

Olympic Dam Tailing Storage Facilities

We are committed to ensuring the integrity of TSFs across our operated assets and legacy assets to protect our people, the environment and communities in which we operate.

Olympic Dam has two active upstream TSFs and a non-active upstream TSF. These TSFs have been safely managed for over 30 years. These facilities were reviewed following the failure of the Fundão Dam at Samarco and no significant deficiencies to the stability of the dams were identified.

Our approach to the design, operation and eventual closure/rehabilitation of TSF6 will be consistent with international standards and leading industry practice as represented by CDA and ANCOLD guidance.

Upstream dam designs are well suited to regions that are dry, flat and have relatively low seismic activity. Olympic Dam, approximately 575 km north-north-west of Adelaide, South Australia, is in a region where these conditions prevail. We undertook a rigorous process to determine the preferred tailings management option most applicable for the conditions at Olympic Dam. This included assessment of safety, social, and environmental considerations.

BHP received South Australian and Commonwealth Government approvals for the construction of TSF6 at Olympic Dam in 2019. The new facility will not be operated until approval to operate has been granted by the South Australian Government. Construction of the new TSF6 facility commenced in early 2020 after the necessary primary approvals for construction had been received.

Indigenous Peoples and Cultural Heritage in Australia

BHP's aim is to be a partner of choice for Indigenous peoples and to contribute through our relationships to the economic empowerment, social development and cultural wellbeing of Indigenous peoples. Our relationships are based on regular and extensive discussions on a range of issues, including our extractive activities and broader support for Indigenous peoples, including employment and local procurement opportunities.

BHP's approach to cultural heritage in Australia is driven by the commitments that it has made in BHP's Indigenous Peoples Policy Statement², the BHP Indigenous Peoples Strategy³ and BHP's Reconciliation Action Plan,⁴ and by BHP's support for the Uluru Statement From the Heart.

The article makes reference to South Australian cultural heritage legislation. For BHP, the current legislative framework in Australia is only a starting point in relation to the management of cultural heritage. BHP's

² <https://www.bhp.com/our-approach/operating-with-integrity/indigenous-peoples/bhp-indigenous-peoples-policy-statement/>

³ https://www.bhp.com/-/media/documents/ourapproach/operatingwithintegrity/indigenouspeoples/170622_bhpbillitonindigenouspeoplesstrategy.pdf?la=en

⁴ https://www.bhp.com/-/media/documents/ourapproach/operatingwithintegrity/indigenouspeoples/180717_bhpreconciliationactionplan.pdf?la=en

policies, practices and agreements with Indigenous peoples well exceed the legislative framework. The Company's policies, practices and agreements focus on consultation, negotiation, partnership making and formal, mutually beneficial agreements.

BHP is committed to working with Traditional Owners on the management of cultural heritage. One way that BHP achieves this is through land use agreements (and other similar agreements) developed in partnership with Traditional Owners. BHP has many of these agreements in place across Australia, including with the Kokatha and other Traditional Owner groups in South Australia.

One of the purposes of these agreements is to set out detailed processes that Traditional Owners and BHP agree will be followed before any heritage site can be disturbed. The specifics of these processes differ across jurisdictions, but the key requirements typically include:

- ongoing and regular dialogue and engagement with (and feedback by) Traditional Owners in relation to cultural heritage, which occurs through both informal and formal mechanisms;
- ethnographic and archaeological surveys with Traditional Owners over any land that may be disturbed by BHP's operations in order to identify any heritage sites and their significance;
- consultation with Traditional Owners regarding ways to avoid, minimise and mitigate impacts to heritage sites, including inspections of the heritage sites that involve Traditional Owners, BHP representatives and an anthropologist or archaeologist; and
- actions to mitigate any disturbance to heritage sites (e.g. through excavation and safekeeping of artefacts).

BHP also implements additional cultural heritage systems and processes. For example, BHP maintains heritage information databases that record detailed information in relation to heritage sites and consultations with Traditional Owners.

Beyond and complementary to these processes, BHP partners and invests in relationships and initiatives with Indigenous peoples and Traditional Owners in areas such as education, environmental management, arts and culture, rehabilitation and reconciliation. Some examples of this work can be found at:

<https://www.bhp.com/community/indigenous-partnerships/>.

The article suggests that BHP intends to increase water extraction from the Great Artesian Basin to 50 million litres per day. This is not BHP's intention. BHP is considering a resource development strategy which could result in water extraction from the Great Artesian Basin of up to 42 ML per day. However, the impacts of this strategy are still being assessed and the proposal remains subject to relevant government approvals and consents.

First Nations Heritage Protection Alliance

In October BHP and the First Nations Heritage Protection Alliance jointly agreed a path forward to enhance the influence and voice of Traditional Owners in relation to heritage protection.

From this work we have determined a set of shared Principles around Aboriginal Heritage in Australia which reaffirm BHP's commitment to free, prior and informed consent in agreement making. Together, we agree that regulatory regimes should respect and reflect these rights.

The Principles also reaffirm a shared commitment to self-determination for Aboriginal peoples, their right to speak proudly and publicly about their culture and their heritage; and recognition that building a better understanding of Aboriginal cultural heritage in Australia is ongoing and together we can play an important role.

For more information on Tailings Storage Facilities and our approach to cultural heritage and engaging and working with Indigenous peoples, please see <https://www.bhp.com/sustainability/>. More information in relation to our Risk Framework, which applies to all risks to which BHP is exposed (including those associated with TSFs), is available in our [Annual Report](#).