DECISION USEFUL DIAGNOSIS 021 — FY2026

BHP Group Limited (ASX/LSE/NYSE: BHP)

Remained not decision-useful for three of five audiences, because no target caps the 97.9% of the footprint in Scope 3, now 9% above its reference year

REPORTING PERIOD	REVIEW DATE	PROTOCOL	SECTOR
FY2026	20 August 2026	Climate Disclosure Review Rules v15.23	Mining

7 / 15 overall score · sum of the five audience ratings, for ranking

6 of 19 load-bearing criteria not met. The score saturates, because a row reaches 1 on two failures and cannot go lower, so the criterion count is reported beside it. The two answer different questions: the score is how many audiences can use the disclosure, the count is how many things are wrong.

This review tests BHP's publicly available climate disclosure against CRI's Climate Disclosure Review Rules, which use the CRI Net Zero Standard as the reference for a credible claim together with AASB S2 Climate-related Disclosures. It reflects the information available at the review date, states what the evidence supports, what it does not, and what would resolve each open point, and says "cannot verify", not "no issue", where evidence is missing. It is general information, not legal, financial or investment advice, and not an audit or an assurance engagement. It does not allege illegality, misconduct, greenwashing or dishonesty. Organisations may contact CRI at robc@noco2.com.au to identify an error, provide relevant public information or request review of updated disclosures. See Important information at the end of this report.

Decision-usefulness at a glance

Company	Carbon / supply-chain accounting	Institutional investors	Consumer / retail investors	Consumers & public	Regulators
BHP Group Limited (ASX/LSE/NYSE: BHP)	2	1	1	1	2

How to read this report

HOW TO READ THE RATINGS

Each audience gets its own rating.

The same disclosure can be reliable for one reader and misleading for another, so we rate decision-usefulness **separately for each audience** on the three-point scale below. There is no single pass/fail verdict — decision-usefulness is a judgement about each audience, not the report as a whole.

1 **Not decision-useful**
Cannot be relied on in its current form for this reader's decision.

2 **Mostly decision useful**
Usable, with one material limitation the reader must work around.

3 **Decision-useful**
Can be relied on. A deliberately high bar.

The bar below adds the five audience ratings into an **overall score out of 15**. It is used only to rank reports against one another — it carries **no band and no verdict label**. Its colour simply reflects the mix of the five ratings: the more red, the more audiences the disclosure falls short for.



7 / 15
overall score · for ranking only

This review assesses whether the company's climate disclosure is *decision-useful*, whether a reader can actually rely on it for the decision they are making. Because a disclosure that is sound for one reader can mislead another, we score decision-usefulness **separately for each of the main audiences** that rely on climate disclosure. The audiences, and what each needs from the disclosure, are the same across all our reviews:

AUDIENCE	WHAT THEY RELY ON THE DISCLOSURE FOR
Carbon / supply-chain emissions accounting	Lifting the company's emissions figures into their own inventory. They need complete category coverage (nothing material excluded), a single reconcilable footprint, and a disclosed, transparent method. Whether a figure is estimated or supplier-specific is a maturity question, not a fault; the fault is exclusion.
Institutional investors	Pricing climate risk, physical and transition, including target credibility and whether targets are being met with real reductions, the completeness of financed / portfolio exposure, and flow-through exposure inherited from investees or counterparties whose own emissions may be growing. They can usually reconstruct detail, so they are judged on whether the true position is derivable.
Consumer / retail investors	Understanding the company's climate position and target progress without expert reconstruction. They need the headline claims to match the evidence, the material sources to be targeted, and caveats to be easy to find.
Consumers & public	Knowing whether the company's public claims are true, that it is genuinely acting rather than greenwashing, and not fuelling climate change while presenting otherwise. Headline claims matter most to this audience, which is least able to read past a buried caveat.
Regulators	Whether the disclosure is compliant, consistent across sources and audiences (does the company say one thing to one audience and something else to another), and useful across the board.

The **overall score** is simply the sum of the five audience ratings (5-15), used only to rank reports; it has no band and no verdict of its own. Section 2.1 gives each audience's rating and the reason behind it; section 1 covers scope and basis, sections 2.2 to 2.3 the evidence dashboard, section 3 what the disclosure means for a reader (what's counted, financed-emissions detail, real-versus-accounting movement, trajectory), section 4 the findings, section 5 disclosure risk, section 6 how to fix it and section 7 the conclusion; the working annexes show the rule-level derivation.

Two conventions apply throughout. A certification (including the Australian Government's Climate Active program) is treated as a claim to be tested, not as a strength in itself. Detailed disclosure and candour about a company's own gaps are the baseline expected of a credible discloser, not a credit.

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1. Scope & basis

1.1 What we reviewed

DOCUMENT	REVIEWED?	IF MISSING, EFFECT ON THIS REVIEW
BHP Annual Report 2026, including the Sustainability Report (the statutory climate statements), the Operating and Financial Review section 9.10, Financial Statements note 16, the Ernst & Young assurance report and the Remuneration Report	Yes: primary and audited	Not applicable
BHP ESG Standards and Databook 2026 (.xlsx): Energy and GHG; Energy and GHG by asset; GHG targets and goals; Additional climate-related data	Yes: supplementary and within the assurance scope	Not applicable
BHP Climate Transition Action Plan 2024	Yes: as the standing transition plan referenced throughout the FY2026 report	Not applicable
BHP Annual Reports 2020 to 2025, with the ESG databook for each year	Yes: as prior-period context for the seven-year series	Not applicable
BHP Scopes 1, 2 and 3 GHG emissions calculation methodology 2023	Yes: as an earlier edition of the method	The FY2026 method is set out in the Sustainability Report itself (section 7.6), which is the assurance criteria, so the gap is narrower than in prior periods

DOCUMENT	REVIEWED?	IF MISSING, EFFECT ON THIS REVIEW
Clean Energy Regulator NGER register, FY2024-25 publication	Yes: for the statutory reconciliation	The FY2025-26 register is not yet published, so the reviewed year cannot be reconciled against the regulator-facing return
BHP carbon offsetting integrity standards (the criteria summarised at Sustainability Report 5.2.7)	Not provided: the underlying standard not provided; the summary at Sustainability Report 5.2.7 reviewed	The integrity criteria are described in the report at a level sufficient to test the description, but not the underlying document
Certificate surrender records behind the 8.4 million renewable energy certificates stated for FY2026, and the split between compliance and voluntary surrender	Not provided	The composition of the 80% renewable-electricity figure cannot be quantified; the review records what BHP discloses about it and treats the split as cannot-verify

The FY2026 corpus was selected explicitly. `Input Reports/BHP/` is a flat folder holding every year BHP has published, and nothing dated after the reviewed period was used.

1.2 Standards the company is held to or references

STANDARD / FRAMEWORK	REFERENCED BY COMPANY?	HOW STRONGLY	SECTOR MODULE(S) APPLIED
Corporations Act / Ch 2M	Yes: the Sustainability Report is the statutory climate statements prepared under Division 1 of Part 2M.3, with a directors' declaration	Binding: FY2026 is the first period in which it binds	Mining
AASB S2	Yes: FY2026 is BHP's first mandatory reporting period, and compliance is asserted and assured	Binding: load-bearing	Mining
ASIC RG 280	No: not expressly cited	Not referenced: applicable to the regime BHP now reports under	Mining
GHG Protocol (Corporate / Scope 2 / Scope 3)	Yes: the AASB S2 measurement framework is stated to be informed by the Corporate Standard, the Scope 2 Guidance and the Scope 3 Standard and Technical Guidance	With reference to: strong; named as assurance criteria, and the Scope 2 Guidance drives the residual-mix-factor change	Mining
PCAF (financed emissions)	Not applicable: not a financial institution	Not applicable: not a financial institution	Not applicable
SBTi	No: the target rate was derived by the absolute contraction method as it stood in FY2020, and BHP states the target and its methodology have not been validated by a third party	Not applicable: as a validation; relevant as the origin of the target rate	Mining
Climate Active / other carbon-neutral framework	No: no operational carbon-neutral certification is claimed	Not applicable	Mining
Certificates (GreenPower / LGC / ACCU / REC)	Yes: 8.4 million renewable energy certificates are stated for FY2026, and power purchase agreements and certificate surrender underpin the renewable-electricity claim and the market-based Scope 2 figure	With reference to: load-bearing for the reported Scope 2 figure and the renewable claim	Mining
AASB S2025-1 (Amendments to Greenhouse Gas Emissions Disclosures)	Yes: early adopted for FY2026	In accordance with: load-bearing for the global-warming-potential relief	Mining
Australian Safeguard Mechanism	Yes: a compliance obligation, with Australian Carbon Credit Units and safeguard mechanism credits surrendered against it	Binding: for the covered facilities	Mining
Other (company-referenced)	Yes: TCFD (UK Listing Rules), ICMM Mining Principles, GRI, SASB Mining and Metals, IMO, NGER, Canadian Greenhouse Gas Reporting Program, Chilean Green Tax legislation, IPCC AR5 and AR6 global warming potentials, IEA Iron and Steel Technology Roadmap, Wood Mackenzie Net Zero, CRU	With reference to: TCFD navigation retained; ICMM, GRI and water items fall within the limited-assurance subject matter	Mining

1.3 Review basis & limitations

This is a standard evidence-led review of BHP's FY2026 climate disclosure, with the mining sector module applied and a seven-year comparison across FY2020 to FY2026. The FY2026 rating is derived from the FY2026 disclosure; prior periods are context.

FY2026 is the first period in which BHP's climate disclosure is a statutory obligation rather than a voluntary one. The Sustainability Report is the climate statements, it carries a directors' declaration, and Ernst & Young gives an unqualified audit opinion on Scope 1 and Scope 2 emissions and an unmodified review conclusion on the remainder. Two consequences follow for the review. Compliance findings are now available where in FY2025 they were not. And the first-year reliefs the standard provides are used as the standard intends: BHP has elected the comparative-information relief, and this review does not treat a missing or unrestated comparative as a defect where the relief covers it. BHP in fact publishes seven years of comparatives voluntarily.

Four limitations bound the conclusions. First, the split of the 8.4 million renewable energy certificates surrendered for FY2026 between certificates acquired to meet renewable-energy compliance obligations and certificates surrendered voluntarily is not disclosed, so the composition of the 80% renewable-electricity figure cannot be quantified. Second, BHP publishes its inventory on an unadjusted basis and its target performance on an adjusted basis; the two are bridged numerically this year, and every comparison in this review states the basis it uses. Third, the FY2025-26 NGER register is not published until early 2027, so the reviewed year cannot be reconciled against BHP's regulator-facing return; the FY2024-25 register is used to test the reconciliation one period back. Fourth, BHP's Chilean and Australian certificate surrenders are finalised after the financial year and restatement is flagged, so the FY2026 Scope 2 market-based figure and the renewable percentage may move.

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2. Verdict

2.1 Decision-usefulness by audience

2 **Carbon / supply-chain emissions accounting**
2 met · 2 partial · 0 not met

The inventory is liftable, and on two specific counts it is materially easier to lift than it was. BHP now reports on **one** consolidation basis, operational control, having dropped the equity-share and financial-control bases it previously published in parallel; and the adjustment rows in the target table now bridge the unadjusted inventory to the adjusted target series exactly, so the two totals reconcile arithmetically rather than sitting side by side unexplained. Scope 3 is given by GHG Protocol category and, for the material ones, by sub-category and product across seven years; Scope 1 is split by source, by gas and by asset; Scope 2 is given on both a location-based and a market-based basis; and every restatement this year is disclosed, most with the quantum. Two limitations remain. Five Scope 3 categories and several Category 10 product streams are excluded on immateriality asserted without a published bound, and the Category 10 exclusion list is stale: it still names ethane, which left with the Petroleum business in FY2022, and omits molybdenum, which BHP still produces. And location-based Scope 2 is published only at group level, so an accountant lifting electricity emissions by region or asset cannot do so. Estimation method is not the issue here.

`§3.1, Annex B`

1

Institutional investors

2 met · 1 partial · 3 not met

Two things load-bearing for pricing transition risk do not hold, and both are visible in BHP's own figures. The target is not being met by real reductions: on the basis BHP measures the target, **the whole of the reduction since FY2020 is Scope 2 and Scope 1 is above its baseline**, and measured on physical electricity rather than contracts the operational reduction is 26%, short of the 30% the target requires. About a fifth of the reduction is Western Australia Nickel sitting in temporary suspension, which BHP intends to review by February 2027. And there is no absolute cap over the 97.9% of the footprint in Scope 3, which is 9% above its reference year and rose again this year, and which BHP states it does not expect to fall materially other than through one mine closure. Even on the 2.1% that carries an absolute target the cap is loose: 53.6 $MtCO_2e$ of the carbon budget remains for four years against a 9.4 $MtCO_2e$ run rate, and the FY2030 end point sits 5.0% above FY2026. Set beside that, operational decarbonisation capital expenditure was US$30 million, under 1% of group capital expenditure, against US$4.6 billion of copper growth capital in the same year, with the US$4 billion decarbonisation programme placed in the 2030s, after the target year. The financial statements now assume a 2.2°C to 2.5°C world by CY2100, up from around 2°C. Separately, physical risk is the third gap: asset-level studies have been completed against named hazards and named scenarios and produce a quantified output, incremental production days or volume lost, but the results are reported qualitatively and adaptation spend is not separately identified, so the exposure cannot be sized. The position is otherwise fully reconstructable, which is why the row is not lower on that count, but reconstructability does not cure the three gaps.

§3.3, §3.4, §4, §5

1

Consumer / retail investors

0 met · 3 partial · 1 not met

One thing fails for this reader, and it is target coverage rather than the headline. **No target of any kind caps the 97.9% of the footprint that sits in Scope 3.** The long-term value-chain position is a goal, not a target; the only medium-term commitments over it are a shipping intensity goal covering 1.3% of Scope 3 that is already past its CY2030 level, and a steelmaking goal carrying no emissions metric at all, tracked in dollars committed (US$186 million to date). BHP states in terms that, apart from closing one coal mine, it does not currently anticipate significant reductions in its Scope 3 inventory in upcoming years. On the headline side this report is better than a reader might expect: the 33% reduction is printed with "this compares to a 34% reduction in FY2025" directly beneath it, the restatement that moved FY2025 from 36% to 34% is given with both numbers, and the contribution of the suspended nickel business is footnoted on the same page. What is left of the reading problem is the summary page, where "Reduced value chain GHG emissions 46%" is set in

headline type over a qualifier confining it to the intensity of BHP-chartered shipping, and where the 9% rise in the value-chain footprint does not appear at all.

§3.4, §4.2

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1 **Consumers & public**

0 met · 2 partial · 1 not met

Read plainly, a company "steadfast in our commitment to pursue the decarbonisation of our operations", "on track" against its target, 33% down, 80% renewable and 46% down on value-chain emissions describes a business reducing its climate impact across the board. The numbers underneath do not compose to that. 97.9% of the footprint carries no absolute target and no carbon budget; it is 9% above its reference year; the single largest line, iron ore processed into crude steel, is 328.6 $MtCO_2e$ and rose again; energy coal burned by customers rose 9.8%; and BHP says it expects no significant value-chain reduction in the coming years. The 46% is shipping intensity, 1.3% of the value chain. The operational reduction that is reported is electricity contracting plus one reversible suspension, with Scope 1, four fifths of operational emissions, above where it started. Methane rose 27%. And BHP's own accounts moved this year from a roughly 2°C planning case to 2.2°C to 2.5°C by CY2100. Against that, the individual statements are carefully bounded and printed with their qualifiers, and the action is real and physical: Chilean mines on 100% renewable power, the Queensland coal mines reaching it from July 2026, a solar and battery plant commissioned at Port Hedland, battery-electric haul truck and locomotive trials under way, an open-cut methane drainage trial started, Mt Arthur closing rather than being sold, and carbon capture pilots completed with two steelmakers.

§4.2, §5

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2 **Regulators**

1 met · 0 partial · 1 not met

Compliance in the first mandatory year is orderly, and this is the row that changed. The Sustainability Report is the statutory climate statements under Chapter 2M, the reliefs BHP elects (comparatives, the jurisdictional global-warming-potential relief by early adoption, and commercial sensitivity over the copper demand opportunity) are each named and located, the Scope 3 boundary has been aligned to operational control as the standard requires with six prior years restated, the residual mix factor has been adopted where one is available as the Scope 2 Guidance requires, and Ernst & Young gives an unqualified opinion that Scope 1 and Scope 2 comply with sections 296A(2), 296C and 296D. What BHP reports to the Clean Energy Regulator also reconciles with what it reports to investors once the Australian boundary and the separately registered coal joint venture are accounted for. The limitation is internal consistency. The climate gate on 10% of the Chief Executive's short-term award reads "FY2026 reported operational greenhouse gas emissions are equal to or

below 9.5Mt", and the outcome is explained as performance "marginally (less than 1%) above the scorecard target", while the same Annual Report reports FY2026 operational emissions of 9.4 $MtCO_2e$, which is 1.4% below 9.5. The reconciling item is described as a production-adjusted budget that is disclosed nowhere. A pay-linked climate figure that reconciles to no published emissions figure is the same class of gap BHP's FY2025 reporting carried.

§2.3, §5.3

What the company should fix first: put an absolute emissions envelope, with a carbon budget, over iron ore processed into crude steel, and reconcile it against the disclosed Western Australia Iron Ore volume and approved port capacity, so that 76.6% of the footprint carries a testable pathway rather than a dollar-denominated support goal.

2.2 Scorecard

Headline claim ↔ evidence match	●●○○○	Disclosure quality	**7 / 15**
Inventory completeness (Scope 1/2/3)	●●●●○	Financed-emissions completeness (if FI)	*N/A*
Target credibility	●○○○○	Real reduction vs accounting movement	●○○○○
Offset / certificate / renewable integrity	●●○○○	Assurance coverage vs claim	●●●○○
Standards / compliance confidence	*Appears broadly compliant*	Comparability (like-for-like only)	●●●○○
Reader accessibility	●●○○○	Evidence limitations	*Noted*

DIMENSION	RATING	JUSTIFICATION
Headline claim ↔ evidence match	2/5	The operational target is substantiated for the 2.1% of the footprint it covers, and its qualifiers are printed with it. The whole-of-business net-zero framing is not backed by an absolute target over the 97.9% in Scope 3, which is rising, and the summary page's "value chain GHG emissions 46%" describes 1.3% of the value chain.
Disclosure quality	7 / 15 overall	Seven years of Scope 3 by category and sub-category, Scope 1 by source, gas and asset, both Scope 2 bases, one consolidation basis, an exact bridge between the reported and target-basis totals, fully specified target definitions, and every restatement disclosed. This is the expected baseline for a discloser of this size, not a credit.
Inventory completeness (Scope 1/2/3)	4/5	Scope 1, Scope 2 on both bases and nine Scope 3 categories are quantified and broken out, on one boundary aligned across scopes. Categories 5, 8, 12, 13 and 14 and several Category 10 product streams are excluded on immateriality asserted without a published bound, and the Category 10 exclusion list is stale. Location-based Scope 2 is group-level only.
Financed-emissions completeness (if FI)	N/A	Not a financial institution.

DIMENSION	RATING	JUSTIFICATION
Target credibility	1/5	The absolute target covers 2.1% of the footprint, permits emissions to rise 5.0% from FY2026 and still be met, and leaves 53.6 $MtCO_2e$ of a 132 $MtCO_2e$ carbon budget for four years against a 9.4 $MtCO_2e$ run rate. Delivery is expected mainly from electricity contracts, not abatement. Over the dominant footprint there is a goal BHP calls uncertain, an intensity goal for 1.3% of it, and a steelmaking goal with no emissions metric. The target has no third-party validation, which BHP discloses.
Real reduction vs accounting movement	1/5	The entire reduction on the target basis is Scope 2; Scope 1 is 2.7% above its FY2020 baseline. On physical electricity the reduction is 26%, below the target threshold. About a fifth of the reduction is a suspension BHP may reverse.
Offset / certificate / renewable integrity	2/5	No voluntary credits were retired in FY2026 and none are counted toward the target, which is genuine, and the residual mix factor has now been adopted in Australia, which closes a gap in BHP's FY2025 method. But the 80% renewable figure counts certificates surrendered to meet compliance obligations alongside voluntary surrenders without disclosing the split; certificates were also bought on the secondary market; about half the largest power purchase agreement is existing generation and two further agreements are existing generation outright; and BHP records that no residual mix factor is available outside Australia, which may double count renewable electricity across grid consumers.
Assurance coverage vs claim	3/5	Reasonable assurance now covers Scope 1 and Scope 2 with an unqualified opinion referencing the statutory provisions, and the Sustainability Report as a whole carries a review conclusion on AASB S2 compliance. That reasonable-assurance perimeter is 2.1% of the footprint; the Scope 3 inventory, target performance and forward plans carry limited assurance only. This is the phasing the regime provides for, so it is recorded as a scope limitation, not a shortfall.
Standards / compliance confidence	Appears broadly compliant	First mandatory year, prepared as statutory climate statements with a directors' declaration, an unqualified audit opinion on Scope 1 and Scope 2 and an unmodified review conclusion on the rest; reliefs named and located.
Comparability (like-for-like only)	3/5	One consolidation basis replaces four, and the unadjusted-to-adjusted bridge reconciles exactly. Against that, the FY2025 Scope 2 comparative in the primary inventory table is not restated onto the new residual-mix-factor basis, the FY2025 Scope 3 total is restated upward by 45.5 $MtCO_2e$ for the boundary change, and a change to diesel measurement at Escondida is disclosed as not restated without a quantum.
Reader accessibility	2/5	The 2.1% against 97.9% split, the difference between a target and a goal, and the difference between the reported and target-basis series each require the reader to do the work; and the summary page's value-chain headline requires them to read the qualifier.
Evidence limitations	Noted	The compliance-versus-voluntary split of the 8.4 million certificates, and the underlying carbon-credit integrity standard, were not provided.

2.3 Standards & compliance snapshot

AREA	RATING	BASIS
Corporations Act / Ch 2M	No apparent issue	The Sustainability Report is the climate statements for the year with a directors' declaration; the financial report carries an unmodified audit opinion; note 16 addresses climate judgements and estimates.
AASB S2	Appears broadly compliant	First mandatory period. Ernst & Young has not become aware of any matter causing it to believe the Sustainability Report does not comply with Division 1 of Part 2M.3 and AASB S2, and gives an unqualified opinion that Scope 1 and Scope 2 comply with sections 296A(2), 296C and 296D. Reliefs elected are named and located: comparative information, the jurisdictional global-warming-potential relief by early adoption of AASB S2025-1, and commercial sensitivity over the copper demand opportunity.
ASIC RG 280	Not expressly cited	Applicable to the regime; no compliance finding is made on a guidance instrument the report does not invoke.
GHG Protocol / Scope 2 / Scope 3	Appears broadly compliant: minor limitations	Boundary, method and version disclosed; both Scope 2 methods given; a national residual mix factor adopted in Australia as the Scope 2 Guidance requires; Scope 3 boundary aligned to operational control with prior years restated. BHP records that no conforming residual mix factor is available outside Australia, so a default location-based factor is applied to residual electricity, which it notes may double count lower-emission electricity across grid consumers.
PCAF / financed emissions	Not applicable	Not a financial institution.
Carbon-neutral / net-zero framework	Cannot verify: material evidence missing	The long-term operational goal is a net goal: BHP expects up to around 80% structural abatement by CY2050, revised down from around 85% in its 2024 transition plan, with a residual it estimates at 3 to 5 $MtCO_2e$ to be met with carbon credits. The value-chain goal depends on third-party decarbonisation BHP states it cannot ensure alone. The underlying credit integrity standard was not provided.
Certificates / credits	Cannot verify: evidence not provided	8.4 million renewable energy certificates are stated for FY2026, comprising compliance and voluntary surrenders sourced from power purchase agreements or the secondary market, with no split disclosed. Chilean and Australian surrenders are finalised after the financial year and restatement is flagged.

AREA	RATING	BASIS
Other company-referenced framework	Appears broadly compliant: minor limitations	TCFD navigation retained under the UK Listing Rules; ICMM, GRI and water items fall within the limited-assurance subject matter.

3. What this means for a reader

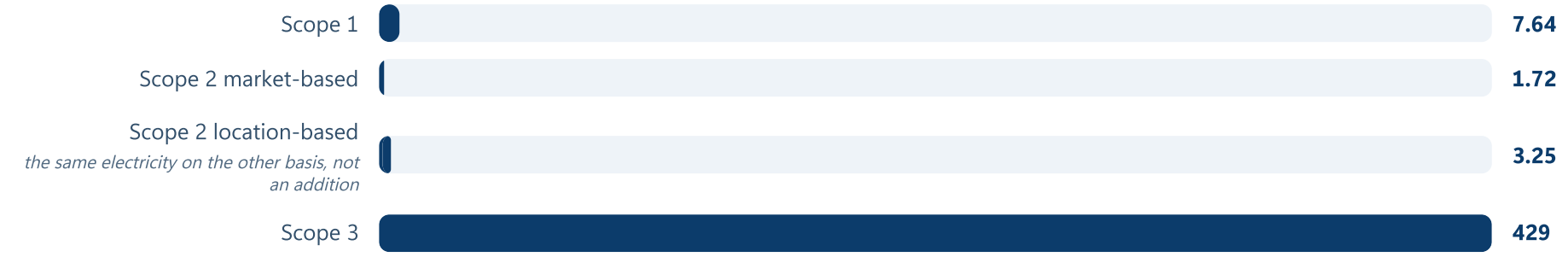
3.1 What is counted / not counted

Basis: FY2026, operational control for every scope, unadjusted inventory as reported in Annual Report Table 6 and the ESG Standards and Databook 2026, which reconcile. This is the first year the Scope 3 boundary matches the Scope 1 and Scope 2 boundary; the six prior years have been restated onto it. The itemised Scope 3 categories sum exactly to the stated total of 429.030 $MtCO_2e$. Total reported footprint is 438.394 $MtCO_2e$, of which Scope 1 and Scope 2 market-based together are 2.1%.

Emissions composition

Values as reported ($MtCO_2e$). Bars are independent magnitudes, not a stack. Scope 2 is shown on both bases: they measure the same electricity two ways and are alternatives, not additions, so they are never added together.

Source: FY2026 Annual Report, Sustainability Report Table 6 (unadjusted inventory, operational control), and ESG Standards and Databook 2026 "Energy and GHG" tab. Scope 2 is shown on both bases: they are the same electricity measured two ways and are never added. Market-based is listed first because it is the basis Table 6 leads with and the basis the FY2030 target is measured on; from FY2026 it applies a national residual mix factor at the Australian assets. Location-based is the AASB S2 cross-industry metric



Scope 3 by category (largest first)

Source: FY2026 ESG Standards and Databook 2026, "Energy and GHG" tab, Scope 3 by GHG Protocol category and sub-category (FY2026, operational control boundary); the categories sum exactly to the stated total of 429.030 $MtCO_2e$



What is counted

Every scope and Scope 3 category, coloured by inclusion status. Values as reported. A tile shown in brackets is counted but not additive: it either sits inside another line's total, or it is the same emissions measured on the other Scope 2 basis. The values shown do not add up to the reported total.

Source: FY2026 Annual Report, Sustainability Report Table 6 and sections 7.6.3 to 7.6.4 (pages 89 to 92); ESG Standards and Databook 2026 "Energy and GHG" tab

Scope 1: combustion / fugitive / fleet 7.644 REPORTED	**Scope 2: electricity (location-based)** 3.250 REPORTED	**Scope 2: electricity (market-based)** (1.720) SAME ELECTRICITY, MARKET-BASED MEASURE	**Scope 3 C1 Purchased goods & services** 9.700 REPORTED	**Scope 3 C2 Capital goods** COUNTED IN C1	**Scope 3 C3 Fuel- & energy-related** 2.100 REPORTED	**Scope 3 C4 Upstream transportation & distribution** 4.600 REPORTED
Scope 3 C5 Waste generated in operations EXCLUDED	**Scope 3 C6 Business travel** 0.100 REPORTED	**Scope 3 C7 Employee commuting** 0.300 REPORTED	**Scope 3 C8 Upstream leased assets** EXCLUDED	**Scope 3 C9 Downstream transportation & distribution** 1.800 REPORTED	**Scope 3 C10 Processing of sold products** 367.200 REPORTED (DOMINANT)	**Scope 3 C11 Use of sold products** 42.500 REPORTED
Scope 3 C12 End-of-life treatment of sold products EXCLUDED	**Scope 3 C13 Downstream leased assets** EXCLUDED	**Scope 3 C14 Franchises** EXCLUDED	**Scope 3 C15 Investments (non-operated assets)** 0.730 REPORTED	****Total Scope 3**** 429.030 REPORTED	**Voluntary carbon credits retired** 0 REPORTED	

Reported / counted

Counted, but not additive: inside another line, or the same emissions on the other Scope 2 basis

Not counted (excluded or unquantified)

Not relevant or not applicable

SCOPE / CATEGORY	STATUS	QUANTIFIED ($MTCO_2E$)	MATERIAL?	NOTE
Scope 1: combustion / fugitive / fleet	Reported	7.644	Yes	Diesel 6.040 (79% of Scope 1); fugitive sources 1.129; natural gas 0.364; coal and coke 0.057. By gas: CO_2 6.53, CH_4 1.08, N_2O 0.03, with SF_6, NF_3 and HFCs nil. Methane is 14% of Scope 1 and 12% of operational emissions. Reasonable assurance. The "other" source line, 0.085 in FY2025, is nil this year without explanation.
Scope 2: electricity (location-based)	Reported	3.250	Yes	The AASB S2 cross-industry metric. 1.9 times the market-based figure. Published at group level only, not by asset or region. Reasonable assurance.
Scope 2: electricity (market-based)	Reported: the basis the target is measured on	1.720	Yes	Alternative measure of the same electricity as the row above; the two are never added. From FY2026 a national residual mix factor is applied to residual grid electricity at the Australian assets, as the GHG Protocol Scope 2 Guidance requires where one is available. No conforming residual mix factor exists in Chile, where a default location-based factor is applied instead; BHP records that this may double count lower-emission electricity across grid consumers.
Scope 3 C1 Purchased goods & services	Reported	9.700	Yes	Includes capital goods (Category 2), which is not split out. Down 11% on the restated FY2025 figure, on two disclosed changes: product-level data from four strategic suppliers, and a move from Quantis to CEDA emission factors for the spend-based remainder.
Scope 3 C2 Capital goods	Reported within C1	Included in the 9.700 reported for Category 1	Yes	Reported, not disaggregated. Folded into Category 1; BHP states capital purchases are difficult to segregate. The split is not disclosed.
Scope 3 C3 Fuel- & energy-related	Reported	2.100	Yes	Restated for FY2020 to FY2025 to bring the Tamakaya subsidiary in from Category 15.
Scope 3 C4 Upstream transportation & distribution	Reported	4.600	Yes	Shipping 4.4, non-shipping 0.2. Shipping rose from 4.3.
Scope 3 C5 Waste generated in operations	Excluded	Not measured	Cannot verify: assessed not material; no bound published	Immateriality asserted; no bound published.
Scope 3 C6 Business travel	Reported	0.100	No: not individually	Now on CEDA factors.
Scope 3 C7 Employee commuting	Reported	0.300	No: not individually	Now on CEDA factors.
Scope 3 C8 Upstream leased assets	Excluded	Not measured	Not applicable: assessed not material or inapplicable	Follows from the operational-control boundary, which brings leased operations BHP controls into Scope 1 and 2.
Scope 3 C9 Downstream transportation & distribution	Reported	1.800	Yes	Shipping 1.3, non-shipping 0.5. Shipping fell from 1.5.
Scope 3 C10 Processing of sold products	Reported	367.200	Yes: the dominant source	85.6% of Scope 3 and 83.8% of the total footprint. Iron ore processed to crude steel 328.6 (up from 326.1); metallurgical coal processed to crude steel 37.0; copper 1.6; nickel nil. Estimated with an IEA global-average steelmaking intensity applied to production volumes, so it cannot reflect an individual customer's abatement, which BHP states. Downstream processing of zinc, gold, silver, ethane, cobalt and uranium oxide is excluded as immaterial without a published bound; ethane left with the Petroleum business in FY2022 and molybdenum, still produced, is not named.
Scope 3 C11 Use of sold products	Reported	42.500	Yes	Energy coal combustion, up 9.8% from 38.7. BHP expects this to become immaterial once mining ceases at Mt Arthur Coal in FY2030.
Scope 3 C12 End-of-life treatment of sold products	Excluded	Not measured	Cannot verify: assessed not material or inapplicable; no bound published	Immateriality asserted; no bound published.

SCOPE / CATEGORY	STATUS	QUANTIFIED ($MTCO_2E$)	MATERIAL?	NOTE
Scope 3 C13 Downstream leased assets	Excluded	Not measured	Cannot verify: assessed not material or inapplicable; no bound published	Immateriality asserted; no bound published.
Scope 3 C14 Franchises	Excluded	Not measured	Not applicable: not relevant	No franchising activity.
Scope 3 C15 Investments (non-operated assets)	Reported	0.730	Yes: for completeness, small in magnitude	The equity-share look-through: Samarco 0.43, Antamina 0.30, Solgold 0.000025, Filo nil. Restated for FY2020 to FY2025 for the Tamakaya transfer to Category 3.
Total Scope 3	Reported	**429.030**	Yes	97.9% of the reported footprint. Limited assurance. The FY2025 comparative was restated from the 378.2 published a year ago to 423.7, an increase of 45.5, chiefly because Categories 10 and 11 moved from BHP's equity share of Western Australia Iron Ore to 100% under operational control.
Voluntary carbon credits retired	Reported	0	Not applicable	Published as nil. No voluntary retirement since FY2021 (0.3). None is counted toward the medium-term target. Australian Carbon Credit Units and safeguard mechanism credits are surrendered separately for Safeguard Mechanism compliance, and BHP states it will not use regulatory credits to determine target achievement.

3.2 Financed-emissions detail (financial institutions)

N/A, not a financial institution. The nearest equivalent is Category 15, the equity-share look-through to non-operated joint ventures, which is quantified investee by investee at 0.730 $MtCO_2e$ and shown in section 3.1. The exposure that behaves like a portfolio for a miner is customer processing (Category 10), which is addressed in sections 3.3 and 4.2.

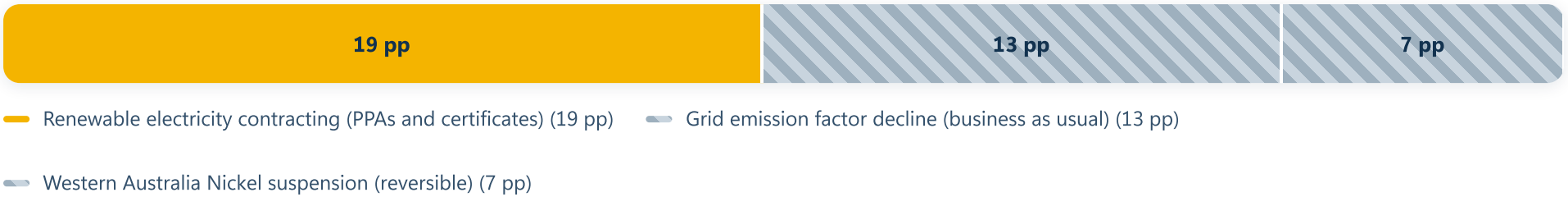
3.3 Real reduction vs accounting movement

Two things need separating this year: what happened over the six years since the baseline, and what happened in FY2026 itself. On both, the direction of the reported number and the direction of the underlying activity differ.

Operational Scope 1+2, FY2020 to FY2026: 39 points of gross reduction less about 5 points of Scope 1 growth, net 33% (adjusted target basis)

Decomposition of the reported reduction into its drivers.

Source: Computed by this review from the FY2026 ESG Standards and Databook 2026 "GHG targets and goals" tab (adjusted Scope 1 and Scope 2 series, FY2020 and FY2026), the "Energy and GHG" tab (location-based and market-based Scope 2, FY2020 and FY2026) and the "Energy and GHG by asset" tab (Western Australia Nickel). Percentage points are of the adjusted FY2020 baseline of 14.1 $MtCO_2e$. Gross reductions total 39 points; Scope 1 growth outside the nickel business adds back about 5, giving the 33 per cent BHP reports



REPORTED CHANGE	DRIVER	REAL-WORLD REDUCTION?
Operational Scope 1 and 2 down 33% against the FY2020 baseline (14.1 to 9.4 $MtCO_2e$, adjusted target basis)	**Mixed**: the whole of it is Scope 2. On the same adjusted basis Scope 2 fell 6.7 to 1.7 $MtCO_2e$, a fall of 5.0, while Scope 1 rose 7.4 to 7.6, an increase of 0.2. Scope 1 is 81% of FY2026 operational emissions.	**Partly**: not in the scope that requires physical abatement. Splitting the Scope 2 fall on the published location-based and market-based series: physical grid decarbonisation accounts for about 13 percentage points of the 33, renewable electricity contracting for about 19, and the Western Australia Nickel suspension for about 7, against which Scope 1 growth outside the nickel business adds back about 5. Long-term power purchase agreements that fund new capacity are a real intervention; roughly half the volume of the largest of them is stated to be existing generation.
The same reduction measured on physical electricity rather than contracts	**Grid** factor: adding Scope 1 to **location-based** Scope 2 on the unadjusted series gives 14.771 $MtCO_2e$ in FY2020 against 10.894 in FY2026, a fall of **26.2%**. The unadjusted series flatters, because it lets Petroleum, the BHP Mitsui Coal interest sold in 2022 and the Blackwater and Daunia mines leave the baseline; on a like-for-like basis the location-based fall would be smaller again.	**No**: not to the level the target states. Measured on the electricity actually drawn, the reduction is short of the 30% the target requires. The gap between the two measures, 2.7 $MtCO_2e$ across the period, is the contractual instrument effect. This is this review's computation from BHP's published series; BHP does not publish an adjusted location-based series.
Operational emissions up 8% in FY2026 (8.659 to 9.364 $MtCO_2e$, unadjusted)	**Method** or factor: substantially a method change. Market-based Scope 2 rose 1.318 to 1.720, an increase of 30.5%, chiefly because the residual mix factor now applies to Australian residual grid electricity and the FY2025 comparative is not restated onto that basis. On the adjusted basis, which puts both years on the residual mix factor, Scope 2 **fell** 2.0 to 1.7 and the total rose 1%.	**Increase**: mostly accounting, and **BHP says so**: it states the 1% like-for-like increase, and states that applying the residual mix factor to FY2025 moves that year from a 36% reduction to 34%. The residual real increase is about 0.1 $MtCO_2e$. Scope 2 at Copper South Australia rose 350 to 980 $ktCO_2e$, the largest single movement, on electricity consumption up 7%.
Target progress moved backwards, 34% to 33%	Not applicable: reported on the same adjusted basis in both years, and stated as such on the summary page.	**Increase**: the movement is real and adverse, and disclosed. It is the first backward step in the series since FY2021.
Scope 1 up 4.1% in FY2026 (7.341 to 7.644 $MtCO_2e$)	**Mixed**: higher material movement and more methane-intensive mining areas at the BHP Mitsubishi Alliance, and higher production plus a revised methane model at New South Wales Energy Coal. Diesel rose 5.887 to 6.040. Partly offset by Western Australia Nickel falling further into suspension.	**Increase**: reduction is not occurring in the scope that needs abatement. Diesel is 79% of Scope 1 and rose again; BHP does not expect battery-electric deployment across its operations until after FY2030.

REPORTED CHANGE	DRIVER	REAL-WORLD REDUCTION?
Fugitive methane up 26.4% (0.893 to 1.129 $MtCO_2e$) and total methane up 27.1% (0.85 to 1.08)	**Mixed**: more methane-intensive mining areas at the BHP Mitsubishi Alliance and a revised methane emissions model at New South Wales Energy Coal.	**Increase**: methane rose as a share of Scope 1, from 12% to 14%. Part of the movement is a model revision rather than a change in physical release, and the split is not quantified. Abatement work is at proof-of-concept: a drilling program running to FY2028 and an open-cut drainage trial started in FY2026.
Renewable electricity 80% of consumption, up from 73% as published last year	**Certificates**: on a like-for-like basis the movement is 77% to 80%, and BHP publishes the restated 77%. The figure is evidenced by surrender of 8.4 million renewable energy certificates, **comprising both voluntary surrenders and certificates surrendered to meet renewable-energy compliance obligations such as the Australian Renewable Energy Target**, sourced either from power purchase agreements or bought on the secondary market.	**Partly**: 99.45% of BHP's electricity is drawn from grids, so the renewable share is a contractual attribute rather than a physical supply; that is the accepted market-based convention and BHP applies it transparently. What cannot be tested is how much of it is BHP's own procurement: certificates surrendered to discharge a legislated obligation represent the renewable share of the grid that every consumer funds, and the split between those and voluntary surrenders is not disclosed. By asset the figures are Escondida and Spence 100%, the BHP Mitsubishi Alliance 55.9%, Copper South Australia 34.8%, Western Australia Iron Ore 28.6% and Western Australia Nickel 6.0%.
Total Scope 3 down 4.3% against FY2020 on the reported inventory (448.3 to 429.0 $MtCO_2e$)	**Boundary** or M&A: Petroleum use-of-product falling to nil and the coal divestments leaving the series.	**No**: portfolio transfer, not decarbonisation. On the adjusted basis BHP measures its own net-zero goal against, the same footprint **rose** 352.6 to 383.8 $MtCO_2e$, up 8.8%, and rose again this year.
Iron ore processed to crude steel 328.6 $MtCO_2e$, up 0.8%	Activity: higher iron ore sales into blast-furnace steelmaking, on an IEA global-average intensity applied to production volumes.	**Increase**: reduction is not occurring in the largest source in the footprint. This line alone is 35 times BHP's entire operational footprint. BHP publishes no reconciliation between production volume, approved port capacity and the value-chain goal.
Energy coal burned by customers 42.5 $MtCO_2e$, up 9.8%	Activity: higher energy coal sales from New South Wales Energy Coal, whose own production and Scope 1 emissions also rose.	**Increase**: BHP expects this line to become immaterial when mining ceases at Mt Arthur Coal in FY2030, which is a closure rather than abatement, and it is the only significant Scope 3 reduction BHP says it anticipates.
Shipping intensity down 46.3% against CY2008, past the 40% goal for CY2030	**Mixed**: efficiency, fuel switching including a pure-biodiesel pilot, and fleet composition, on a baseline aligned to the International Maritime Organization goal.	**Yes**: genuine as an intensity gain, and the absolute figure also fell, 6.6 to 5.7 $MtCO_2e$ on the goal basis. Intensity does not cap absolute shipping emissions, and upstream shipping rose 4.3 to 4.4 this year while downstream fell 1.5 to 1.3. The boundary is 1.3% of Scope 3.
Direct suppliers 12.2 $MtCO_2e$, level with the FY2020 reference year	**Method** or factor: a fall from the FY2024 peak of 14.5, on the same disclosed change of emission factors that reduced Category 1.	Cannot verify: cannot be separated. The reported movement over the year combines a factor change, product-level data from four suppliers and changes in spend, and the split is not quantified. No measured supplier reduction is reported against a net-zero target for this source.

Capital allocation is the other half of the real-versus-accounting question, because it determines what can be abated later. In FY2026 operational decarbonisation capital expenditure was **US$30 million, under 1% of group capital expenditure**, with total incremental operational decarbonisation spend including operating expenditure and lease payments at US$65 million, and value-chain decarbonisation spend at US$36 million. Copper growth capital expenditure in the same year was **US$4.6 billion**. Looking forward, BHP expects approximately US$50 million of decarbonisation capital in FY2027 and approximately US$0.5 billion across FY2028 to FY2031 weighted to the end of that period, with at least US$4 billion placed in the 2030s, after the target year. BHP states that the majority of the reductions still required to meet the FY2030 target are expected to come from Scope 2 electricity abatement, which is consistent with that profile.

3.4 Trajectory over time

Across seven reporting periods the split is unchanged in direction and has widened in FY2026. The part of the footprint that carries a target has fallen and turned up this year; the part that dominates the footprint has risen in six of the seven years. Operational emissions on the adjusted target basis ran 14.1, 14.5, 10.9, 10.2, 10.0, 9.3 and 9.4 $MtCO_2e$, so FY2026 is the first increase since FY2021 and progress against the baseline moved from 34% to 33%. The value-chain footprint on the adjusted basis BHP measures its own net-zero goal against ran 352.6, 356.7, 364.4, 371.6, 376.8, 376.7 and 383.8 $MtCO_2e$, ending 8.8% above the reference year. Section 3.3 sets out why the operational fall is electricity contracting, grid decarbonisation and one reversible suspension rather than abatement.

Six changes across the series matter to a reader, and all six are disclosed. The residual mix factor was adopted for the Australian assets, which raised the FY2020 baseline from 13.6 to 14.1 $MtCO_2e$ and restated FY2025 from a 36% reduction to 34%; because the baseline rose, the absolute FY2030 ceiling rose with it, from about 9.5 to 9.87 $MtCO_2e$. The Scope 3 organisational boundary moved to operational

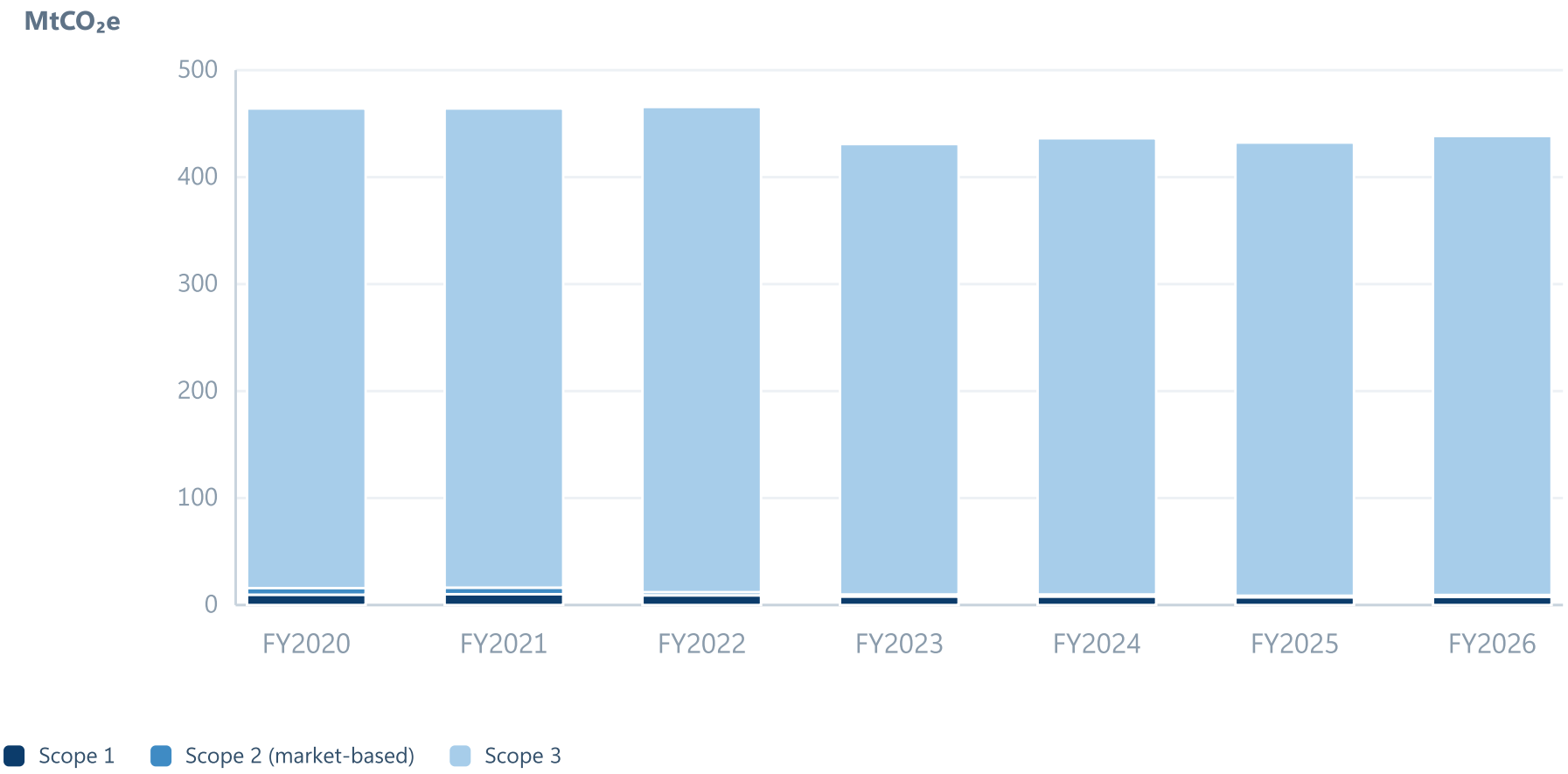
control as the standard requires, restating six prior years and lifting the FY2025 reported total from 378.2 to 423.7 $MtCO_2e$. The equity-share and financial-control reporting bases were discontinued, leaving one basis where four existed. The estimate of how much structural abatement is achievable by CY2050 was revised down from around 85% to around 80% of the FY2020 reference, leaving a residual of 3 to 5 $MtCO_2e$ for carbon credits. The financial statements' planning case moved from around 2°C to 2.2°C to 2.5°C by CY2100. And the decarbonisation capital programme, which a year ago stood at US$0.5 billion for the decade to FY2030 against an earlier US$4 billion, is now US$50 million in FY2027 and about US$0.5 billion across FY2028 to FY2031, with at least US$4 billion in the 2030s. The targets and goals themselves are unchanged, and BHP states so.

Metrics over time

Trajectory over time

Reported operational emissions by scope, stacked, in $MtCO_2e$ per reporting year.

Source: FY2026 ESG Standards and Databook 2026, "Energy and GHG" tab, FY2020 to FY2026 on the unadjusted operational-control basis reported in Annual Report Table 6, with the Scope 3 series restated to the FY2026 boundary. Scope 2 is charted market-based only, the basis the target and the reduction headline are stated on; the location-based series is in section 3.4, and the two bases measure the same electricity so they are never stacked together. The FY2030 target is measured on the adjusted basis, not this one, so no target line is drawn here: the target arithmetic is in section 3.4



METRIC	FY2020	FY2022	FY2023	FY2024	FY2025	FY2026	MOVEMENT	DRIVER	NOTE
Scope 1 ($MtCO_2e$)	9.623	9.065	8.035	8.125	7.341	7.644	Down: 20.6% over the period, up 4.1% this year	**Mixed**: boundary for the fall; the rise is activity plus a revised methane model	Unadjusted. On the adjusted basis Scope 1 is 2.7% *above* FY2020
Scope 2 location-based ($MtCO_2e$)	5.148	4.954	3.964	3.675	3.138	3.250	Down: 36.9% over the period, up 3.6% this year	**Grid** factor: electricity consumption rose 4.9% over the period	FY2022 and FY2023 restated for amended grid factors. Group level only
Scope 2 market-based ($MtCO_2e$)	6.302	3.105	1.867	1.874	1.318	1.720	Down: 72.7% over the period, up 30.5% this year	**Mixed**: contractual; this year's rise is chiefly the residual mix factor	On the adjusted basis, which puts both years on that factor, this year's movement is a 15% fall
Scope 3 total ($MtCO_2e$)	448.3	453.4	420.9	426.4	423.7	429.0	Down: 4.3% over the period, up 1.3% this year	**Boundary** or M&A: portfolio transfer for the fall	Unadjusted, restated boundary. FY2025 restated up 45.5 from the 378.2 published a year ago. The adjusted goal-basis series is in its own row below
Emissions intensity (tCO_2e per t copper equivalent)	3.07	2.51	2.06	2.09	1.82	2.00	Down: 34.9% over the period, up 9.9% this year	**Mixed**: restated to FY2026 realised prices	Production fell 4,750 to 4,690 kt copper equivalent while emissions rose
Renewable electricity (% of consumption)	5%	48%	68%	71%	77%	80%	Up: from 5% to 80%	**Certificates**: contractual, part from new generation, part compliance certificates	FY2025 restated from 73% to 77% on the residual mix factor basis
Certificates and offsets retired ($MtCO_2e$)	0	0	0	0	0	0	Flat: voluntary retirements ceased after FY2021 (0.3 $MtCO_2e$)	Not applicable	Voluntary carbon credits; none retired in the period shown. In FY2026, 8.4 million renewable energy certificates were surrendered; Safeguard Mechanism obligation US$23 million (BHP share); carbon credit assets US$71 million
Scope 1 diesel ($MtCO_2e$)	6.320	6.119	5.982	6.176	5.887	6.040	Mixed: up 2.6% this year	Activity: neither real nor accounting; the source is growing	79% of Scope 1. Displacement not expected across operations until after FY2030
Scope 1 fugitive methane ($MtCO_2e$)	2.043	1.639	1.316	1.192	0.893	1.129	Mixed: up 26.4% this year, after four years of decline	**Mixed**: part physical, part a revised model; split not quantified	Methane share of Scope 1 rose 12% to 14%
Operational Scope 1 and 2, adjusted target basis ($MtCO_2e$)	14.1	10.9	10.2	10.0	9.3	9.4	Down: 33%, first increase since FY2021	**Mixed**: Scope 2 accounts for the whole reduction	Baseline restated 13.6 to 14.1 for the residual mix factor
Scope 3 total, adjusted goal basis ($MtCO_2e$)	352.6	364.4	371.6	376.8	376.7	383.8	Up: 8.8%, higher in six of seven years	Activity: neither real nor accounting; the footprint the goal covers is growing	The basis BHP measures its own goal against
Iron ore processed to crude steel ($MtCO_2e$)	270.2	288.2	301.5	317.0	326.1	328.6	Up: 21.6%	Activity: volume growth	76.6% of Scope 3; the largest single line in the footprint
Energy coal use of sold products ($MtCO_2e$)	39.1	41.9	39.5	39.3	38.7	42.5	Up: 9.8% this year	Activity: volume	To become immaterial on the Mt Arthur closure in FY2030

Targets and claims over time

TARGET OR CLAIM	AS FIRST STATED (PERIOD)	AS STATED FOR FY2026	CHANGE	EXPLAINED?	NOTE
Operational GHG target	At least 30% by FY2030 from adjusted FY2020, operated Scope 1 and 2 market-based (FY2020)	Unchanged, stated on track	**Rebased**: target unchanged; FY2020 baseline restated 13.6 to 14.1 $MtCO_2e$ for the residual mix factor, raising the absolute FY2030 ceiling from about 9.5 to 9.87 $MtCO_2e$	Yes: the restatement is disclosed with both figures	Delivery expected mainly from power purchase agreements. FY2030 ceiling 9.87 $MtCO_2e$ against FY2026 at 9.4; 53.6 of the 132 $MtCO_2e$ carbon budget remains for four years
Net zero operations goal	Net zero operations CY2050 (FY2020)	Unchanged	Unchanged: structural abatement ceiling revised from about 85% to about 80%	Not applicable	Residual of 3 to 5 $MtCO_2e$ for credits
Net zero Scope 3 goal	Net zero Scope 3 CY2050, a goal (FY2020)	Unchanged	Unchanged	Not applicable	Goal expressly uncertain. BHP states it does not anticipate significant Scope 3 reductions other than the Mt Arthur closure
Steelmaking medium-term goal	30% emissions intensity reduction in integrated steelmaking (first period not recorded in this review)	30% lower intensity relative to conventional blast-furnace steelmaking; tracked in dollars committed (US$186 million to date)	**Rebased**: re-worded in FY2024	Yes: disclosed in FY2024	No emissions metric (see F-12)
Shipping medium-term goal	40% intensity reduction by CY2030 against CY2008 (first period not recorded in this review)	46.3% at FY2026, past the CY2030 level	Achieved: four years early	Not applicable	The goal has not been tightened following early achievement; covers 1.3% of Scope 3
Decarbonisation capital programme to the target year	Up to US$4 billion contemplated for the period before FY2030 (2024 transition plan)	About US$50 million in FY2027 and about US$0.5 billion across FY2028 to FY2031, with at least US$4 billion in the 2030s	**Weakened**: deferred spend placed after the target year	Partly: BHP states technology development has been slower than the 2024 transition plan contemplated; the superseded figure is not restated (see F-16)	Operational decarbonisation capital expenditure was US$30 million in FY2026

4. Findings

4.1 What stands up (genuine / qualified positives)

▲ F–1

A first mandatory reporting year delivered as statutory climate statements, with an unqualified audit opinion on Scope 1 and Scope 2

WHY IT MATTERS

The Sustainability Report is the climate statements under Chapter 2M with a directors' declaration. Ernst & Young gives an unqualified opinion that Scope 1 and Scope 2 are prepared in accordance with the Corporations Act, naming sections 296A(2), 296C and 296D, and an unmodified review conclusion on the remainder of the report against AASB S2.

QUALIFICATION (IF ANY)

The reasonable-assurance perimeter is 2.1% of the footprint. The reliefs elected (comparatives, the global-warming-potential jurisdictional relief, commercial sensitivity over copper demand) are permitted and disclosed, not gaps.

▲ F–2

The reporting bases were consolidated from four to one, and the two remaining views now reconcile arithmetically

WHY IT MATTERS

Equity-share and financial-control reporting were discontinued; everything is operational control. The Scope 3 boundary was aligned to Scope 1 and Scope 2 with six prior years restated. The adjustment rows in the target table bridge the unadjusted inventory to the adjusted target series exactly: FY2020 at 15.925 less 2.300 for divestments plus 0.500 for method gives 14.1; FY2025 at 8.659 plus 0.600 gives 9.3; FY2026 needs no adjustment at 9.4.

QUALIFICATION (IF ANY)

A year ago five values existed for the same FY2020 footprint with no numerical bridge. The alignment is what the standard requires, so it is compliance rather than an achievement, but the reconcilability it produces is real and was previously absent.

▲ F–3

A residual mix factor is now applied where one exists, and the effect on the reported position is published in both directions

WHY IT MATTERS

The GHG Protocol Scope 2 Guidance requires a residual mix factor where available. BHP adopted the Australian national factor, restated the historical series, and states that this moves FY2025 from a 36% reduction to 34% and raises the FY2020 baseline from 13.6 to 14.1 $MtCO_2e$. The change increases BHP's reported emissions.

QUALIFICATION (IF ANY)

This closes a gap in BHP's FY2025 method. It does not reach Chile, where BHP states no conforming factor exists and that a default location-based factor may double count lower-emission electricity across grid consumers.

▲ F–4

Target progress is stated with the backward step named beside it

WHY IT MATTERS

The summary page prints "33%" and, immediately beneath, "This compares to a 34% reduction in FY2025." The contribution of the suspended nickel business is footnoted on the same page. The missed milestone on the Escondida boiler diesel-displacement project is disclosed, with the delay and its expected completion in FY2027.

QUALIFICATION (IF ANY)

Candour is the baseline expected of a discloser of this size and is not credited as a strength. It is recorded because it changes what a reader can find, and because it makes the adverse movement legible where a reader is looking.

▲ F–5

No voluntary carbon credits are used against the target, and none were retired

WHY IT MATTERS

Nil voluntary retirement in FY2026, and none since FY2021. BHP states it will not use regulatory credits, including Australian Carbon Credit Units and safeguard mechanism credits surrendered for Safeguard Mechanism compliance, in determining whether the FY2030 target is achieved.

QUALIFICATION (IF ANY)

The long-term goal is a different matter: it is a net goal, with a residual BHP estimates at 3 to 5 $MtCO_2e$ to be met with credits, and the structural abatement expected by CY2050 was revised down this year.

▲ F–6

Renewable electricity procurement is real, contracted and in part additional

WHY IT MATTERS

Chilean assets have run on 100% renewable electricity since CY2022; the Queensland coal mines reach it from July 2026 on forecast demand; an Australian Power Alliance solar and battery plant was commissioned at Port Hedland and a Neoen wind and battery supply started for Copper South Australia. Eleven power purchase agreements are itemised by asset, supplier, start date and generation type, with per-asset renewable percentages published.

QUALIFICATION (IF ANY)

Qualified. About half the volume of the largest agreement is existing generation, two further agreements are existing generation outright, two do not start until FY2028 and FY2030, and several sizes and durations are withheld as confidential. Section 4.2 addresses what the 80% headline includes.

▲ F–7

Physical-risk methodology is disclosed in enough detail to interrogate

WHY IT MATTERS

Asset-level quantitative studies run from FY2022 to FY2026 across named hazards, named assets and named scenarios (SSP2-4.5 at about 2.7°C and SSP5-8.5 at about 4.4°C), with the modelling approach and the output measure, incremental production days or volume lost, stated. Value-chain studies map roads, rail, warehouses and ports.

QUALIFICATION (IF ANY)

The outcomes are disclosed qualitatively only, so the exposure cannot be sized. This review tests relevance and transparency, not the scientific quality of the modelling.

▲ F–8

A quantified transition sensitivity is retained in the accounts

WHY IT MATTERS

Under the Wood Mackenzie Net Zero scenario, BHP discloses an indicative illustrative impairment of approximately US$2.5 billion for its steelmaking coal assets, with the price assumptions used (US$171 per tonne at CY2040 and US$162 at CY2050) and the limits of the sensitivity stated. Carrying value of US$51.4 billion, 63% of the group total, is identified as sitting in cash-generating units covered by the Safeguard Mechanism.

QUALIFICATION (IF ANY)

The sensitivity is confined to steelmaking coal and holds all other valuation inputs constant, which BHP states.

4.2 What does not stand up (negatives)

▼ F-9

The reduction the target reports is not happening in the scope that requires abatement. On the target's own basis the entire fall since FY2020 is Scope 2, and Scope 1 is above its baseline. Adjusted Scope 2 fell 6.7 to 1.7 $MtCO_2e$; adjusted Scope 1 rose 7.4 to 7.6. Scope 1 is 81% of FY2026 operational emissions. Diesel, 79% of Scope 1, rose again to 6.040 $MtCO_2e$. BHP states the majority of reductions still needed for FY2030 are expected from Scope 2 electricity abatement.

WHY IT MATTERS TO A READER

A target met by contracting electricity says nothing about whether the company can reduce the emissions it physically creates. Four fifths of BHP's operational footprint is unaddressed by the mechanism delivering the target, and BHP does not expect battery-electric deployment across its operations until after FY2030.

WHAT WOULD FIX IT

Publish a Scope 1 sub-target with its own baseline and pathway, so that the 81% carries a testable commitment separate from electricity contracting.

▼ F-10

Measured on the electricity actually drawn rather than on contracts, the operational reduction is 26%, short of the 30% the target requires. Scope 1 plus location-based Scope 2 was 14.771 $MtCO_2e$ in FY2020 against 10.894 in FY2026, a fall of 26.2%, on the unadjusted series that lets divested businesses leave the baseline and therefore flatters. Location-based Scope 2 fell 36.9% while electricity consumption rose 4.9%, so that fall is the grid emission factor rather than BHP's own consumption.

WHY IT MATTERS TO A READER

The two bases measure the same electricity and give different answers about whether the target is being met. A reader told the target is on track is being told so on the basis where certificates count.

WHAT WOULD FIX IT

Publish the location-based series on the adjusted basis alongside the market-based one, so both answers to the target question are visible on the same footing.

▼ F–11

No target of any kind caps the 97.9% of the footprint in Scope 3, and BHP states it does not expect it to fall. Scope 3 is 429.0 $MtCO_2e$ against operational emissions of 9.4. On the adjusted basis BHP measures its own goal against, Scope 3 is 8.8% above the FY2020 reference and rose again this year. BHP states: "Aside from the closure of Mt Arthur Coal mine, we do not currently anticipate significant reductions in our reported Scope 3 emissions inventory in upcoming years", and that achievement of the long-term goal "is uncertain … and we cannot ensure the outcome alone".

WHY IT MATTERS TO A READER

The long-term value-chain position is a goal, not a target, and the only reduction BHP anticipates is a mine closure. A reader looking for a pathway over the emissions that actually matter will not find one.

WHAT WOULD FIX IT

Set an absolute emissions envelope with a carbon budget over Category 10, reconciled against disclosed iron ore volume and approved port capacity.

▼ F–12

The only medium-term commitment over the dominant Scope 3 source carries no emissions metric. The steelmaking goal is to "support industry to develop steel production technology capable of 30 per cent lower GHG emissions intensity relative to conventional blast furnace steelmaking, with widespread adoption expected post-CY2030". Its published metric is US$186 million committed to partnerships and ventures to date. Category 10 is 367.2 $MtCO_2e$, 85.6% of Scope 3.

WHY IT MATTERS TO A READER

Dollars committed measure effort, not outcome. A reader cannot tell from the metric whether emissions in the largest line of the footprint are expected to move, or by when.

WHAT WOULD FIX IT

Add an emissions-denominated interim metric to the steelmaking goal, even if indicative, and state the volume assumption behind it.

▼ F–13

The value-chain reduction on the summary page describes 1.3% of the value chain. The scorecard page carries "Reduced value chain GHG emissions 46%" in headline type, qualified beneath as the " (Scope 3 emissions) intensity of BHP-chartered shipping of BHP products, from our CY2008 baseline". Shipping within the goal boundary is 5.7 $MtCO_2e$ of a 429.0 $MtCO_2e$ Scope 3 inventory. The 9% rise in the value-chain footprint appears nowhere on that page.

WHY IT MATTERS TO A READER

The one value-chain number a reader meets on the summary page is a reduction, in a boundary covering about one part in seventy-five, while the whole is rising. The qualifier is co-located, but the impression the headline creates is the opposite of the position.

WHAT WOULD FIX IT

State the value-chain total and its movement against the reference year on the same page as the shipping figure.

▼ F–14

About a fifth of the reported target progress is an asset in suspension that BHP may restart. Western Australia Nickel's operational emissions fell from 1,060 $ktCO_2e$ in FY2020 to 80 in FY2026, about 0.98 $MtCO_2e$ of the 4.7 $MtCO_2e$ adjusted reduction. The asset is in temporary suspension, not divested, so it remains in the baseline; BHP intends to review the suspension by February 2027. BHP footnotes that the suspension contributes to the percentage but does not quantify the contribution.

WHY IT MATTERS TO A READER

Suspension is a structural change that can be reversed, not abatement. A reader cannot see from the disclosure how much of the 33% would come back if the asset restarts.

WHAT WOULD FIX IT

Quantify the suspension's contribution to the reduction in the target table, as the other adjustments are quantified.

▼ F–15

The 80% renewable-electricity figure counts certificates surrendered to discharge a legal obligation, and the split is not disclosed. The figure is evidenced by 8.4 million renewable energy certificates for FY2026, which BHP states comprise "both voluntary surrender of RECs and RECs surrendered to meet renewable energy-related compliance obligations such as those associated with the Australian Renewable Energy Target scheme", sourced "either from the PPAs described in Table 7 or purchased on the secondary market". 99.45% of BHP's electricity is drawn from grids.

WHY IT MATTERS TO A READER

Certificates created to satisfy a legislated renewable target represent the renewable share of the grid that every consumer funds through their tariff. Counting them alongside voluntary procurement makes the figure a measure of the grid as much as of BHP's own action, and the proportions are not published.

WHAT WOULD FIX IT

Split the surrendered volume into compliance-driven and voluntary, and state the renewable percentage on the voluntary volume alone beside the combined figure.

▼ F–16

The capital behind the FY2030 target sits mostly after FY2030. Operational decarbonisation capital expenditure was US$30 million in FY2026, "less than 1 per cent of the Group's total capital expenditure for the year". BHP expects about US$50 million in FY2027 and about US$0.5 billion across FY2028 to FY2031, "weighted towards the end of the period", with at least US$4 billion "in the 2030s". Copper growth capital expenditure was US$4.6 billion in FY2026, with about US$1.4 billion planned for FY2027, US$1.9 billion for FY2028 and about US$3 billion a year across FY2029 to FY2031.

WHY IT MATTERS TO A READER

The programme that would abate the 81% of operational emissions in Scope 1 is scheduled to begin in earnest after the target year has passed. A reader comparing the target date with the spending profile sees them diverge.

WHAT WOULD FIX IT

Publish the abatement expected from each tranche of decarbonisation capital, and the resulting Scope 1 pathway to FY2030 and FY2035.

▼ F–17

The estimate of achievable structural abatement by CY2050 was revised down, increasing the residual to be offset. The upper bound of BHP's uncertainty range moved from "up to around 85 per cent" in the 2024 transition plan to "up to around 80 per cent" of the FY2020 reference, attributed to "evolving planning assumptions". The residual for CY2050 is stated at 3 to 5 $MtCO_2e$, to be met with carbon credits. BHP states its coal joint venture does not expect to eliminate fugitive methane by CY2050.

WHY IT MATTERS TO A READER

A net-zero goal moves further onto offsets when the abatement estimate falls. The goal wording is unchanged, so the change is visible only to a reader comparing this report with the transition plan.

WHAT WOULD FIX IT

State the residual and the structural-abatement range in the goal table itself, with the movement since the transition plan.

▼ F–18

Methane rose 27% and part of the movement is a model revision that is not separated from the physical change. Total methane rose 0.85 to 1.08 $MtCO_2e$ and fugitive sources 0.893 to 1.129. BHP attributes the increase to more methane-intensive mining areas at its coal joint venture and to "a revised methane emissions model at NSWEC", without quantifying either component. Methane is now 14% of Scope 1, up from 12%.

WHY IT MATTERS TO A READER

Methane is the second-largest Scope 1 source and the one with the least mature abatement. A reader cannot tell how much of a 27% rise is more gas released and how much is better measurement.

WHAT WOULD FIX IT

Quantify the model revision separately from the activity change, as the residual mix factor change was quantified.

▼ F-19

The pay-linked climate figure does not reconcile to any published emissions figure. The climate gate on 10% of the Chief Executive's short-term award reads "FY2026 reported operational greenhouse gas (GHG) emissions are equal to or below 9.5Mt Co2-e". The outcome is explained as "Group-level performance was marginally (less than 1%) above the scorecard target", resolved against "the production-adjusted budget". The same Annual Report reports FY2026 operational emissions of 9.4 $MtCO_2e$, 9.364 unadjusted, which is 1.4% below 9.5. The production-adjusted budget is not disclosed.

WHY IT MATTERS TO A READER

A reader cannot check how the climate component of executive pay was assessed, because the reference point that determined it is not published and the one that is published points the other way. BHP's FY2025 reporting carried the same class of gap.

WHAT WOULD FIX IT

Publish the production-adjusted budget, or state the gate against a figure that appears in the inventory.

▼ F-20

The Category 10 exclusion list has not been maintained. Downstream processing of "zinc, gold, silver, ethane, cobalt and uranium oxide" is excluded as immaterial. Ethane left the portfolio with the Petroleum business in FY2022. Molybdenum, produced as a by-product at the Chilean copper assets, is not named. No bound is published for any excluded stream.

WHY IT MATTERS TO A READER

A stale exclusion list makes it harder to tell what is actually outside the inventory, and the omission of a currently produced by-product leaves its treatment unstated.

WHAT WOULD FIX IT

Refresh the list against the current portfolio and publish an indicative bound for the excluded streams.

4.3 What cannot be verified

?

F–21

The share of the 80% renewable-electricity figure attributable to BHP's own voluntary procurement

WHY IT IS OPEN

The 8.4 million certificates are stated as a single total combining compliance-driven and voluntary surrender, sourced from power purchase agreements or the secondary market, with no split published.

WHAT WOULD RESOLVE IT

The volume surrendered in each category, and the volume sourced from agreements against the secondary market.

?

F–22

Whether the FY2026 market-based Scope 2 figure and the renewable percentage are final

WHY IT IS OPEN

Chilean surrender is validated on a calendar-year basis and Australian large-scale generation certificates may be surrendered after the financial year. BHP states it reviews and restates in the following period if a material variation is found.

WHAT WOULD RESOLVE IT

The post-year-end validation outcome.

?

F–23

The split of the FY2026 operational increase between activity and method beyond the residual mix factor

WHY IT IS OPEN

BHP attributes the 8% unadjusted increase to "a combination of activity-driven changes and changes to emissions calculation methodologies" and quantifies the residual mix factor effect through the adjusted series, but the revised New South Wales Energy Coal methane model is not separately quantified.

WHAT WOULD RESOLVE IT

The tonnage effect of the methane model revision.

?

F–24

The magnitude of the Escondida diesel measurement change

WHY IT IS OPEN

BHP states that FY2025 and FY2026 include contractor diesel consumed on site at Escondida which is not included for FY2020 to FY2024, and that prior years have not been restated. The quantum is not given. Its direction increases the reported gap to the baseline rather than reducing it.

WHAT WOULD RESOLVE IT

The tonnage added by the measurement change, and its treatment in the target series.

?

F–25

The bound on the five excluded Scope 3 categories and the excluded Category 10 product streams

WHY IT IS OPEN

Immateriality is asserted for Categories 5, 12 and 13 and for the named product streams. Categories 8 and 14 follow from the boundary and from the absence of franchising, which are relevance determinations rather than immateriality claims.

WHAT WOULD RESOLVE IT

An indicative bounding estimate for each category and stream asserted immaterial.

?

F–26

The reviewed year against the regulator-facing return

WHY IT IS OPEN

The FY2025-26 NGER register is not published until early 2027. On the FY2024-25 register the reconciliation is clean: BHP Group Limited at 3.379 $MtCO_2e$ Scope 1 and BM Alliance Coal Operations at 2.586 combine to 5.965, against a derived Australian Scope 1 of about 5.9 $MtCO_2e$ for FY2025 once the Chilean and Canadian assets are removed.

WHAT WOULD RESOLVE IT

The FY2025-26 register publication.

?

F–27

The financial exposure to physical climate risk

WHY IT IS OPEN

Studies are quantitative at asset level but outcomes are "disclose[d] … qualitatively due to the complexity of the nature of" the risk. Adaptation spend is stated to be embedded in property, plant and equipment additions rather than separately identified.

WHAT WOULD RESOLVE IT

The quantified output of the completed studies, or a range, and separately identified adaptation expenditure.

?

F–28

The carbon-credit integrity criteria as applied

WHY IT IS OPEN

The criteria are described in the report (registration under a recognised standard, a "robust GHG emissions reduction accounting methodology", additionality, permanence) but the underlying integrity standard was not provided, and no credits were sourced against a climate target this year.

WHAT WOULD RESOLVE IT

The integrity standard document, and the screening outcome for any credits acquired for the long-term goal.

?

F–29

Whether the copper demand opportunity is material to the transition case

WHY IT IS OPEN

BHP applies the commercial-sensitivity relief and does not quantify longer-term expenditure or the opportunity, stating that climate-related effects cannot be reliably separated from other demand drivers. An illustrative sensitivity is given: a one US cent per pound change in the copper price moves FY2026 underlying earnings by about US$39 million.

WHAT WOULD RESOLVE IT

Not resolvable while the relief is properly applied; recorded as a permitted limitation rather than a gap.

5. Disclosure risk exposure

5.1 Risk read

BHP's FY2026 disclosure is the first it is legally obliged to make, and it is prepared and assured accordingly. The exposure has shifted with that change. A year ago the principal exposure was that voluntary statements were being made without a compliance framework around them; this year the statements sit inside one, are assured, and carry their qualifiers. What remains is the distance between two sets of numbers that are both published: an operational target described as on track, and a value-chain footprint that is 97.9% of the total, rising, and without a target. The disclosure states both. The risk is in how they are weighted, most visibly on the summary page, where the reductions appear and the rise does not.

Two further exposures are internal rather than presentational. The climate gate on executive pay is reported against a figure that no published emissions number supports, in the audited Annual Report. And the financial statements moved this year to a 2.2°C to 2.5°C planning case while the CY2050 net-zero goals were carried forward unchanged and the structural abatement estimate behind them was reduced; the report does not reconcile the two.

5.2 Risk by lens

Risk exposure by lens

Relative exposure across disclosure-risk lenses; see the table for what drives each and what would reduce it.

Source: Review analysis of the FY2026 disclosure suite, the Ernst & Young assurance report and the published NGER register for FY2024-25

Legal (misleading-conduct / disclosure / director-duty)	Low to moderate	High: on the compliance position, medium on the composite confidence
Regulatory (ASIC / ACCC / Clean Energy Regulator / AASB S2)	Low to moderate	High: on the compliance position, medium on the composite confidence
Technology (dependence on unproven abatement)	High	High confidence
Physical (physical-risk disclosure consistency)	Moderate	Medium: the methodology is transparent, the quantum is not confidence
Other: transition / market	High	High confidence
Other: reputational / claim quality	High	High: medium to high confidence
Other: governance / remuneration	Moderate	High: on the facts, medium on the interpretation confidence

LENS	EXPOSURE	CONFIDENCE	WHAT DRIVES IT	WHAT WOULD REDUCE IT
Legal (misleading-conduct / disclosure / director-duty)	Low to moderate	High: on the compliance position, medium on the composite	FY2026 is prepared as statutory climate statements with a directors' declaration, an unqualified audit opinion on Scope 1 and Scope 2 and an unmodified review conclusion on AASB S2 compliance. Reliefs are named and located. The residual exposure is not compliance with the standard but the composite impression discussed under section 5.3, and the unreconciled pay-linked figure in an audited document. (Sustainability Report sections 7.5 and 7.6; Ernst & Young report; Remuneration Report CDP scorecard)	The fixes at F-13 and F-19

LENS	EXPOSURE	CONFIDENCE	WHAT DRIVES IT	WHAT WOULD REDUCE IT
Regulatory (ASIC / ACCC / Clean Energy Regulator / AASB S2)	Low to moderate	High: on the compliance position, medium on the composite	FY2026 is prepared as statutory climate statements with a directors' declaration, an unqualified audit opinion on Scope 1 and Scope 2 and an unmodified review conclusion on AASB S2 compliance. Reliefs are named and located. The residual exposure is not compliance with the standard but the composite impression discussed under section 5.3, and the unreconciled pay-linked figure in an audited document. (Sustainability Report sections 7.5 and 7.6; Ernst & Young report; Remuneration Report CDP scorecard)	The fixes at F-13 and F-19
Technology (dependence on unproven abatement)	High	High	Disclosed as such. BHP names availability and commercial viability of operational decarbonisation technology as a transition risk, states that development has been slower than its 2024 transition plan contemplated, does not expect deployment across operations until after FY2030, and reduced its CY2050 structural abatement estimate from about 85% to about 80%. Fugitive methane abatement in open-cut mining has no proven technology at scale and is at proof-of-concept. (Sustainability Report sections 2.1.2, 2.1.3 and Table 1, Transition risk 2)	The fixes at F-16 and F-17
Physical (physical-risk disclosure consistency)	Moderate	Medium: the methodology is transparent, the quantum is not	Poorly sized. Asset-level quantitative studies cover named hazards at named assets under about 2.7°C and about 4.4°C scenarios, with flood, extreme precipitation and coastal flooding modelled at the Queensland coal mines, the Chilean copper assets, Copper South Australia, Western Australia Iron Ore and the potash project. Outcomes are disclosed qualitatively. Water withdrawals rose 7% and discharges 37%, the latter driven by rainfall at the coal joint venture. (Sustainability Report section 3.3 and Table 4; Financial Statements note 16)	The resolution at F-27
Other: transition / market	High	High	Concentrated in the value chain. 85.6% of Scope 3 is customer processing of iron ore and metallurgical coal into crude steel, estimated on an IEA global average that cannot reflect customer abatement. BHP identifies steelmaking coal demand as a transition risk and discloses an illustrative US$2.5 billion impairment sensitivity for those assets under a 1.5°C-aligned scenario. US$51.4 billion of carrying value, 63% of the group total, sits in units covered by the Safeguard Mechanism. Internal carbon prices run from US$0 to US$100 per tCO_2e in FY2026 and US$0 to US$250 by FY2050, the low end reflecting regions without legislated pricing. (Sustainability Report Table 1 and section 3.3; Financial Statements notes 13 and 16)	The fixes at F-11 and F-12
Other: reputational / claim quality	High	High: medium to high	The individual claims are bounded and their qualifiers printed, which limits the exposure on any single statement. The exposure is the aggregate: a summary page carrying four reductions and no rise, over a footprint that is 97.9% unaddressed by any target and growing. BHP itself identifies reputational impact from not achieving its targets and goals as a risk it cannot reliably estimate. (Sustainability Report pages 56 to 57 and section 2.2; Table 1)	The fix at F-13
Other: governance / remuneration	Moderate	High: on the facts, medium on the interpretation	Board oversight is documented, with thirteen meetings and climate matters regularly on the agenda, and 25% of the short-term scorecard is safety and sustainability with a 10% climate and environment component. The exposure is that the climate component's assessment rests on an undisclosed production-adjusted budget and a stated threshold the reported inventory appears to satisfy. (Sustainability Report section 6; Remuneration Report pages 117 to 118)	The fix at F-19

5.3 Consistency across audiences

What BHP tells the regulator, the market and the public is substantially the same information, and the reconciliations that can be run do reconcile. The databook and the Annual Report agree throughout. On the FY2024-25 NGER register, BHP Group Limited and the separately registered BM Alliance Coal Operations combine to 5.965 $MtCO_2e$ of Scope 1, consistent with the Australian portion of BHP's FY2025 disclosed Scope 1 once the Chilean and Canadian assets are removed. The reviewed year cannot yet be tested this way.

CLAIM / METRIC	TO THE REGULATOR	TO INVESTORS / PUBLIC	CONSISTENT AFTER NORMALISING BOUNDARY?
Australian Scope 1, FY2025	5.965 $MtCO_2e$ on the FY2024-25 NGER register (BHP Group Limited 3.379 plus BM Alliance Coal Operations 2.586)	7.341 $MtCO_2e$ global, of which about 5.9 is Australian once the Chilean and Canadian assets are removed	Yes: within about 1%; the separately registered coal joint venture is the reconciling item
Scope 1, FY2026	FY2025-26 register not yet published	7.644 $MtCO_2e$	Not testable: the reviewed year cannot yet be tested against the register
Operational emissions for remuneration, FY2026	Not a regulator metric	Gate "equal to or below 9.5Mt", outcome "marginally (less than 1%) above the scorecard target", beside an inventory of 9.4 $MtCO_2e$ in the same Annual Report	No: internal to the Annual Report; the production-adjusted budget is disclosed nowhere
Scope 2, primary inventory table	Not a regulator metric	FY2026 calculated with a residual mix factor beside an FY2025 comparative calculated without one	No: internal to the Annual Report; the comparatives relief permits it and the adjusted series corrects it elsewhere, but not in the table itself

CLAIM / METRIC	TO THE REGULATOR	TO INVESTORS / PUBLIC	CONSISTENT AFTER NORMALISING BOUNDARY?
Category 10 excluded product streams	Not a regulator metric	The list names ethane, exited in FY2022, and omits molybdenum	No: internal to the Annual Report; the list describes a portfolio BHP no longer has

Three inconsistencies remain, and all three are internal to the Annual Report rather than between audiences. The climate gate on executive pay is stated against 9.5 $MtCO_2e$ with performance described as above it, while the inventory in the same document reports 9.4. The primary inventory table sets an FY2026 Scope 2 figure calculated with a residual mix factor beside an FY2025 comparative calculated without one, which the comparatives relief permits and which the adjusted series corrects elsewhere in the report, but not in the table itself. And the Category 10 exclusion list describes a portfolio BHP no longer has.

The weighting question is the substantive one. To a reader of the summary page, BHP reduced operational emissions 33%, reached 80% renewable electricity and reduced value-chain emissions 46%. To a reader of section 2.2, the value-chain footprint is 9% above its reference year, is 97.9% of the total, and is not expected to fall materially in the coming years. Both statements are in the same document. The second is not on the page that carries the first.

6. How to fix it

6.1 NoCO2 Standard alignment

GAP	DOCUMENT / CLAUSE	CONFORMANCE REQUIREMENT	STATUS
No absolute emissions envelope over Category 10, 85.6% of Scope 3	NoCO2 Net Zero Standard **4.7.4** Accelerated Reduction Timeline; **4.9.2** Metrics & Targets	A reduction trajectory with a base year and interim points over the material category, with credits admissible only against the residual gap	Not conformant
The medium-term commitment over the dominant source is denominated in dollars committed	**4.7.1** Required Interventions; **4.9.2** Metrics & Targets	Prescribed interventions with dates and an emissions-denominated metric; expenditure is not a reduction obligation	Not conformant
Reduction delivered through contractual electricity instruments while Scope 1 grows	**4.7.1** Required Interventions; **4.7.2** Clean Alternative Assessment; **4.5.5** Methodology	Interventions evidenced against the Required Interventions Schedule for the physically emitting sources, and a clean-alternative assessment before reliance on instruments	Partially conformant; alternatives are assessed and disclosed, interventions are at proof-of-concept
Renewable claim rests on a certificate volume combining compliance and voluntary surrender, part from the secondary market, part from existing generation	**5.1.13** Contractual Instruments for Purchased Energy; **4.5.5** Methodology	Instrument-level disclosure of volume, vintage, generation type and whether surrender was voluntary or compliance-driven, so the claim can be tested against procurement	Not conformant on the split; conformant on the agreement-level disclosure
Both electricity bases published but the target measured on one	**4.5.5** Methodology (market versus location-based electricity); **5.1.8** GHG Inventory Table	Both bases reported and the market-based claim tested against the location-based position	Partially conformant; both bases are published, the location-based series is not adjusted or disaggregated
Net-zero goal with a 3 to 5 $MtCO_2e$ residual and a structural abatement estimate revised down to about 80%	**4.7.5** Net Zero Status Requirements; **4.8.1** Abatement Principles; **4.8.2** CDR Criteria	Abatement before offset; the residual quantified and its credit type constrained to eligible carbon dioxide removal; status stated as committed, not achieved	Partially conformant; the residual is quantified and no credits are used against the target, the credit type is unconstrained
Five Scope 3 categories and several product streams excluded on unbounded immateriality, on a stale list	**4.5.3** GHG Emission Categories; **5.1.7** Boundary Description	Category coverage tested against the materiality thresholds with a bounding estimate per exclusion, and the boundary description maintained against the current portfolio	Not conformant
Methane increase in which the model revision is not separated from the physical change	**4.5.4** Quantification; **5.1.10** Emissions Tracking	Measurement hierarchy applied and disclosed per source, with restatement transparency separating method from activity in the series	Partially conformant; methods are disclosed per mine, the revision is not quantified

GAP	DOCUMENT / CLAUSE	CONFORMANCE REQUIREMENT	STATUS
Pay-linked climate figure reconciling to no published emissions figure	**4.9.2** Metrics & Targets; **4.9.4** Public Reporting & Disclosure	Incentive-gate metrics defined on the same basis as the published inventory, with the reference point disclosed	Not conformant
Physical-risk outcomes disclosed qualitatively after quantitative study	**4.6** Data Quality; **5.1.14** Data Quality & Scope 3 Improvement	Outputs disclosed at the granularity produced, with a data-quality ranking and an improvement plan where withheld	Not conformant
Reasonable assurance confined to 2.1% of the footprint	**6.1** Assurance Requirements; **6.2** Conformance Requirements	Independent assurance scoped to the inventory carrying the claim, with non-conformances disclosed and critical ones resolved	Partially conformant; the perimeter matches the statutory phasing, not the claim
Restatement and boundary-change transparency	**5.1.10** Emissions Tracking; **4.3** Initial Year & Reporting Period	Historical series with restatements disclosed and the applicable version stated	**Conformant.** Seven years on one boundary with every restatement located and most quantified
Credit retirement reporting	**5.1.12** Carbon Credit Reporting	Retirement disclosure including project, methodology, vintage, volume and serial numbers	**Conformant.** The FY2021 retirements are itemised to registry serial number; nil since

7. Conclusion & next steps

BHP's FY2026 disclosure is the first it is required by law to make, and as a compliance artefact it is orderly: statutory climate statements, a directors' declaration, an unqualified audit opinion on Scope 1 and Scope 2, reliefs named and located, one consolidation basis where four existed, a residual mix factor adopted where the GHG Protocol requires it, and a numerical bridge between the reported inventory and the target series that reconciles exactly. Several gaps in BHP's FY2025 reporting are closed, and the report states its own adverse movements, including that target progress went backwards from 34% to 33% and that a flagship diesel-displacement project slipped.

The result nevertheless turns on the same thing it turned on last year, and the evidence for it is stronger. The target that BHP reports as on track covers 2.1% of its footprint, and on its own measurement basis the whole of the reduction since FY2020 is Scope 2 while Scope 1, four fifths of operational emissions, is above its baseline. Measured on the electricity physically drawn rather than on certificates, the reduction is 26%, short of the 30% the target requires. About a fifth of the progress is an asset in suspension that BHP may restart. The 97.9% of the footprint that sits in Scope 3 has no absolute target, is 8.8% above its reference year on BHP's own goal basis, rose again this year, and BHP states it does not expect it to fall materially other than through one mine closure. The capital that would abate the physically emitting scope is US$30 million this year, under 1% of group capital expenditure, against US$4.6 billion of copper growth capital, with the US$4 billion decarbonisation programme placed in the 2030s. And BHP's own accounts moved this year to a 2.2°C to 2.5°C planning case while the CY2050 goals were carried forward and the structural abatement behind them was revised down.

So the disclosure is usable by a carbon accountant and by a regulator, each with one limitation, and it is not usable as it stands by an investor pricing transition risk, by a retail investor looking for a pathway over the emissions that matter, or by a member of the public taking the headline claims at face value. That is the same distribution as last year, reached on a materially better-built document: the improvements landed in the mechanics of the inventory, and the gaps are in the target architecture and in what the summary page shows.

Next steps, in order.

1. Set an absolute emissions envelope with a carbon budget over Category 10, reconciled against disclosed Western Australia Iron Ore volume and approved port capacity, and add an emissions-denominated interim metric to the steelmaking goal.
2. Publish a Scope 1 sub-target with its own baseline and pathway, and map the abatement expected from each tranche of decarbonisation capital to it.
3. Split the 8.4 million certificates into compliance-driven and voluntary surrender, and state the renewable percentage on the voluntary volume beside the combined figure.
4. Report the location-based series on the adjusted basis alongside the market-based one, and publish location-based Scope 2 by asset.
5. Quantify the Western Australia Nickel suspension's contribution to the reduction, and the methane model revision separately from the activity change.
6. Define the incentive-gate climate metric on the published inventory basis and disclose the production-adjusted budget, and refresh the Category 10 exclusion list against the current portfolio.

7. State the CY2050 residual and the structural abatement range in the goal table, with the movement since the 2024 transition plan, and reconcile the goals against the accounts' planning case.

Important information

This diagnosis is general information, published to support transparency, accountability and public debate on corporate climate disclosure. It sets out CRI's assessment of the publicly available climate disclosures of the organisation named above, for the reporting period stated, based on third-party information available at the review date. The assessment is made against CRI's Climate Disclosure Review Rules (version stated above), which use the CRI Net Zero Standard as the reference for a credible claim together with AASB S2 Climate-related Disclosures, and it gives reasons for each finding.

It assesses the disclosure, not the organisation's underlying climate performance or intent, and it does not allege illegality, misconduct, greenwashing or dishonesty. It is not tailored advice, nor legal, financial or investment advice, and it is not an audit, an assurance engagement or a certification. CRI does not accept liability for any error or omission in this analysis, or for any loss arising from use of or reliance on it.

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--- ANNEXES (INTERNAL WORKING LAYER) ---

These annexes are the detailed working layer behind the findings in the body: the evidence base, rule application and traceability. Much of it is review working, retained for transparency and of interest to both the internal review team and external readers who want to see how each finding was reached.

The annexes are the working layer. They carry the rule IDs, two-track findings, evidence tags and rule-application reasoning that the client body deliberately excludes (OUT-10).

Annex A: Documents reviewed & completeness (A-01A)

ID	DOCUMENT	PERIOD COVERED	CLASSIFICATION	REVIEWED	NOTES
DOC-01	BHP Annual Report 2026 (Sustainability Report pages 55 to 92; OFR 9.10; Financial Statements notes 13 and 16; Ernst & Young assurance report; Remuneration Report)	FY2026	Critical	Yes	Primary and audited. The Sustainability Report is the statutory climate statements. Confirmed from body text: "from 1 July 2025 to 30 June 2026".
DOC-02	BHP ESG Standards and Databook 2026 (.xlsx)	FY2020 to FY2026	Critical	Yes	Tabs extracted: Energy and GHG; Energy and GHG by asset; GHG targets and goals; Additional climate-related data; CA100+ NZCB; Definitions. Within the assurance scope.
DOC-03	BHP Climate Transition Action Plan 2024	Published Aug 2024	Critical	Yes	The standing transition plan; FY2026 states the targets and goals are unchanged from it and quantifies two departures (structural abatement range, capital profile).
DOC-04	BHP Annual Reports 2020 to 2025 and ESG databooks 2020 to 2025	FY2020 to FY2025	Material	Yes	Prior-period context for the seven-year series and the restatement tests.
DOC-05	BHP Scopes 1, 2 and 3 GHG emissions calculation methodology 2023	FY2023 edition	Useful	Yes	Earlier edition. The FY2026 method is in DOC-01 section 7.6, which is the assurance criteria.
DOC-06	Clean Energy Regulator NGER register, FY2024-25 publication (data as at 27 Feb 2026)	FY2025	Material	Yes	Statutory anchor. BHP Group Limited and BM Alliance Coal Operations Pty Limited.
DOC-07	BHP carbon offsetting integrity standards	Current	Material	Summary only	Criteria described at DOC-01 section 5.2.7; underlying standard not provided. Dependent area: credit integrity for the long-term goal, carried to cannot-verify.
DOC-08	Certificate surrender records behind the 8.4 million FY2026 renewable energy certificates	FY2026	Critical for the renewable claim	Not provided	Not reviewed, document not provided. The compliance-versus-voluntary split is carried to cannot-verify (A-05). This does not imply the records do not exist.

Corpus scoping note (Step 1). `Input Reports/BHP/` is flat and holds FY2020 to FY2026. The in-scope set is everything covering FY2026 and earlier. No document covering a later period exists in the folder at the review date, so nothing was excluded on that ground. The FY2025-26 NGER register is not published until early 2027 and is therefore unavailable rather than excluded.

Completeness screen. No critical document is absent from publication. One critical evidentiary item (DOC-08) was not provided; one material item (DOC-07) was available only as a summary. Both are recorded as evidence requests, not as findings against BHP.

Annex B: Evidence table (AI-02)

EV	FACT	SOURCE	BASIS / PERIOD	RULES ENGAGED
EV-01	Operational GHG emissions FY2026 9.4 $MtCO_2e$, 33% below the FY2020 baseline; FY2025 9.3 and 34%	DOC-01 Table 6a; DOC-02 "GHG targets and goals"	Adjusted, FY2020 to FY2026	G-06, G-07, T-01, YOY-01
EV-02	Unadjusted inventory: Scope 1 7.644, Scope 2 market-based 1.720, Scope 2 location-based 3.250, total operational 9.364 $MtCO_2e$	DOC-01 Table 6; DOC-02 "Energy and GHG"	Unadjusted, FY2026	G-06, G-07, S2-26, S2-28
EV-03	Adjusted Scope 1 rose 7.4 to 7.6 and adjusted Scope 2 fell 6.7 to 1.7 $MtCO_2e$, FY2020 to FY2026	DOC-02 "GHG targets and goals"	Adjusted	G-06, G-07, A-19, G-BAU
EV-04	Scope 1 plus location-based Scope 2 fell 14.771 to 10.894 $MtCO_2e$, a fall of 26.2%, FY2020 to FY2026	Computed from DOC-02 "Energy and GHG"	Unadjusted, total operations	A-19, G-BAU, S2-28, T-MI-06
EV-05	Residual mix factor adopted at the Australian assets from FY2026; applying it to FY2025 moves that year from a 36% to a 34% reduction; the baseline moves 13.6 to 14.1 $MtCO_2e$	DOC-01 section 2.1.1 and 7.6.3; DOC-02 notes	FY2020 to FY2026	G-10, GHG-STD-08, T-BASE-01, E-05, YOY-03
EV-06	No conforming residual mix factor outside Australia; a default location-based factor is applied to residual electricity, which BHP states may double count lower-emission electricity across grid consumers	DOC-01 section 7.6.3	FY2026	S2-28, E-01, E-24, OUT-STK-06
EV-07	8.4 million renewable energy certificates surrendered for FY2026, comprising voluntary surrender and surrender to meet renewable-energy compliance obligations including the Australian Renewable Energy Target, sourced from the Table 7 agreements or the secondary market; split not disclosed	DOC-01 section 7.6.3, note under Table 7	FY2026	E-01, E-05, E-11, E-24, A-05
EV-08	Renewable electricity 79.7% of 38.118 PJ consumed (30.37 PJ), stated as 80%; FY2025 76.9%, previously published as 73%; 99.45% of electricity is grid-sourced	DOC-02 "Additional climate-related data" rows 22 to 27; DOC-01 page 57 footnote 5	Adjusted, FY2020 to FY2026	E-01, E-24, OUT-TB-21, G-10
EV-09	Renewable electricity by asset FY2026: Escondida 100%, Spence 100%, BMA 55.9%, Copper South Australia 34.8%, WAIO 28.6%, Western Australia Nickel 6.0%	DOC-02 "Additional climate-related data" PPA table	FY2026	E-01, E-24
EV-10	Eleven power purchase agreements itemised; the Chilean agreements are "existing and new, approximately half from new generation"; two agreements are "existing generation"; two start FY2028 and FY2030; several sizes and durations confidential	DOC-01 Table 7; DOC-02 "Additional climate-related data"	FY2022 to FY2030	E-01, E-06, E-24, T-DEP-04
EV-11	Western Australia Nickel operational emissions 1,060 $ktCO_2e$ FY2020, 320 FY2025, 80 FY2026; temporary suspension from Oct 2024; BHP intends to review the decision by Feb 2027; baseline retains the asset	DOC-02 "Energy and GHG by asset" row 207 and PPA note; DOC-01 page 58 footnote 1	Unadjusted, FY2020 to FY2026	A-19, G-BAU, T-BASE-02, A-05
EV-12	Total Scope 3 FY2026 429.030 $MtCO_2e$; categories sum exactly to the total; 97.9% of the 438.394 $MtCO_2e$ reported footprint	DOC-01 Table 6; DOC-02 "Energy and GHG"	Unadjusted, FY2026	S2-29, S2-30, G-08, S3-01
EV-13	Scope 3 on the goal-measurement basis 352.6 $MtCO_2e$ FY2020 to 383.8 FY2026, up 8.8%, higher in six of seven years	DOC-02 "GHG targets and goals"	Adjusted	T-14, YOY-01, A-19
EV-14	Scope 3 organisational boundary changed to operational control in FY2026 as required under AASB S2; FY2020 to FY2025 restated; WAIO moves from 85% equity to 100%; FY2025 total restated 378.2 to 423.7 $MtCO_2e$	DOC-01 section 7.6.4; DOC-02 notes; DOC-04 (FY2025 as published)	FY2020 to FY2026	G-10, G-04, S3-25, YOY-03, T-BASE-01
EV-15	Category 10 367.2 $MtCO_2e$ (85.6% of Scope 3); iron ore to crude steel 328.6, up from 326.1; metallurgical coal 37.0; copper 1.6	DOC-02 "Energy and GHG"	Unadjusted, FY2026	S3-16, SEC-MIN, T-COV-02
EV-16	Category 10 estimated with an IEA global-average steelmaking intensity applied to production volumes; BHP states it "cannot reflect actual GHG emissions reductions achieved by individual customers"	DOC-01 section 7.6.4 and section 2.2	FY2026	S3-EST, S3A-03, A-05

EV	FACT	SOURCE	BASIS / PERIOD	RULES ENGAGED
EV-17	Category 11 42.5 $MtCO_2e$, up 9.8% from 38.7; energy coal combustion; expected to become immaterial on the Mt Arthur Coal closure in FY2030	DOC-02 "Energy and GHG"; DOC-01 section 2.2	Unadjusted	S3-16, A-19, T-14
EV-18	BHP states: "Aside from the closure of Mt Arthur Coal mine, we do not currently anticipate significant reductions in our reported Scope 3 emissions inventory in upcoming years"	DOC-01 section 2.2	FY2026	T-14, T-COV-02, A-17, OUT-TB-02
EV-19	BHP states achievement of the long-term Scope 3 net-zero goal "is uncertain, particularly given the challenges of a net zero pathway for our customers in steelmaking, and we cannot ensure the outcome alone"	DOC-01 section 2.2	FY2026	T-DEP-04, A-05, OUT-TB-15
EV-20	Categories 5, 8, 12, 13 and 14 excluded as not material or inapplicable; Category 2 included within Category 1; no bound published	DOC-01 section 7.6.4	FY2026	S3-25, S3-26, G-19, A-05, OUT-STK-13
EV-21	Category 10 excludes downstream processing of zinc, gold, silver, ethane, cobalt and uranium oxide as immaterial; ethane left with Petroleum in FY2022; molybdenum, still produced, is not named	DOC-02 "Energy and GHG" notes; DOC-01 OFR 4.1 (molybdenum production)	FY2026	S3-25, G-19, DR-02, A-05
EV-22	BHP acknowledges boundary overlap and inherent double counting between Scope 3 categories which "may inflate our reported total Scope 3 emissions"	DOC-01 section 7.6.4	FY2026	G-08, S3-01, A-16
EV-23	Medium-term target as printed: "Reduce operational GHG emissions (Scopes 1 and 2 emissions from our operated assets) by at least 30 per cent by FY2030 from a FY2020 baseline"; absolute, gross; boundary operational control; excludes non-operated assets and equity investments	DOC-01 Table 6a; DOC-02 "GHG targets and goals"	FY2020 to FY2030	T-01, T-02, OUT-TB-15, T-COV-02
EV-24	Target and its methodology "have not been validated by a third party"; the rate was derived by the SBTi absolute contraction approach as it stood in FY2020, on a well-below-2°C basis	DOC-01 Table 6a and section 5.2.2	FY2026	T-SBTi-01, T-SBTi-03, C-SBTi-02, A-16
EV-25	Carbon budget 132 $MtCO_2e$ FY2020 to FY2030; cumulative adjusted FY2020 to FY2026 is 78.4, leaving 53.6 over four years, 13.4 a year against a 9.4 run rate	DOC-02 "GHG targets and goals"; computed	Adjusted	T-01, T-13, A-19
EV-26	FY2030 ceiling at a 30% reduction is 9.87 $MtCO_2e$ against FY2026 at 9.4, permitting a 5.0% increase	Computed from EV-01	Adjusted	T-01, T-14
EV-27	Operational decarbonisation capital expenditure FY2026 US$30 million, "less than 1 per cent of the Group's total capital expenditure"; total incremental operational decarbonisation spend US$65 million; value-chain spend US$36 million	DOC-01 Table 1, Transition risks 1 and 2	FY2026	T-13, A-19, GOV-09
EV-28	Anticipated decarbonisation capital: about US$50 million FY2027, about US$0.5 billion FY2028 to FY2031 weighted to the end, at least US$4 billion "in the 2030s"	DOC-01 Table 1, Transition risk 1; DOC-01 page 57	FY2027 onward	T-13, T-DEP-04, YOY-05
EV-29	Copper growth capital expenditure FY2026 US$4.6 billion; planned about US$1.4 billion FY2027, US$1.9 billion FY2028, about US$3 billion a year FY2029 to FY2031	DOC-01 Table 1, Transition opportunity 1	FY2026 onward	T-13, SEC-MIN, A-19
EV-30	Structural abatement achievable by CY2050 revised from "up to around 85 per cent" (CTAP 2024) to "up to around 80 per cent"; residual 3 to 5 $MtCO_2e$ to be met with carbon credits	DOC-01 section 2.1.3; DOC-03	CY2050	T-14, A-18, YOY-05, E-08, G-11
EV-31	Nil voluntary carbon credits retired FY2026 and since FY2021 (0.3 $MtCO_2e$, three REDD+ projects, vintages 2016 to 2018); BHP will not use regulatory credits to determine FY2030 target achievement	DOC-02 "Energy and GHG" and "Additional climate-related data"; DOC-01 section 5.2.7	FY2021 to FY2026	E-08, E-14, G-11, A-16
EV-32	Safeguard Mechanism obligation FY2026 US$23 million (BHP share), US$33 million on a 100% basis; carbon credit assets US$71 million; expected under US$75 million a year (BHP share) FY2027 to FY2030	DOC-01 Table 1, Transition risk 1	FY2026 onward	E-14, GOV-09, DR-04
EV-33	Ernst & Young: unqualified audit opinion that Scope 1 and Scope 2 comply with sections 296A(2), 296C and 296D; unmodified review conclusion on the Sustainability Report against Division 1 of Part 2M.3 and AASB S2; Scope 3 within the review, not the audit	DOC-01 Independent auditor's report	FY2026	GOV-12, GOV-13, A-01B, S2-45
EV-34	Reliefs elected: comparative information (with comparatives given voluntarily); jurisdictional GWP relief by early adoption of AASB S2025-1 (AR5 via NGER); commercial sensitivity over the copper demand opportunity	DOC-01 section 7.5	FY2026	S2-45, S2-46, L-01, A-05
EV-35	Methane 1.08 $MtCO_2e$, up 27.1%; fugitive sources 1.129, up 26.4%; 14% of Scope 1 and 12% of operational emissions; attributed to more methane-intensive mining areas at BMA and "a revised methane emissions model at NSWEC", neither quantified	DOC-02 "Energy and GHG"; DOC-01 sections 2.1.1 and 5.1.1	FY2025 to FY2026	G-06, G-10, A-05, SEC-MIN

EV	FACT	SOURCE	BASIS / PERIOD	RULES ENGAGED
EV-36	Escondida diesel measurement reviewed in FY2026; FY2025 and FY2026 include on-site contractor diesel not included for FY2020 to FY2024; prior years not restated; quantum not given	DOC-02 "Energy and GHG by asset" notes	FY2020 to FY2026	G-10, GHG-STD-08, A-05
EV-37	Equity-share and financial-control reporting bases discontinued from FY2026; operational control only	DOC-02 "Energy and GHG by asset" notes	FY2026	G-04, SEC-SF-11, YOY-04, OUT-STK-06
EV-38	Adjustment bridge reconciles: FY2020 15.925 less 2.300 (divestments) plus 0.500 (method) = 14.1; FY2025 8.659 plus 0.600 = 9.3; FY2026 9.364 plus nil = 9.4	Computed from DOC-01 Table 6 and 6a; DOC-02	FY2020 to FY2026	G-10, GHG-STD-08, OUT-STK-06
EV-39	Executive pay climate gate: "FY2026 reported operational greenhouse gas (GHG) emissions are equal to or below 9.5Mt Co2-e"; outcome "marginally (less than 1%) above the scorecard target", assessed against an undisclosed "production-adjusted budget"; reported inventory 9.364 to 9.4 $MtCO_2e$, 1.4% below 9.5; climate and environment weighted 10% of the CDP scorecard	DOC-01 Remuneration Report pages 117 to 118; DOC-01 Table 6	FY2026	GOV-09, GOV-10, DR-02, A-05, A-01C
EV-40	Financial statements planning range moved to "approximately 2.2 to 2.5°C by CY2100 (compared to around 2°C for the Group's planning range in FY2025)"; BHP states the measures are not in place globally for 1.5°C; WACC 7.0% to 10.0% (FY2025 7.0% to 9.5%)	DOC-01 Financial Statements note 16	FY2026	S2-33, DR-05, A-01B, YOY-06
EV-41	Illustrative impairment of about US$2.5 billion for steelmaking coal assets under Wood Mackenzie Net Zero; carrying value US$51.4 billion (63% of group) in units covered by the Safeguard Mechanism	DOC-01 section 3.3 and Table 1; Financial Statements note 13	FY2026	S2-33, S2-35, DR-04
EV-42	Physical-risk studies quantitative at asset level FY2022 to FY2026 under SSP2-4.5 (~2.7°C) and SSP5-8.5 (~4.4°C); outcomes disclosed qualitatively; adaptation spend embedded in PP&E additions	DOC-01 section 3.3 and Table 4; Financial Statements note 16	FY2026	N-01, N-04, S2-33, A-05
EV-43	Internal carbon prices US$0 to US$100 per tCO_2e FY2026, US$0 to US$146 FY2030, US$0 to US$250 by FY2050, real July 2026; low end anchored by regions without legislated pricing	DOC-01 section 3.1.1	FY2026 to FY2050	GOV-09, S2-33
EV-44	Shipping: intensity 3.139 gCO_2e per dwt per nautical mile, 46.3% below the CY2008 baseline against a 40% CY2030 goal; absolute on the goal basis 6.6 FY2020 to 5.7 FY2026; upstream shipping rose 4.3 to 4.4, downstream fell 1.5 to 1.3	DOC-02 "GHG targets and goals"; DOC-01 Table 6f	CY2008 to FY2026	T-14, T-01, S3-16
EV-45	Steelmaking medium-term goal metric is US$186 million committed to partnerships and ventures to date; no emissions metric; 13 steelmakers, about 25% of reported global steel production CY2025	DOC-01 social value scorecard and section 2.2.1; DOC-02 "GHG targets and goals"	FY2022 to FY2026	T-PROC-05, T-SUP-03, T-COV-02, A-16
EV-46	Direct suppliers goal boundary 12.2 $MtCO_2e$ FY2026, level with the FY2020 reference year, down from 14.5 at FY2024; Category 1 down 11% on disclosed factor and data changes (Quantis to CEDA, four strategic suppliers)	DOC-02 "GHG targets and goals" and "Energy and GHG" notes	FY2020 to FY2026	T-SUP-03, S3-EST, G-10, A-19
EV-47	NGER FY2024-25: BHP Group Limited Scope 1 3,379,337 t and Scope 2 location-based 1,327,099 t; BM Alliance Coal Operations Pty Limited Scope 1 2,585,996 t and Scope 2 location-based 685,026 t; combined Scope 1 5.965 $MtCO_2e$	DOC-06	FY2025	A-01C, DR-02, DR-03
EV-48	Targets and goals unchanged from the FY2025 Annual Report and CTAP 2024, stated in terms; certain decarbonisation assumptions and plans updated	DOC-01 section 1 Introduction	FY2026	YOY-05, A-18, T-01
EV-49	Missed FY2026 social value scorecard milestone: the Escondida boiler diesel-displacement project was not completed and construction at Spence not begun; both delayed, Escondida expected FY2027; BHP states the delays are not anticipated to affect the FY2030 target	DOC-01 section 2.1.1	FY2026	T-13, GOV-09, A-16, YOY-05
EV-50	Scope 2 by asset FY2025 to FY2026 ($ktCO_2e$): Copper South Australia 350 to 980; WAIO 270 to 210; BMA 420 to 360; NSWEC 70 to 70; Escondida and Pampa Norte nil since FY2023	DOC-02 "Energy and GHG by asset"	Unadjusted, market-based	S2-28, E-01, A-19
EV-51	Table 6 disaggregation: Scope 1 consolidated accounting group 6.2 and other investees 1.4; Scope 2 location-based consolidated 3.0 and other investees 0.3; BMA split 50/50 for this table only and otherwise consolidated at 100%	DOC-01 Table 6 and footnote 2; section 7.2.3	FY2026	S2-25, S2-27, G-04
EV-52	FY2025 Category 1 restated down 1.1 $MtCO_2e$ to correct the erroneous inclusion of Samarco, which is not under BHP's operational control; Tamakaya moved from Category 15 to Category 3 with FY2020 to FY2025 restated	DOC-01 Table 6 footnote 3; DOC-02 notes	FY2020 to FY2025	G-10, GHG-STD-08, A-16
EV-53	Energy coal demand risk excluded from the identified climate-related risks, on the Mt Arthur closure and NSWEC's contribution to group earnings	DOC-01 section 3.2	FY2026	S2-10, DR-05, A-05

EV	FACT	SOURCE	BASIS / PERIOD	RULES ENGAGED
EV-54	BHP plans to cease mining at NSWEC by the end of FY2030; NSWEC operational emissions FY2026 700 $ktCO_2e$, Scope 1 up 550 to 630	DOC-01 section 2.1.3; DOC-02 "Energy and GHG by asset"	FY2026 to FY2030	A-19, T-01, SEC-MIN

Annex C: Claim register (AI-18 / OUT-TB-15)

CL	CLAIM AS PRINTED	CLAIM OBJECT	LOCATION	STRENGTH	AUDIENCE	EVIDENCE FOUND	EVIDENCE MISSING	STATUS
CL-01	"BHP is on track to meet our FY2030 operational GHG emissions (Scopes 1 and 2 emissions from our operated assets) target with our FY2026 emissions 33 per cent below our FY2020 baseline."	Operated Scope 1 and Scope 2 market-based, adjusted, 2.1% of the footprint	Sustainability Report page 56	Strong, self-declared, no third-party validation	All	EV-01, EV-23, EV-25, EV-26	Nothing; the boundary is named in the claim itself	**Substantiated within its stated boundary.** The boundary is printed in the claim, which is what holds P1. The composition of the reduction is the finding, not the arithmetic.
CL-02	"Today, 80 per cent of electricity sourced across BHP operated assets globally is renewable"	Contractual renewable attribute of grid electricity, evidenced by certificate surrender	Sustainability Report page 56, footnoted page 57	Strong, self-declared	Consumers, retail	EV-07, EV-08, EV-09	The split between compliance-driven and voluntary surrender; the volume from agreements against the secondary market	**Partially substantiated.** Arithmetically correct (30.37 of 38.118 PJ). The footnote discloses that compliance certificates are included. What the figure measures cannot be separated from the legislated grid share.
CL-03	"Reduced value chain GHG emissions 46% (Scope 3 emissions) intensity of BHP-chartered shipping of BHP products, from our CY2008 baseline."	Shipping intensity within the goal boundary, 1.3% of Scope 3	Social value scorecard page 44; Sustainability Report page 56	Strong as printed, narrow in object	Consumers, retail	EV-44	Nothing on the shipping figure	**Literally true, materially misleading in composition.** The heading phrase describes the value chain; the object is 1.3% of it. The qualifier is co-located; the 8.8% rise in the whole is not on the page.
CL-04	"Achieve net zero operational GHG emissions by CY2050"	Operated Scope 1 and Scope 2, net, 100%	Table 6b; social value scorecard	Strong, labelled a goal	All	EV-30, EV-31	The credit volume and type for the residual	**Qualified by BHP itself.** Structural abatement expected up to about 80% of the FY2020 reference, revised down from about 85%; residual 3 to 5 $MtCO_2e$ for credits.
CL-05	"We have a long-term goal of net zero Scope 3 emissions by CY2050."	Value chain, 97.9% of the footprint	Sustainability Report section 2.2	Strong wording, expressly uncertain	All	EV-13, EV-18, EV-19	Any pathway, interim absolute target or carbon budget	**Not substantiated as a pathway.** BHP states it does not anticipate significant reductions in upcoming years other than the Mt Arthur closure, that achievement is uncertain, and that it cannot ensure the outcome alone.
CL-06	"Support industry to develop steel production technology capable of 30 per cent lower GHG emissions intensity relative to conventional blast furnace steelmaking, with widespread adoption expected post-CY2030."	Technology support, not BHP's own emissions	Table 6e; social value scorecard	Moderate; a support goal	Institutional, retail	EV-45	Any emissions-denominated metric or dated outcome	**Substantiated as a support activity, not as abatement.** The published metric is dollars committed.
CL-07	"Support 40 per cent GHG emissions intensity reduction of BHP-chartered shipping of BHP products by CY2030, from a CY2008 baseline."	Shipping intensity, 1.3% of Scope 3	Table 6f	Moderate	Institutional	EV-44	Nothing	**Substantiated and exceeded** at 46.3%, four years early. Intensity does not cap absolute emissions; upstream shipping rose this year.

CL	CLAIM AS PRINTED	CLAIM OBJECT	LOCATION	STRENGTH	AUDIENCE	EVIDENCE FOUND	EVIDENCE MISSING	STATUS
CL-08	"Our operated assets are already among the lower greenhouse gas (GHG) emission intensity mines in the world."	Relative intensity of operated assets	Sustainability Report page 55, footnoted	Moderate, externally sourced	Institutional, consumers	CRU CY2025 analysis cited, first quartile for iron ore and copper, first to second for steelmaking coal	The underlying CRU dataset	**Cannot verify independently.** Externally sourced and dated, with the method referenced. Not assessed comparatively by this review.
CL-09	"we are on track to achieve our medium-term target through a combination of structural abatement initiatives and renewable electricity procured through PPAs. The majority of reductions required to meet our medium-term target are expected to be delivered through Scope 2 electricity emissions abatement."	The delivery mechanism for the FY2030 target	OFR 9.10; Sustainability Report section 2.1.2	Strong	Institutional	EV-03, EV-27, EV-28	The abatement expected per tranche of capital	**Substantiated, and it is the finding.** BHP states the target is to be met chiefly by electricity contracting, not by abatement of the 81% in Scope 1.
CL-10	"The climate-related targets and goals published in the BHP Annual Report 2025, our CTAP 2024 and in this Sustainability Report are unchanged"	Target and goal continuity	Sustainability Report section 1	Strong	All	EV-48	Nothing	**Substantiated on the targets and goals as worded.** Two quantitative underpinnings did move and are disclosed separately: the structural abatement range and the capital profile.
CL-11	"FY2026 reported operational greenhouse gas (GHG) emissions are equal to or below 9.5Mt Co2-e."	The climate gate on 10% of the CDP scorecard	Remuneration Report page 118	Strong; determines pay	Regulators, institutional	EV-39	The production-adjusted budget the outcome was assessed against	**Does not reconcile.** The reported inventory is 9.364 to 9.4 $MtCO_2e$, below the stated gate, while the outcome is described as above the scorecard target.
CL-12	"We will not use regulatory carbon credits to meet our medium-term target."	Credit use against the FY2030 target	Sustainability Report section 2.1.2; Table 6a	Strong	All	EV-31, EV-32	Nothing	**Substantiated.** Nil voluntary retirement since FY2021; Safeguard Mechanism surrenders are separately identified and excluded from target measurement.

Annex D: Detailed findings, two-track (A-03)

D.1 Applicability gate & AASB S2 readiness (Sections 04–05)

ID	FINDING	MINIMUM COMPLIANCE	DECISION-USEFULNESS / CLAIM QUALITY	SEVERITY	CONFIDENCE	RULES
D-001	FY2026 is BHP's first mandatory reporting period; the Sustainability Report is the statutory climate statements with a directors' declaration, an unqualified audit opinion on Scope 1 and Scope 2 and an unmodified review conclusion on AASB S2 compliance	Met. Sections 296A(2), 296C and 296D addressed in terms by the auditor	No apparent issue. The obligation is discharged and the assurance perimeter is stated	No apparent issue	High	L-01, S2-45, S2-46, GOV-12, EV-33
D-002	Three reliefs elected and disclosed: comparative information, the jurisdictional GWP relief by early adoption of AASB S2025-1, and commercial sensitivity over the copper demand opportunity	Met. Each relief is named, located and its effect described	Minor limitation only on the commercial-sensitivity item, where longer-term copper expenditure is unquantified. Comparatives were given voluntarily notwithstanding the relief, so the relief costs the reader nothing	Minor limitation	High	S2-45, S2-46, A-05, EV-34
D-003	**Fairness control applied.** Para C3 excuses comparative information in a first application year, and the assurance perimeter is phased. Neither the absence of a restated comparative nor the confinement of reasonable assurance to Scope 1 and Scope 2 is scored against BHP	Not applicable; this is a scoring control	Recorded so the reader can see what was deliberately not held against the entity	No apparent issue	High	S2-45, A-16, AI-01

ID	FINDING	MINIMUM COMPLIANCE	DECISION-USEFULNESS / CLAIM QUALITY	SEVERITY	CONFIDENCE	RULES
D-004	Scope 3 organisational boundary aligned to operational control as AASB S2 requires, with FY2020 to FY2025 restated and the driver named (WAIO from 85% equity to 100%)	Met, and it is the standard's requirement rather than an election	Genuine improvement in reconcilability, offset for a reader comparing years by a 45.5 $MtCO_2e$ restatement of the FY2025 total, which is disclosed	Minor limitation	High	G-04, G-10, S3-25, EV-14

D.2 GHG inventory foundation & Scope 1 (Sections 06–07)

ID	FINDING	MINIMUM COMPLIANCE	DECISION-USEFULNESS / CLAIM QUALITY	SEVERITY	CONFIDENCE	RULES
D-005	Scope 1 and Scope 2 decomposed throughout: Scope 1 by source, by gas and by asset; Scope 2 on both bases. No combined Scope 1+2 figure is analysed in this review without its split	Met	The decomposition is what exposes the finding at D-006: the combined figure falls while its larger component rises	No apparent issue	High	G-06, G-07, S2-26, S2-28, EV-02, EV-03
D-006	**On the target's own adjusted basis the whole reduction since FY2020 is Scope 2; Scope 1 rose 7.4 to 7.6 $MtCO_2e$ and is 81% of FY2026 operational emissions**	No breach; the target is stated on the combined figure and is met on it	**Decision-usefulness concern.** A target reported as on track is being delivered entirely outside the scope that requires physical abatement, and BHP states the remaining reductions are also expected from Scope 2	Decision-usefulness concern	High	G-06, G-07, A-19, G-BAU, T-14, EV-03, EV-27, CL-09
D-007	Diesel is 79% of Scope 1 and rose 5.887 to 6.040 $MtCO_2e$; deployment of battery-electric haulage across operations is not expected until after FY2030	No breach	Decision-usefulness concern. The dominant Scope 1 source is growing and its abatement is scheduled beyond the target year	Decision-usefulness concern	High	G-06, A-19, T-13, EV-02, EV-28
D-008	**Methane rose 27.1% to 1.08 $MtCO_2e$ and fugitive sources 26.4% to 1.129; attributed to more methane-intensive mining areas and "a revised methane emissions model at NSWEC", neither quantified**	No breach; the drivers are named	**Cannot verify: material evidence missing** on the split. A reader cannot separate more gas released from better measurement in a 27% movement on the second-largest Scope 1 source	Decision-usefulness concern	Medium on the split, high on the total	G-06, G-10, A-05, SEC-MIN, EV-35
D-009	Escondida diesel measurement reviewed in FY2026; FY2025 and FY2026 include on-site contractor diesel excluded for FY2020 to FY2024; prior years not restated and the quantum not given	No breach; the change and the non-restatement are disclosed	Minor limitation. The break in the series is disclosed but not sized. Its direction increases the reported distance from the baseline, so it works against BHP rather than for it	Minor limitation	High on the disclosure, cannot determine on the quantum	G-10, GHG-STD-08, A-05, EV-36
D-010	**Equity-share and financial-control bases discontinued; operational control only. The unadjusted-to-adjusted bridge reconciles exactly at FY2020, FY2025 and FY2026**	Met	Genuine improvement resolving the prior period's competing-totals gap. Five values for one FY2020 footprint are replaced by one basis and a bridge that closes arithmetically	No apparent issue	High	G-04, G-10, SEC-SF-11, EV-37, EV-38
D-011	Restatements disclosed with quantum in most cases: the residual mix factor effect in both directions, the Samarco Category 1 correction at 1.1 $MtCO_2e$, the Tamakaya reclassification, and the FY2022 and FY2023 location-based grid factors with previous values	Met	The correction at EV-52 was made against BHP's own reported position and is disclosed as such	No apparent issue	High	G-10, GHG-STD-08, A-16, EV-05, EV-52
D-012	The Scope 1 "other" source line falls from 0.085 $MtCO_2e$ to nil without explanation	No breach; immaterial in magnitude	Minor limitation. A source line going to zero without a note is a small gap in an otherwise well-annotated table	Minor limitation	Medium	G-06, G-10, A-05, EV-02

D.3 Scope 2 & renewable electricity (Section 08)

ID	FINDING	MINIMUM COMPLIANCE	DECISION-USEFULNESS / CLAIM QUALITY	SEVERITY	CONFIDENCE	RULES
D-013	**National residual mix factor adopted at the Australian assets from FY2026, as the GHG Protocol Scope 2 Guidance requires where one is available; the historical series is restated and the effect published in both directions**	Met, and it closes the prior period's gap	Genuine improvement. The change raises BHP's reported emissions and moves FY2025 from a 36% to a 34% reduction, and BHP states both figures	No apparent issue	High	S2-28, E-05, G-10, EV-05
D-014	No conforming residual mix factor exists outside Australia; a default location-based factor is applied to residual electricity, which BHP states may double count lower-emission electricity across grid consumers	No breach; the Guidance permits it where no factor exists, and the consequence is disclosed	Minor limitation. The limitation is stated by BHP in terms, so it is a disclosed method constraint rather than a hidden one	Minor limitation	High	S2-28, E-01, E-24, A-16, EV-06
D-015	**The 80% renewable-electricity figure rests on 8.4 million certificates comprising both voluntary surrender and surrender against renewable-energy compliance obligations including the Australian Renewable Energy Target, sourced from agreements or the secondary market, with no split disclosed**	No breach of the market-based convention, which BHP applies transparently	**Decision-usefulness concern, and cannot verify on the composition.** Certificates created to satisfy a legislated renewable target represent the grid renewable share every consumer funds. Counting them with voluntary procurement makes the figure partly a measure of the grid	Decision-usefulness concern	High on the inclusion, cannot determine on the proportions	E-01, E-05, E-11, E-24, A-05, OUT-TB-21, EV-07, CL-02
D-016	Power purchase agreements itemised by asset, supplier, start date, generation type and, where not confidential, size and duration, with per-asset renewable percentages published. About half the volume of the Chilean agreements is existing generation; two further agreements are existing generation; two start FY2028 and FY2030	No breach	Qualified positive on the disclosure and on the contracting itself. The additionality of a material share is limited by construction, and BHP says so. Two agreements do not contribute in the reviewed year	Minor limitation	High	E-01, E-06, E-24, T-DEP-04, EV-09, EV-10
D-017	**Measured on Scope 1 plus location-based Scope 2, the reduction FY2020 to FY2026 is 26.2%, short of the 30% the target requires, on the unadjusted series that flatters**	No breach; the target is defined on the market-based method	**Decision-usefulness concern.** The two bases give different answers to the target question, and only the one where certificates count is used to say the target is on track	Decision-usefulness concern	High	S2-28, A-19, G-BAU, T-MI-06, EV-04
D-018	Location-based Scope 2 published at group level only; market-based is published by asset	No breach	Minor limitation for the carbon-accounting audience, which cannot lift electricity emissions by region or asset on the physical basis	Minor limitation	High	S2-28, OUT-STK-06, EV-50
D-019	Copper South Australia market-based Scope 2 rose 350 to 980 $ktCO_2e$ on electricity consumption up 7%, the largest single movement in the year; the asset's own renewable share is 34.8% and its full-coverage agreements begin in FY2027, FY2028 and FY2030	No breach	The movement is explained by the residual mix factor and the timing of the agreements, both disclosed. Recorded as the mechanical driver of the headline Scope 2 increase	Minor limitation	High	S2-28, E-01, A-19, EV-09, EV-10, EV-50
D-020	Chilean and Australian certificate surrenders are finalised after the financial year and BHP flags restatement if a material variation is found	No breach; the timing risk is disclosed	Cannot verify: evidence not provided. The FY2026 market-based figure and the renewable percentage are provisional	Minor limitation	High	E-05, E-11, A-05, EV-07

D.4 Scope 3 & value chain (Section 09)

ID	FINDING	MINIMUM COMPLIANCE	DECISION-USEFULNESS / CLAIM QUALITY	SEVERITY	CONFIDENCE	RULES
D-021	Scope 3 disclosed by GHG Protocol category and, for the material categories, by sub-category and product, across seven years on one boundary; the categories sum exactly to the stated total	Met	The completeness rebuttal test is satisfied by a full category breakdown, so the category-completeness criterion is not defeated. This is the expected baseline for a discloser of this size, not a credit	No apparent issue	High	S2-29, S2-30, G-08, S3-01, OUT-STK-13, EV-12

ID	FINDING	MINIMUM COMPLIANCE	DECISION-USEFULNESS / CLAIM QUALITY	SEVERITY	CONFIDENCE	RULES
D-022	**Scope 3 is 429.030 $MtCO_2e$, 97.9% of the reported footprint, and no absolute target or carbon budget covers any part of it**	No breach; no standard requires a target to exist	**Decision-usefulness concern.** The long-term position is a goal, the medium-term commitments cover 1.3% of it on an intensity basis and a technology-support objective with no emissions metric	Decision-usefulness concern	High	T-14, T-COV-02, A-17, EV-12, EV-13, CL-05
D-023	**On the goal-measurement basis Scope 3 rose 352.6 to 383.8 $MtCO_2e$, up 8.8%, higher in six of seven years, and BHP states it does not anticipate significant reductions in upcoming years other than the Mt Arthur Coal closure**	No breach	**Decision-usefulness concern.** The entity's own statement removes any expectation of movement in 97.9% of the footprint, and the only reduction anticipated is a closure rather than abatement	Decision-usefulness concern	High	T-14, A-19, YOY-01, EV-13, EV-18, EV-54
D-024	Category 10 is 367.2 $MtCO_2e$, 85.6% of Scope 3, with iron ore to crude steel at 328.6 and rising; estimated on an IEA global-average intensity applied to production volumes, which BHP states cannot reflect an individual customer's abatement	No breach; estimation is the expected starting point and is not a fault	Decision-usefulness concern on the consequence, not on the method: the metric is structurally incapable of registering the abatement the steelmaking goal is designed to support, and BHP says so. Estimation method is not scored	Decision-usefulness concern	High	S3-16, S3-EST, S3A-03, SEC-MIN, EV-15, EV-16
D-025	No reconciliation is published between iron ore production volume, approved port capacity and the value-chain goal	No breach	Decision-usefulness concern. The driver of 76.6% of the footprint is disclosed in volume terms elsewhere in the same report but never tied to the goal	Decision-usefulness concern	High	T-COV-02, S3-16, A-05, EV-15
D-026	Category 11 rose 9.8% to 42.5 $MtCO_2e$ on higher energy coal sales; expected to become immaterial when mining ceases at Mt Arthur Coal in FY2030	No breach	The reduction anticipated is a closure. Recorded so the one Scope 3 movement BHP forecasts is not read as abatement	Decision-usefulness concern	High	S3-16, A-19, EV-17, EV-54
D-027	Categories 5, 12 and 13 excluded on immateriality asserted without a published bound; Categories 8 and 14 are relevance determinations following from the operational-control boundary and the absence of franchising; Category 2 is included within Category 1 without a split	No breach; the categories are named and the reasons given	**Cannot verify: evidence not provided** on the bound. Categories 8 and 14 are properly relevance determinations and are not recorded as exclusions from within the boundary. Category 2's non-disaggregation is a granularity note	Minor limitation	High on the disclosure, cannot determine on magnitude	S3-25, S3-26, G-19, G-20, A-05, EV-20
D-028	**Category 10 excludes downstream processing of zinc, gold, silver, ethane, cobalt and uranium oxide as immaterial. Ethane left the portfolio with the Petroleum business in FY2022; molybdenum, produced as a by-product at the Chilean copper assets, is not named**	No breach	Minor limitation, and a recurrence: the same staleness was recorded in the prior period and is unchanged. A list describing a former portfolio makes it harder to establish what is actually outside the inventory	Minor limitation	High	S3-25, G-19, DR-02, A-05, YOY-05, EV-21
D-029	BHP discloses boundary overlap between Scope 3 categories and states that inherent double counting "may inflate our reported total Scope 3 emissions", and describes the mass-allocation approach used to resolve the iron ore and steelmaking coal overlap within Category 10	Met	Disclosed method limitation, working against BHP's reported total. Not a fault; recorded because it bears on how the 429 $MtCO_2e$ should be read	No apparent issue	High	G-08, S3-01, A-16, EV-22
D-030	Category 1 fell 11% to 9.7 $MtCO_2e$ on two disclosed changes, product-level data from four strategic suppliers and a move from Quantis to CEDA emission factors, combined with spend changes; the components are not separated	No breach; the changes are disclosed	Cannot verify on the split. Moving to supplier-specific data is a maturity improvement and is not credited as a positive; the unseparated factor effect means the movement cannot be read as abatement	Minor limitation	High on the drivers, cannot determine on the split	S3-EST, G-10, A-19, A-05, EV-46
D-031	The direct-suppliers goal boundary is 12.2 $MtCO_2e$, level with the FY2020 reference year, against a long-term net-zero target; no measured supplier reduction is reported	No breach	Decision-usefulness concern. Six years into a net-zero target for this source the footprint is unchanged, and the disclosed activity is engagement and data collection rather than measured reduction	Decision-usefulness concern	High	T-SUP-03, T-PROC-05, EV-46
D-032	Category 15 disclosed investee by investee at 0.730 $MtCO_2e$ on an equity basis (Samarco 0.43, Antamina 0.30, Solgold and Filo immaterial), restated for the Tamakaya transfer	Met	The look-through is complete and small. The flow-through exposure that matters for a miner is customer processing, addressed at D-024	No apparent issue	High	SEC-INV-LT-17, T-INV-01, EV-12

D.5 Offsets, credits & net claims (Section 10)

ID	FINDING	MINIMUM COMPLIANCE	DECISION-USEFULNESS / CLAIM QUALITY	SEVERITY	CONFIDENCE	RULES
D-033	Nil voluntary carbon credits retired in FY2026 and none since FY2021 (0.3 $MtCO_2e$ across three REDD+ projects, vintages 2016 to 2018, itemised with registry serial numbers); BHP states it will not use regulatory credits to determine FY2030 target achievement	Met	Genuine on the target: the reported reduction is not offset-assisted. Recorded consistently with the prior period	No apparent issue	High	E-08, E-14, G-11, EV-31, CL-12
D-034	**The long-term operational goal is a net goal whose structural abatement estimate was revised down from about 85% to about 80% of the FY2020 reference, leaving a residual BHP estimates at 3 to 5 $MtCO_2e$ for carbon credits**	No breach; the goal is labelled a goal and the residual is disclosed	**Decision-usefulness concern.** The abatement estimate fell while the goal wording held, so the goal moved further onto offsets in a way visible only by comparison with the 2024 transition plan	Decision-usefulness concern	High	E-08, G-11, T-14, A-18, YOY-05, EV-30, CL-04
D-035	Safeguard Mechanism obligation US$23 million (BHP share) for FY2026 with US$71 million of carbon credit assets held; expected under US$75 million a year to FY2030; post-FY2030 obligations unquantified pending the scheme review in FY2027	Met	The compliance surrender is separately identified and excluded from target measurement, which is the correct treatment. The post-FY2030 non-quantification is reasoned and is a permitted uncertainty	Minor limitation	High	E-14, GOV-09, DR-04, A-05, EV-32
D-036	Carbon-credit integrity criteria described (registration, accounting methodology, additionality, permanence, reversal handling) with reference to ICROA and the Integrity Council's Core Carbon Principles; the underlying standard was not provided	Not tested; no credits were sourced against a climate target this year	Cannot verify: evidence not provided. The criteria that would govern the CY2050 residual cannot be examined	Minor limitation	Medium	E-08, E-15, A-05, EV-31

D.6 Targets & transition (Section 11)

ID	FINDING	MINIMUM COMPLIANCE	DECISION-USEFULNESS / CLAIM QUALITY	SEVERITY	CONFIDENCE	RULES
D-037	Target as printed with its own boundary: "Reduce operational GHG emissions (Scopes 1 and 2 emissions from our operated assets) by at least 30 per cent by FY2030 from a FY2020 baseline"; absolute, gross, operational control, excluding non-operated assets and equity investments	Met. Every element required to test the target is published, including base period, metric, gases, boundary and exclusions	The boundary is named in the claim itself, which is what holds the literal-truth criterion. Coverage is the finding, not concealment	No apparent issue on specification	High	T-01, T-02, OUT-TB-15, EV-23, CL-01
D-038	**The FY2030 ceiling is 9.87 $MtCO_2e$ against FY2026 at 9.4, permitting a 5.0% increase; 53.6 $MtCO_2e$ of the 132 $MtCO_2e$ carbon budget remains for four years against a 9.4 $MtCO_2e$ run rate, 42.6% above it**	No breach	**Decision-usefulness concern.** The target and its budget can both be met while emissions rise. Headroom narrowed from the prior period only because performance worsened, not because the target tightened	Decision-usefulness concern	High	T-01, T-13, T-14, A-19, EV-25, EV-26
D-039	The residual mix factor restatement raised the FY2020 baseline from 13.6 to 14.1 $MtCO_2e$, raising the absolute FY2030 ceiling from about 9.5 to 9.87	No breach; the restatement is required by the method change and is disclosed with both figures	Minor limitation. The baseline move makes the target easier in absolute tonnes, the opposite direction to the prior period's baseline change, and the effect on the ceiling is not stated	Minor limitation	High	T-BASE-01, T-BASE-02, G-10, EV-05
D-040	Target has no third-party validation, which BHP states; the rate was derived by the SBTi absolute contraction approach as it stood in FY2020 on a well-below-2°C basis, and is not held out as validated or as 1.5°C aligned	Met; no unsupported science-based or Paris-aligned label is used	No apparent issue on labelling. The absence of a "science-based" claim removes the framework-halo exposure entirely, and the disclosure of non-validation is baseline candour, not a credit	No apparent issue	High	T-SBTi-01, T-SBTi-03, C-SBTi-02, A-16, EV-24

ID	FINDING	MINIMUM COMPLIANCE	DECISION-USEFULNESS / CLAIM QUALITY	SEVERITY	CONFIDENCE	RULES
D-041	**The capital behind the target sits mostly after it: US$30 million in FY2026 (under 1% of group capital expenditure), about US$50 million in FY2027, about US$0.5 billion across FY2028 to FY2031 weighted to the end, at least US$4 billion in the 2030s. Copper growth capital was US$4.6 billion in FY2026**	No breach	**Decision-usefulness concern.** The programme that would abate the 81% in Scope 1 begins in earnest after the target year, which is consistent with BHP's statement that the remaining reductions come from Scope 2 electricity	Decision-usefulness concern	High	T-13, T-DEP-04, A-19, EV-27, EV-28, EV-29
D-042	The steelmaking medium-term goal carries no emissions metric; its published metric is US$186 million committed to date	No breach; it is framed as a support goal, not a reduction target	**Decision-usefulness concern.** The only medium-term commitment over 85.6% of Scope 3 is measured in dollars, so a reader cannot test whether the emissions are expected to move or when	Decision-usefulness concern	High	T-PROC-05, T-SUP-03, T-COV-02, EV-45, CL-06
D-043	The shipping medium-term goal is intensity-based, is exceeded at 46.3% against a 40% CY2030 goal, and covers 1.3% of Scope 3; absolute shipping on the goal basis fell 6.6 to 5.7 $MtCO_2e$, while upstream shipping rose 4.3 to 4.4 this year	Met and exceeded	Qualified positive. Intensity does not cap absolute emissions, and the absolute co-located trend is given here as required. The boundary is narrow and the exclusions from it are extensive and disclosed	Minor limitation	High	T-14, T-01, EV-44, CL-07
D-044	BHP states the targets and goals are unchanged from the FY2025 Annual Report and CTAP 2024, and separately discloses two changed underpinnings (the structural abatement range and the capital profile)	Met; no silent weakening of a target or goal was found on a full-text comparison of the current suite against the prior period and the transition plan	No apparent issue on continuity. Continuity earns no credit; recorded because a silent withdrawal would have been a finding and none was found	No apparent issue	High	YOY-05, A-18, S2-41, EV-48
D-045	The FY2026 milestone to complete the Escondida boiler diesel-displacement project and begin its counterpart at Spence was not met; both are delayed, Escondida to FY2027; BHP states the delays are not anticipated to affect the FY2030 target	No breach; the miss is disclosed	Recorded as delivery evidence against the transition plan. A disclosed miss is neither a fault beyond the delay itself nor a credit for disclosing it	Minor limitation	High	T-13, GOV-09, A-16, A-21, EV-49
D-046	Technology availability and commercial viability is disclosed as a transition risk in its own right, with the statement that development has been slower than CTAP 2024 contemplated and that deployment is not expected across operations until after FY2030	Met	The dependency is disclosed with its consequence, which is the correct treatment. It is also the reason the target rests on electricity contracting	Decision-usefulness concern	High	T-DEP-04, S2-33, A-21, EV-28, EV-30
D-047	**About a fifth of the reported reduction is Western Australia Nickel in temporary suspension: 1,060 $ktCO_2e$ in FY2020 against 80 in FY2026, about 0.98 of the 4.7 $MtCO_2e$ adjusted fall. The asset stays in the baseline and BHP intends to review the suspension by February 2027. BHP footnotes the contribution without quantifying it**	No breach; the suspension is disclosed and the asset is correctly retained in the baseline rather than adjusted out	**Decision-usefulness concern.** Suspension is a reversible structural change, not abatement, and the quantum a restart would return is not published though the inputs are	Decision-usefulness concern	High	A-19, G-BAU, T-BASE-02, A-05, EV-11

D.7 Governance, remuneration & assurance (Section 12)

ID	FINDING	MINIMUM COMPLIANCE	DECISION-USEFULNESS / CLAIM QUALITY	SEVERITY	CONFIDENCE	RULES
D-048	Board oversight documented: thirteen meetings with climate regularly on the agenda, four standing committees, approval of the Sustainability Report and of the inclusion of climate metrics in executive remuneration, a skills matrix naming decarbonisation transition	Met	No apparent issue. Documented governance is the expected baseline and is not credited	No apparent issue	High	GOV-01, GOV-04, S2-07, EV-39
D-049	**The pay-linked climate gate reads "FY2026 reported operational greenhouse gas (GHG) emissions are equal to or below 9.5Mt Co2-e" and the outcome is explained as performance "marginally (less than 1%) above the scorecard target", assessed against an undisclosed "production-adjusted budget", while the same Annual Report reports 9.4 $MtCO_2e$, 1.4% below the stated gate**	**Potential compliance concern** on internal consistency within an audited document; no breach is asserted and none is alleged	**Decision-usefulness concern, and cannot verify** on the reference point. The figure determining 10% of the Chief Executive's short-term award reconciles to no published emissions figure, and the reconciling item is disclosed nowhere. The same class of defect was recorded in the prior period	Potential compliance concern	High on the discrepancy, cannot determine on the cause	GOV-09, GOV-10, DR-02, A-01C, A-05, YOY-05, EV-39, CL-11

ID	FINDING	MINIMUM COMPLIANCE	DECISION-USEFULNESS / CLAIM QUALITY	SEVERITY	CONFIDENCE	RULES
D-050	Reasonable assurance (audit) over Scope 1 and Scope 2 with an unqualified opinion citing sections 296A(2), 296C and 296D; limited assurance (review) over the remainder of the Sustainability Report including Scope 3, target performance and forward plans	Met, and it matches the phased assurance the regime provides	The reasonable-assurance perimeter is 2.1% of the footprint. Recorded as a scope limitation, not a shortfall, because the phasing is what the regime requires. Assurance depth is not scored against the entity	Minor limitation	High	GOV-12, GOV-13, A-01B, S2-45, EV-33
D-051	Internal carbon prices disclosed as ranges: US$0 to US$100 per tCO_2e in FY2026, US$0 to US$146 in FY2030, US$0 to US$250 by FY2050, applied to unmitigated Scope 1 and Scope 2 in valuations and investment decisions	Met	Minor limitation. The low end of every range is nil, reflecting regions without legislated pricing, so the range's lower bound applies no carbon cost at all; the regional weighting is not published	Minor limitation	High	GOV-09, S2-33, EV-43

D.8 Sector module & new-module findings (Section 13)

ID	FINDING	MINIMUM COMPLIANCE	DECISION-USEFULNESS / CLAIM QUALITY	SEVERITY	CONFIDENCE	RULES
D-052	Mining module applied. Product-driven downstream emissions dominate: Category 10 at 85.6% of Scope 3 and Category 11 at 9.9%, against operational emissions of 2.1% of the footprint	Met on disclosure	The sector's characteristic exposure is quantified and broken out by commodity and process route, which is what the module asks for. The gap is the absence of a cap over it, at D-022	Decision-usefulness concern	High	SEC-MIN, S3-16, EV-12, EV-15
D-053	Fugitive methane from coal mining disclosed by measurement method per mine, with NGER Methods 1, 2 and 4 named per source and the open-cut factor finalisation timing explained; BHP states its coal joint venture does not expect to eliminate fugitive methane by CY2050	Met	Methods are named per mine and per source, and the limitation is stated. The 27% increase at D-008 and the unquantified model revision are the findings	Decision-usefulness concern	High	SEC-MIN, G-06, G-10, EV-35
D-054	Steelmaking decarbonisation pathways disclosed with current and end-state emissions intensities per route (blast furnace 2.2 to 0.4, direct reduced iron with electric smelting 1.2 to 0.4, electric arc 1.3 to 0.3, electrochemical 2.6 to under 0.1 tCO_2 per tonne of steel), with FY2026 pilot outcomes named by partner and site	Met	Substantive technical disclosure. It does not carry an emissions outcome for BHP's own inventory, which is the D-042 finding	Minor limitation	High	SEC-MIN, T-PROC-05, EV-45
D-055	Energy coal demand risk excluded from the identified climate-related risks on the Mt Arthur closure and NSWEC's earnings contribution; steelmaking coal demand retained as a transition risk with a quantified impairment sensitivity	No breach; the reasoning is disclosed and the exclusion is bounded by the closure decision	Minor limitation. Category 11 rose 9.8% in the reviewed year and NSWEC's own Scope 1 rose, so the source is growing over the period in which it is not treated as a risk	Minor limitation	Medium	S2-10, DR-05, A-05, EV-17, EV-53, EV-54
D-056	Portfolio composition disclosed: copper growth capital US$4.6 billion in FY2026 with a pipeline to FY2031, potash under development, Mt Arthur closing rather than being sold	Met	Scoped positive on composition. Closing rather than divesting a coal asset keeps the emissions inside the reporting boundary until they cease, which is the more testable outcome. Not netted against the target gaps	No apparent issue	High	SEC-MIN, SEC-FI-05A, A-16, EV-29, EV-54

D.9 Nature & physical risk (Section 14)

ID	FINDING	MINIMUM COMPLIANCE	DECISION-USEFULNESS / CLAIM QUALITY	SEVERITY	CONFIDENCE	RULES
D-057	Physical-risk studies quantitative at asset level FY2022 to FY2026 across named hazards, assets and scenarios (SSP2-4.5 at about 2.7°C, SSP5-8.5 at about 4.4°C), with the output measure stated as incremental production days or volume lost, and value-chain mapping of roads, rail, warehouses and ports	Met on relevance and methodology transparency	The coverage is what a knowledgeable investor would expect for this business type, and the methodology is transparent enough to interrogate. This review does not assess the scientific quality of the modelling	No apparent issue on relevance	High	N-01, N-04, S2-33, EV-42
D-058	**Outcomes of the physical-risk studies are disclosed qualitatively; adaptation expenditure is stated to be embedded in property, plant and equipment additions rather than separately identified**	No breach; AASB S2 permits non-quantification where measurement uncertainty is too high, and BHP invokes that	**Cannot verify: material evidence missing.** Studies producing a quantified output measure are reported without it, so the exposure cannot be sized	Decision-usefulness concern	High	N-04, S2-33, S2-35, A-05, EV-42

ID	FINDING	MINIMUM COMPLIANCE	DECISION-USEFULNESS / CLAIM QUALITY	SEVERITY	CONFIDENCE	RULES
D-059	**The financial statements' planning range moved to approximately 2.2°C to 2.5°C by CY2100, from around 2°C in FY2025, while the CY2050 net-zero goals were carried forward unchanged; BHP states the measures are not in place globally for 1.5°C**	Met on disclosure; the change and both figures are published in the audited accounts	**Decision-usefulness concern.** The commercial planning case and the climate goals moved in opposite directions in the same document and are not reconciled to each other	Decision-usefulness concern	High	S2-33, DR-05, A-01B, YOY-06, EV-40
D-060	Nature disclosures present but outside the climate perimeter: 246,000 hectares under a formal management plan including conservation, restoration or regenerative practices (3.8% against a 2 million hectare 2030 goal), one asset with a natural capital account; water withdrawals up 7% and discharges up 37%	Met at the level the module requires	Minor limitation. Progress against the nature goal is early relative to its 2030 date; the interaction with climate is acknowledged but the metrics are not used for climate risk assessment, which BHP states	Minor limitation	Medium	N-01, N-02, N-03

Annex E: Cross-rule escalation chains (AI-06 / AI-23)

CHAIN	BASE FINDING	ESCALATES TO	STATED LINK	RESULT
CH-01	D-006, the whole adjusted reduction is Scope 2 while Scope 1 rose	D-038 target headroom, D-041 capital profile, and the institutional row	The target is met on a combined figure whose larger component grew; BHP states the remaining reductions come from Scope 2 electricity, and the capital that would abate Scope 1 is scheduled after FY2030. The three findings are one mechanism, not three coincidences	Institutional criterion I3 defeated; I2 defeated
CH-02	D-015, the 80% renewable figure includes compliance certificates	D-017 the location-based reduction of 26.2%, and CL-02	The market-based reduction that delivers the target rests on certificates whose composition cannot be separated from the legislated grid share; on the physical basis the reduction is short of the target level	Real-reduction finding; certificate-integrity limitation; cannot-verify on composition
CH-03	D-022 and D-023, no cap over 97.9% of the footprint and BHP expects no movement	A-17 severity calibration, and the retail and public rows	The reader-facing net-zero framing covers a footprint with no pathway, on the entity's own statement. The unsubstantiated headline sets the ceiling and the operational and disclosure story does not lift it	R2 defeated; P2 defeated; A-17 ceiling applied
CH-04	D-047, a fifth of the reduction is a reversible suspension	D-038 headroom and the trajectory in section 3.4	If the asset restarts, emissions return to a baseline that retains it, against a ceiling only 0.47 $MtCO_2e$ above the current position	Target-confidence limitation, quantified by this review
CH-05	D-049, the pay-linked climate figure does not reconcile	Section 5.3 consistency, and the regulator row	An audited document states a gate the reported inventory satisfies and an outcome that says otherwise, resolved against an undisclosed reference point	G2 defeated; potential compliance concern on internal consistency
CH-06	D-034, structural abatement revised from about 85% to about 80%	CL-04, and D-059 the planning-case move	The net-zero goal moved further onto offsets in the same year the accounts moved to a hotter planning case, with the goal wording unchanged	Decision-usefulness concern; no target-weakening finding, because the goal itself did not change
CH-07	D-024, Category 10 estimated on a global average	D-042 the dollar-denominated steelmaking goal	The metric cannot register the abatement the goal exists to support, so success in the goal would be invisible in the inventory. BHP states both halves	Decision-usefulness concern on the pairing
CH-08	D-010 and D-013, bases consolidated and residual mix factor adopted	Carbon-accounting criteria A2 and A3	Two defects recorded in the prior period are closed by verifiable means: one basis where four existed, and a bridge that reconciles exactly	A2 partial and workable, A3 pass; no digit movement, criterion count improves

Annex F: NoCO2 Net Zero Required Interventions, CAAM & Prohibited Activities screen (OUT-05)

SCREEN	RESULT	BASIS
Prohibited Activities Schedule (1.1.2)	No prohibited activity identified. Thermal coal extraction is present at New South Wales Energy Coal and is scheduled to cease by the end of FY2030; metallurgical coal is an input to steelmaking rather than a combustion fuel. Recorded for completeness, not as a screen failure	EV-54; DOC-01 section 2.1.3
Required Interventions Schedule (4.7.1)	Not satisfied for the operational footprint. Diesel displacement, the intervention the Scope 1 profile calls for, is at proof-of-concept with deployment not expected across operations until after FY2030; fugitive methane abatement in open-cut mining has no proven technology at scale	EV-28, EV-35, D-007, D-046
Clean Alternative Assessment (4.7.2)	Partially evidenced. Alternatives are assessed and disclosed (electrification preferred, trolley assist and hybrid evaluated, biofuels monitored) with reasons for deferral stated. No credits were relied on this year, so the assessment has not yet had to gate an offset	DOC-01 section 2.1.3; EV-31
Accelerated Reduction Timeline (4.7.4)	Not satisfied. The FY2030 target rate derives from a well-below-2°C absolute contraction approach as it stood in FY2020, not a 1.5°C-aligned trajectory, and BHP does not claim otherwise. No trajectory covers Scope 3	EV-24, D-022, D-040
Net Zero Status (4.7.5)	Neither status is claimed or met. The operational goal is a net goal with a 3 to 5 $MtCO_2e$ residual for credits and a structural abatement estimate of about 80%; the value-chain goal is expressly uncertain and dependent on third parties	EV-30, EV-19, CL-04, CL-05
Abatement before offset (4.8.1)	Satisfied in the reviewed period. No voluntary credits were retired and none are counted toward the medium-term target; compliance surrenders are separately identified and excluded from target measurement	EV-31, EV-32, D-033
Carbon credit quality (4.8.2 to 4.8.4)	Cannot assess. Criteria are described but the underlying integrity standard was not provided, and no credits were sourced against a climate target this year	EV-31, D-036

Annex G: Rule-application table

RULE	APPLIED TO	OUTCOME
A-01A	Annex A completeness screen	Two evidentiary items not provided (DOC-07 summary only, DOC-08 absent); dependent areas to cannot-verify; no implication that the records do not exist
A-01B	Audited Annual Report as primary, databook as supplementary	No conflict found; the two reconcile throughout. The audited source governs where a figure appears in both
A-01C / DR-02, DR-03	NGER FY2024-25 against disclosed Scope 1	Reconciles for FY2025 once the Australian boundary and the separately registered BM Alliance Coal Operations are accounted for. FY2026 not testable until the register publishes
A-04	All severity labels in Annex D	Permitted scale only; one potential compliance concern (D-049), no serious compliance or misleading-risk concern recorded
A-05	D-008, D-015, D-027, D-030, D-036, D-058; Annex H	Nine cannot-verify items, each stated with what would resolve it. No absence treated as proof either way
A-16	Disclosure quality, candour, restatement transparency, non-validation disclosure, continuity of targets	None credited as a positive. Recorded in section 4.1 where it changes what a reader can find, with the no-credit position stated
A-17	Overall calibration	The reader-facing net-zero framing over 97.9% of the footprint is unsubstantiated as a pathway. The operational and disclosure story does not lift the ceiling for the audiences it misleads
A-18	Discontinued equity-share and financial-control bases; the FY2021 voluntary retirements not repeated	Neither scored as a positive nor as a fault. The basis discontinuation is assessed on its consequence for reconcilability (D-010), not as an exit

RULE	APPLIED TO	OUTCOME
A-19 / G-BAU	D-006, D-017, D-023, D-030, D-047	Grid factor movement and certificate effects separated from own action; the suspension identified as structural and reversible; undisclosed splits to cannot-verify
A-21	D-045 the missed milestone, D-046 the technology dependency, the stated intention to adopt more customer-specific Category 10 methodology	Forward candour treated as neither fault nor credit. The Category 10 method intention is not used as evidence the present treatment is deficient; D-024 rests on the disclosed limitation of the present method itself
AI-19	D-008, D-049, D-058	Confidence recorded separately from severity in every row; no strong severity word used where the evidence is the gap
AI-20	D-049, section 5	No allegation of misleading conduct, non-compliance or greenwashing. The pay-metric discrepancy is recorded as an inconsistency and a cannot-verify, with no inference as to cause
AI-25	The FY2025 diagnosis	Not reopened, not re-marked, not re-rendered. This is a new period folder beside it
G-04, G-06, G-07, G-20	Boundary and scope decomposition	Operational control disclosed and now uniform. Every combined figure decomposed. Categories 8 and 14 treated as relevance determinations under the boundary, not as exclusions from within it; the which-scope test is not used to excuse any Scope 3 omission
G-10 / GHG-STD-08	D-009, D-011, D-039, D-052, EV-05, EV-14, EV-36, EV-52	Every restatement located; those quantified are recorded as such, those not quantified go to cannot-verify or a minor limitation
OUT-STK-04 / AMD-032 / AMD-034	Annex L	Nineteen criteria enumerated and counted before scoring; the two single-defeat rows reasoned by ID
OUT-STK-13	A1	The rebuttal test is satisfied by a full GHG Protocol category breakdown with the excluded categories named, so the completeness criterion is not defeated and the cap is not applied
OUT-TB-14	Whole report	No cross-report comparison or cohort ranking. CL-08's peer-quartile claim is recorded as a company claim and not adopted or tested comparatively
OUT-TB-21	CL-02	The 80% figure is a proportion of a named quantity and is bounded on its face, so it is tested on whether the coverage is real and evidenced rather than on being smaller than a reader expected
S2-45, S2-46	D-002, D-003, D-050	First-year reliefs and phased assurance applied as fairness controls; not scored against the entity
S3-EST	D-024, D-030	Estimation basis not scored. Spend-based and average-data methods recorded as the expected starting point; the finding is the metric's inability to register abatement, which BHP states
T-14	D-022, D-034, D-038, D-043	The intensity-based shipping goal carries its absolute trend beside it; the operational target is shown not to cap growth
T-BASE-01, T-BASE-02	D-039, D-047	Baseline movement located and its direction on the ceiling stated; the suspended asset correctly retained in the baseline
YOY-01 to YOY-08	Section 3.4, Annex K	Seven-period series built on one boundary; six disclosed changes tracked; a full-text comparison against the prior suite and the transition plan found no silent withdrawal of a target or commitment

Annex H: Evidence requests / cannot-verify items (AI-21 / A-05)

ID	REQUEST	LABEL	DEPENDENT FINDINGS
K-01	Split of the 8.4 million FY2026 renewable energy certificates between compliance-driven and voluntary surrender, and between agreement-sourced and secondary-market purchase	Evidence not provided	D-015, CL-02
K-02	Post-year-end validation outcome for the Chilean and Australian certificate surrenders	Evidence not provided	D-020

ID	REQUEST	LABEL	DEPENDENT FINDINGS
K-03	Tonnage effect of the revised New South Wales Energy Coal methane emissions model, separated from the activity change	Material evidence missing	D-008
K-04	Tonnage added by the Escondida contractor-diesel measurement change, and its treatment in the target series	Evidence not provided	D-009
K-05	Indicative bounding estimate for Categories 5, 12 and 13 and for the excluded Category 10 product streams	Evidence not provided	D-027, D-028
K-06	Split of Category 1 movement between the Quantis-to-CEDA factor change, the four suppliers' product-level data, and spend	Evidence not provided	D-030
K-07	Quantified contribution of the Western Australia Nickel suspension to the reported 33% reduction	Evidence not provided; the inputs are published and the review has computed an indicative figure	D-047
K-08	Quantified output of the completed asset-level physical-risk studies, and separately identified adaptation expenditure	Material evidence missing	D-058
K-09	The carbon-credit integrity standard document, and the screening outcome for credits acquired against the long-term goal	Evidence not provided	D-036
K-10	The production-adjusted budget against which the FY2026 climate remuneration outcome was assessed	Material evidence missing, because a strong claim about executive pay depends on it	D-049, CL-11
K-11	Reconciliation between iron ore production volume, approved port capacity and the value-chain goal	Material evidence missing	D-025
K-12	FY2025-26 NGER register publication, for the statutory reconciliation of the reviewed year	Evidence not yet available	EV-47

Annex I: Evidence-chain & triggered-scan log (AI-10)

TRIGGER DETECTED	FOLLOW-UP SCANS RUN	SECTIONS LOADED	OUTCOME
Net zero claim (operations and value chain, CY2050)	Target boundary, transition plan, Scope 1/2/3, gross versus net, residual emissions, offsets, removals, assurance scope, prior claims, reader-burden caveats	10, 11, 03	D-034, D-022, CL-04, CL-05
Target achievement / "on track"	Boundary, baseline, current year, progress calculation, gross versus net, offsets, Scope 3 coverage, method changes, restatements, assurance, remuneration links	11	D-037 to D-041, D-047, D-049
100% renewable and market-based Scope 2	Location versus market-based, consumption, certificate and agreement evidence, ownership, retirement, timing, residual mix, wording	08	D-013 to D-020, CL-02
Scope 3 disclosed / categories omitted	Category coverage, business-model-obvious categories, exclusions, data quality, spend versus supplier-specific, target boundary, consistency	09	D-021 to D-032
Assurance statement	Subject matter, level, assured metrics, exclusions, qualifications, Scope 3 completeness, whether nearby claims imply broader assurance	12	D-050
Climate-linked remuneration	Metric boundary, gross versus net, Scope 3 inclusion, certificates, target progress, assurance, controls	12	D-049, CL-11

TRIGGER DETECTED	FOLLOW-UP SCANS RUN	SECTIONS LOADED	OUTCOME
Method / boundary / factor / base-year / restatement change	Time-series comparability, baseline recalculation, target progress, real versus accounting movement, acquisitions and divestments, peer comparability	06, 11	D-004, D-009, D-011, D-013, D-039, D-052
Coverage percentage claim	Numerator, denominator, excluded categories	11, 09	D-022, D-042 (the coverage question is answered against the 429.030 $MtCO_2e$ denominator)
Externally dependent target	Target year versus dependency pathway, disclosed bridge, fallback actions	11	D-046, CL-05, CL-06
Supplier-engagement / process metric	Engagement is not Scope 3 reduction; measured trajectory required	09, 03	D-031, D-042
Market-based headline reduction	Co-locate gross and location-based trend; decompose physical versus contractual; chain to pay and finance	08	D-017, D-015, CH-02, CH-05
Any reduction or target-progress claim (business-as-usual decomposition)	Scope 2 grid factor versus consumption versus instruments; Scope 3 activity versus factor versus supplier decarbonisation	06, 03	D-006, D-017, D-023, D-030, D-047
Any combined Scope 1+2 figure	Decompose into Scope 1 and Scope 2, and Scope 2 into location and market-based, wherever the split exists	06, 07, 08	D-005, D-006, D-017; no combined figure analysed without its split
Entity holds material equity investments	Category 15 look-through, inherited growth exposure	13, 11	D-032; small and fully itemised
Australian entity / metric appearing in more than one place	NGER register lookup and cross-source consistency matrix, boundary normalised first	16, 01	EV-47, Annex J; one internal inconsistency survives normalisation (D-049)
More than one reporting period or report type	Multi-period series across every year and report type up to and ending at FY2026; trajectory, restatements, dropped disclosures, target weakening, cross-report divergence, certification continuity	17, 06, 11	Section 3.4, Annex K; six disclosed changes tracked, no silent withdrawal found
Source described as controlled by another party	Which-scope test before any exclusion or cannot-verify finding	06, 09	D-027, L-05
Completeness word beside a named quantity	Bounded-on-its-face test before testing the claim	02	L-06, CL-02
Disclosed intention to review or improve a method	Forward candour is neither fault nor credit	03, 17	L-08, D-045, D-046
SBTi / science-based / Paris-aligned label	Exact validated wording, version, validation date, validated-versus-claimed gap	11, 03	D-040; no such label is used, and non-validation is disclosed

Annex J: Cross-source consistency matrix & disclosure-risk register (DR-01..DR-07 / A-01C / OUT-TB-18)

Cross-source consistency matrix (DR-02). Boundary and period normalised before any divergence is recorded.

METRIC / CLAIM	ANNUAL REPORT (AUDITED)	ESG DATABOOK	NGER REGISTER	TRANSITION PLAN (CTAP 2024)	DIVERGENCE AFTER NORMALISATION
Scope 1, FY2026	7.6 $MtCO_2e$ (Table 6, rounded to 0.1)	7.644 $MtCO_2e$	FY2025-26 not published	n/a	None. The Annual Report rounds to 0.1 $MtCO_2e$ and says so
Scope 2 market-based, FY2026	1.7 $MtCO_2e$	1.720 $MtCO_2e$	n/a	n/a	None

METRIC / CLAIM	ANNUAL REPORT (AUDITED)	ESG DATABOOK	NGER REGISTER	TRANSITION PLAN (CTAP 2024)	DIVERGENCE AFTER NORMALISATION
Scope 2 location-based, FY2026	3.3 $MtCO_2e$	3.250 $MtCO_2e$	n/a	n/a	None
Scope 3 total, FY2026	429.0 $MtCO_2e$	429.030 $MtCO_2e$	n/a	n/a	None; categories sum exactly to the total
Australian Scope 1, FY2025	7.341 $MtCO_2e$ global, of which about 5.9 is Australian once Chile (1.44) and Canada are removed	Same, by asset	5.965 $MtCO_2e$ (BHP Group Limited 3.379 plus BM Alliance Coal Operations 2.586)	n/a	None material, within about 1%. The separate registration of the coal joint venture is the reconciling item and is identifiable from the register
Target progress, FY2025	34% (restated, stated with the previous 36%)	34%	n/a	n/a	None; the restatement is disclosed in both directions
Renewable electricity, FY2025	77% (restated, stated with the previous 73%)	76.9%	n/a	n/a	None; the restatement is disclosed
CY2050 structural abatement	"up to around 80 per cent"	n/a	n/a	"up to around 85 per cent"	Disclosed change, with the reason given. Recorded as a tracked movement, not an inconsistency
Decarbonisation capital to the target year	About US$0.5 billion FY2028 to FY2031, plus US$50 million FY2027	n/a	n/a	Up to US$4 billion contemplated for the period before FY2030	Disclosed change; BHP states technology development has been slower than CTAP 2024 contemplated. The FY2026 report does not restate the superseded figure
Operational GHG emissions, FY2026, for remuneration purposes	Gate "equal to or below 9.5Mt"; outcome "marginally (less than 1%) above the scorecard target"	9.364 $MtCO_2e$	n/a	n/a	**Unresolved divergence within the audited Annual Report.** 9.364 is 1.4% below 9.5. The stated reconciling item, a production-adjusted budget, is disclosed nowhere
Category 10 excluded product streams	n/a	"zinc, gold, silver, ethane, cobalt and uranium oxide"	n/a	n/a	**Internal inconsistency with the portfolio disclosed elsewhere in the same Annual Report**: ethane exited with Petroleum in FY2022; molybdenum is produced and is not named

Disclosure-risk register (DR-01 to DR-07).

ID	LENS	EXPOSURE	CONFIDENCE	ROUTE
O-01	DR-02 internal consistency	The pay-linked climate figure reconciles to no published emissions figure, in an audited document, and the reconciling reference point is undisclosed	High on the discrepancy, cannot determine on cause	§5.3, D-049, K-10
O-02	DR-02 internal consistency	The Category 10 exclusion list describes a former portfolio	High	§5.3, D-028
O-03	DR-01 composite impression	A summary page carrying four reductions and no rise, over a footprint 97.9% of which has no target and is growing	Medium to high	§5.1, §5.3, D-022, D-023
O-04	DR-04 regulatory	Safeguard Mechanism obligations quantified to FY2030 and unquantified beyond, pending the FY2027 scheme review; US$51.4 billion of carrying value in covered units	High	§5.2, D-035, EV-32, EV-41
O-05	DR-05 transition	Steelmaking coal demand risk with a quantified US$2.5 billion illustrative impairment under a 1.5°C-aligned scenario; energy coal demand excluded from identified risks while Category 11 rose 9.8%	High on the disclosure, medium on the exclusion	§5.2, D-055, EV-41
O-06	DR-05 transition	The accounts' planning case moved to 2.2°C to 2.5°C while the CY2050 goals were carried forward unchanged and the structural abatement estimate behind them fell, without reconciliation	High	§5.1, §5.2, D-059, D-034
O-07	DR-06 physical	Asset-level quantitative studies completed and reported qualitatively; adaptation spend not separately identified	High	§5.2, D-058, K-08

ID	LENS	EXPOSURE	CONFIDENCE	ROUTE
O-08	DR-07 claim quality	The renewable-electricity claim's composition cannot be separated from the legislated grid share	High on the inclusion, cannot determine on proportions	§5.2, D-015, K-01
O-09	DR-03 statutory	The reviewed year cannot be reconciled against the regulator-facing return until the FY2025-26 register publishes; the FY2024-25 reconciliation is clean	High	§5.3, EV-47, K-12

Annex K: Longitudinal series & cross-period tracking register (YOY-01..08 / OUT-TB-19)

Longitudinal series. Seven periods, FY2020 to FY2026. Operational figures are the unadjusted total-operations inventory except where the adjusted target basis is named; the Scope 3 series is the FY2026 reported inventory with prior years restated to the operational-control boundary, so it is internally consistent and differs from the series published in earlier reports.

SERIES	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Scope 1 ($MtCO_2e$)	9.623	10.129	9.065	8.035	8.125	7.341	7.644
Scope 1 diesel	6.320	6.398	6.119	5.982	6.176	5.887	6.040
Scope 1 fugitive	2.043	2.324	1.639	1.316	1.192	0.893	1.129
Scope 1 methane (as CO_2e)	1.83	2.20	1.54	1.27	1.16	0.85	1.08
Scope 2 market-based	6.302	6.190	3.105	1.867	1.874	1.318	1.720
Scope 2 location-based	5.148	4.961	4.954	3.964	3.675	3.138	3.250
Operational total, market-based	15.925	16.319	12.170	9.902	9.999	8.659	9.364
Operational total, location-based	14.771	15.090	14.019	11.999	11.800	10.479	10.894
Operational total, adjusted target basis	14.1	14.5	10.9	10.2	10.0	9.3	9.4
Adjusted Scope 1	7.4	7.6	7.1	7.3	7.4	7.3	7.6
Adjusted Scope 2	6.7	6.9	3.8	2.9	2.6	2.0	1.7
Progress against baseline (%)	0	+3	−23	−28	−29	−34	−33
Scope 3 C1 (incl. C2)	9.2	9.3	8.8	9.4	11.7	10.9	9.7
Scope 3 C3	2.6	2.3	2.5	3.1	3.1	2.6	2.1
Scope 3 C4	5.0	5.2	4.9	4.8	4.8	4.6	4.6
Scope 3 C6	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Scope 3 C7	0.2	0.4	0.3	0.2	0.3	0.3	0.3
Scope 3 C9	3.2	3.3	3.5	2.5	2.5	2.0	1.8
Scope 3 C10	345.9	351.5	354.0	360.7	363.9	363.8	367.2
of which iron ore to crude steel	270.2	276.1	288.2	301.5	317.0	326.1	328.6

SERIES	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
of which metallurgical coal to crude steel	74.4	74.2	64.2	57.3	44.9	36.0	37.0
Scope 3 C11	79.5	73.0	76.8	39.5	39.3	38.7	42.5
Scope 3 C15	2.634	2.701	2.549	0.594	0.661	0.653	0.730
Scope 3 total, reported	448.334	447.801	453.449	420.894	426.361	423.653	429.030
Scope 3 total, adjusted goal basis	352.6	356.7	364.4	371.6	376.8	376.7	383.8
Scope 3 against reference (%)	0	+1	+3	+5	+7	+7	+9
Direct suppliers, goal basis	12.2	12.3	12.1	13.7	14.5	13.4	12.2
Shipping absolute, goal basis	6.6	7.2	7.1	6.4	6.2	5.8	5.7
Shipping intensity (gCO_2e/dwt/nm)	n/a	n/a	n/a	3.500	3.405	3.290	3.139
Electricity consumed (PJ)	36.324	37.053	36.950	38.580	40.239	37.983	38.118
Renewable electricity (%)	5	5	48	68	71	77	80
Emissions intensity (tCO_2e/t Cu-eq)	3.07	3.23	2.51	2.06	2.09	1.82	2.00
Voluntary credits retired ($MtCO_2e$)	0	0.3	0	0	0	0	0

Cross-period tracking register.

ID	OBSERVATION	PERIODS	CHAIN	TREATMENT
P-01	Operational emissions on the target basis rose for the first time since FY2021, and progress against the baseline moved from 34% to 33%	FY2025 to FY2026	YOY-01, A-19	Change recorded after normalisation; both years are on the same adjusted basis. Disclosed by BHP on the summary page
P-02	The residual mix factor was adopted at the Australian assets, raising the FY2020 baseline 13.6 to 14.1 $MtCO_2e$, restating FY2025 from 36% to 34%, and raising the absolute FY2030 ceiling from about 9.5 to 9.87	FY2020 to FY2026	YOY-03, G-10, T-BASE-01	Disclosed restatement with both figures. The effect on the ceiling is this review's computation and is not stated by BHP
P-03	The Scope 3 organisational boundary moved to operational control, restating six years and lifting the FY2025 reported total from 378.2 to 423.7 $MtCO_2e$	FY2020 to FY2026	YOY-03, G-10, S3-25	Disclosed, required by AASB S2, driver named. Recorded as a comparability event with the magnitude stated
P-04	Equity-share and financial-control reporting bases discontinued	FY2026	YOY-04, SEC-SF-11	A dropped disclosure that closes a competing-totals gap. Assessed on its consequence, not as an exit (L-03)
P-05	The CY2050 structural abatement estimate fell from about 85% to about 80% of the FY2020 reference, with the goal wording unchanged	CTAP 2024 to FY2026	YOY-05, T-14, A-18	Disclosed change with a reason. Not a target weakening, because the goal did not change; recorded as increased offset reliance (D-034)
P-06	The decarbonisation capital programme for the period to the target year remains about US$0.5 billion, against up to US$4 billion contemplated in CTAP 2024, with at least US$4 billion now placed in the 2030s	FY2024 to FY2026	YOY-05, T-13	The FY2025 review recorded the reduction; FY2026 confirms it and dates the deferred spend. The superseded figure is not restated in the FY2026 report
P-07	The financial statements' planning range moved from around 2°C to approximately 2.2°C to 2.5°C by CY2100	FY2025 to FY2026	YOY-06, DR-05, A-01B	Disclosed in the audited accounts with both figures and a reason. Recorded as unreconciled against the unchanged CY2050 goals (D-059)
P-08	Methane rose 27.1% and fugitive sources 26.4%, reversing four consecutive years of decline	FY2025 to FY2026	YOY-01, G-10, A-19	Change recorded; the split between the physical increase and the New South Wales Energy Coal model revision is undisclosed and goes to cannot-verify (D-008)

ID	OBSERVATION	PERIODS	CHAIN	TREATMENT
P-09	Western Australia Nickel fell from 320 to 80 ktCO_2e as the suspension deepened, having been 1,060 in FY2020	FY2020 to FY2026	A-19, G-BAU, T-BASE-02	Retained in the baseline, correctly. Contribution to reported progress computed by this review at about a fifth of the adjusted fall (D-047)
P-10	A pay-linked climate figure that reconciles to no published emissions figure recurs, in a different form from FY2025	FY2025 to FY2026	YOY-05, DR-02, GOV-09	The FY2025 defect was a unit error and a non-reconciliation; the FY2026 defect is a gate the reported inventory satisfies with an outcome stated against an undisclosed budget. Recorded as a recurrence of the class, not of the instance (D-049)
P-11	The Category 10 excluded-product-stream list is unchanged and still names ethane, exited in FY2022, while omitting molybdenum	FY2025 to FY2026	YOY-05, S3-25	A defect recorded in the prior period and not remedied (D-028)
P-12	Targets and goals are unchanged from the FY2025 Annual Report and CTAP 2024, stated in terms and confirmed by full-text comparison of the current suite	FY2024 to FY2026	YOY-05, A-18, S2-41	No silent withdrawal of a target, goal or commitment was found. Continuity earns no credit; recorded because a withdrawal would have been a finding
P-13	The shipping intensity goal passed its CY2030 level four years early, reaching 46.3% against a 40% goal	CY2008 to FY2026	YOY-01, T-14	Genuine intensity gain, with the absolute series co-located. The goal has not been tightened following early achievement
P-14	Category 1 fell 11% after four years of increase, on a factor change and supplier data rather than a measured reduction	FY2024 to FY2026	YOY-01, G-10, S3-EST	Change recorded; the split is undisclosed and goes to cannot-verify (D-030)
P-15	Reasonable assurance over Scope 1 and Scope 2 is now given under a statutory framework, with an unqualified opinion citing the Corporations Act provisions	FY2025 to FY2026	YOY-07, GOV-12	Recorded as the regime's phasing taking effect. Not credited as an improvement above baseline

Prepared by Carbon Reduction Institute (CRI) under the Climate Disclosure Review Rules v15.23. Decision Useful Diagnosis 021, FY2026.

Prepared under the Climate Disclosure Review Rules v15.23 (controlled AI-assisted review). The body (§1–§7) states the verdict and may be issued on its own; the annexes are the working layer. General information only: not legal, financial or investment advice, an audit, an assurance opinion, or a NoCO2 certification or conformance determination. © Carbon Reduction Institute Pty Ltd, ABN 26 122 969 233.

Annex L: How each score was reached

Each audience score is built from a fixed set of load-bearing criteria, marked before the score is set. "Partial" means the criterion is satisfied only with reader effort that this audience can reasonably spend, not a soft failure. The count matters as well as the score: a score can reach its floor on two failed criteria, so two reports sharing a score may sit some distance apart on the detail below.

ID	AUDIENCE	CRITERION	VERDICT	WHY
A1	Carbon accounting	No material category excluded (Scope 1/2/3, incl. downstream Scope 3 where material)	partial (workable)	**OUT-STK-13's own rebuttal test is satisfied**: a full GHG Protocol category breakdown is published, nine categories quantified, five named as excluded with reasons, no unbounded "other" aggregate, and the categories sum exactly to the stated total. The cap is therefore not applied. **Workable:** the accountant treats Categories 5, 12 and 13 and the named Category 10 product streams as nil, and records that no bound is published; the data used is the full seven-year category table. Categories 8 and 14 are relevance determinations under the operational-control boundary and the absence of franchising, not exclusions from within the boundary. The residual is small and plausibly complete for a miner. Not counted. Carried as an improvement note: the exclusion list describes a portfolio BHP no longer has
A2	Carbon accounting	A single reconcilable footprint (no competing totals)	partial (workable)	**The prior period's defect is closed.** Equity-share and financial-control reporting are discontinued, leaving operational control alone, and the Scope 3 boundary is aligned to Scope 1 and Scope 2 with six years restated. The unadjusted and adjusted totals now reconcile **arithmetically**: FY2020 15.925 less 2.300 plus 0.500 equals 14.1; FY2025 8.659 plus 0.600 equals 9.3; FY2026 9.364 plus nil equals 9.4. **Workable:** the accountant takes the unadjusted inventory for the reported footprint and the adjusted series for like-for-like, and bridges them with the published adjustment rows. What remains is that Table 6's FY2025 Scope 2 comparative is not restated onto the residual-mix-factor basis, which the comparatives relief permits and which the adjusted series corrects elsewhere. Not counted

ID	AUDIENCE	CRITERION	VERDICT	WHY
A3	Carbon accounting	Method, boundary and version transparency (incl. restatements disclosed)	Pass	Method disclosed per scope and per source, with NGER Methods 1, 2 and 4 named per coal mine, emission-factor sources named per category, and the global-warming-potential basis stated per asset group. Every restatement this year is located and most are quantified: the residual mix factor in both directions, the Samarco Category 1 correction at 1.1 $MtCO_2e$, the Tamakaya reclassification, the location-based grid factors for FY2022 and FY2023 with previous values, and the Scope 3 boundary change with its driver. The one unquantified item, the Escondida diesel measurement change, is disclosed as not restated and its direction increases the reported distance from the baseline. Reasonable assurance over Scope 1 and Scope 2
A4	Carbon accounting	Granularity and assurance sufficient to lift into a third party's inventory	Pass	Scope 1 by source, by gas and by asset; Scope 2 on both bases with market-based by asset; Scope 3 by category, and by sub-category and product for the material ones; Category 15 by investee; the AASB S2 consolidated-group and other-investees disaggregation; seven years throughout. Reasonable assurance on Scope 1 and Scope 2, limited on Scope 3. Improvement note: location-based Scope 2 is group-level only, so regional electricity emissions cannot be lifted on the physical basis
I1	Institutional investors	Physical risk disclosed and financially linked or quantified (N-04)	Not met	Relevance and methodology are documented in detail: asset-level quantitative studies FY2022 to FY2026, named hazards, named assets, named scenarios, a stated output measure and value-chain mapping. But the criterion's second limb, financially linked or quantified, is not met: the outcomes are disclosed qualitatively and adaptation spend is embedded in property, plant and equipment rather than separately identified, so **no reader action on disclosed data yields the exposure**. Because no specific reader action and no specific disclosed data can be named, AMD-032 requires this partial to count as defeated rather than as a workable partial. It is not a read-down criterion, so it does not drive the row on its own
I2	Institutional investors	Transition risk: target credibility, absolute caps or visible / derivable headroom	Not met	Nothing caps 97.9% of the footprint, and BHP states it does not anticipate significant Scope 3 reductions other than one mine closure. On the 2.1% that carries an absolute target the headroom is derivable and loose: the FY2030 ceiling of 9.87 $MtCO_2e$ sits 5.0% above FY2026, and 53.6 of the 132 $MtCO_2e$ carbon budget remains for four years against a 9.4 run rate, 42.6% above it. The capital behind the target is US$30 million in FY2026, under 1% of group capital expenditure, with at least US$4 billion placed after the target year. The CY2050 structural abatement estimate fell from about 85% to about 80%
I3	Institutional investors	Target achievement: met with real reductions, progress stated honestly	Not met	**The real-reduction limb fails; the honesty limb passes.** On the target's own adjusted basis the entire reduction is Scope 2 and Scope 1 rose 2.7% above baseline while being 81% of operational emissions. On physical electricity the reduction is 26.2%, short of the 30% required. About a fifth of the reduction is a reversible suspension. The 80% renewable figure includes certificates surrendered against a legislated obligation, with the split undisclosed. Against that, progress is stated honestly and unusually plainly: the backward step from 34% to 33% is printed beside the headline, the residual-mix-factor restatement is given with both figures, and the suspension is footnoted on the same page. Honesty of statement does not cure absence of real reduction, so the criterion falls
I4	Institutional investors	Portfolio / financed-emissions exposure completeness	Pass	Not a financial institution. Category 15 is the equity look-through and is quantified investee by investee at 0.730 $MtCO_2e$, restated for the Tamakaya transfer. Nothing material is outside it
I5	Institutional investors	Flow-through / look-through exposure raised and quantified	partial (workable)	The characteristic flow-through for a miner is customer processing, and it is quantified at 367.2 $MtCO_2e$, split by commodity and by process route, with the emission factor source named. **Workable:** the investor applies the disclosed IEA global-average steelmaking intensity to the disclosed production volumes and the approved port capacity position in the same Annual Report to size the forward exposure. What BHP does not publish is that reconciliation itself, which is the D-025 finding rather than an absence of data. Not counted
I6	Institutional investors	Reconstructability by a sophisticated reader	Pass	Every finding in this review is derivable from BHP's own published suite. The databook carries seven years by asset, source, gas and category; the adjustment rows bridge the two bases exactly; the target tables specify baseline, metric, gases, boundary, exclusions, carbon budget and validation status; a quantified 1.5°C impairment sensitivity and the carrying value exposed to the Safeguard Mechanism are published
R1	Retail investors	Headline-to-evidence match without cross-document reconstruction	partial (workable)	**Workable, and it resolves in BHP's favour on the operational headline.** The reader reads the summary page: "33%" carries "This compares to a 34% reduction in FY2025" directly beneath it, the nickel suspension is footnoted on the same page, and the renewable figure's footnote pointer is printed on the page that carries the claim. The value-chain headline is where it strains: "Reduced value chain GHG emissions 46%" is set in headline type, but its boundary, the intensity of BHP-chartered shipping from a CY2008 baseline, is printed immediately beneath it, so the correction is co-located and legible and the criterion reads down rather than falling. The composite impression that survives reading the whole page is carried to P2, where it belongs. Not counted
R2	Retail investors	Targets cover the material sources; achievement stated honestly	Not met	**Coverage fails outright.** No target of any kind covers 97.9% of the footprint; the long-term value-chain position is a goal, and the only medium-term commitments over it are an intensity goal covering 1.3% of Scope 3 that is already past its CY2030 level, and a technology-support goal whose published metric is US$186 million committed. BHP states it does not anticipate significant Scope 3 reductions other than the Mt Arthur closure. A retail reader cannot tell whether the company has a plan for the emissions that actually matter, because on BHP's own statement it does not have one
R3	Retail investors	Material risks are legible	partial (workable)	**Workable:** the reader reads Table 1, which sets out three transition risks, one opportunity and one physical risk, each with named vulnerable assets, a metric, strategy and management actions, and current financial effects carrying dollar figures (Safeguard Mechanism obligation US$23 million, carbon credit assets US$71 million, decarbonisation spend US$65 million, copper growth capital US$4.6 billion, carrying value US$51.4 billion exposed to the Safeguard Mechanism). Physical-risk magnitudes are absent, which is the I1 gap; existence and location are legible. Not counted

ID	AUDIENCE	CRITERION	VERDICT	WHY
R4	Retail investors	Caveats findable, understandable and fairly presented	partial (workable)	**Workable, and this is a strength of the document.** The qualifications sit where the reader is looking: the backward step beside the headline percentage, the restatement with both figures, the suspension footnoted on the same page, the missed Escondida milestone disclosed in the performance section, and the value-chain reality ("we do not currently anticipate significant reductions") in the same section as the goal it qualifies. One gap: that the 80% renewable figure includes compliance-driven certificates is in a footnote on the following page rather than beside the claim. Not counted
P1	Consumers & public	Public claims literally true within their implied boundary	partial (workable)	**Resolves in BHP's favour.** The operational target claim names its own boundary in the claim itself ("Scopes 1 and 2 emissions from our operated assets") and is arithmetically correct on the disclosed adjusted basis. The value-chain 46% is true of the object stated beneath it. The CY2050 positions are labelled goals and carry their offset residual and uncertainty. The one strain is the 80% renewable figure, which describes a contractual attribute as a property of "electricity sourced" while 99.45% of that electricity is drawn from grids; that is the accepted market-based convention and the mechanism, including the inclusion of compliance certificates, is disclosed in the footnote. **Workable:** the mechanism is stated where a reader following the footnote pointer will find it. Not counted
P2	Consumers & public	No greenwashing or misleading composite impression	Not met	Individually careful statements compose, for a general reader, into a company decarbonising across its business. The summary page carries four reductions and no rise. Underneath: 97.9% of the footprint has no target, is 8.8% above its reference year, rose again this year, and is not expected to fall other than through one closure; the largest single line is 328.6 $MtCO_2e$ and rising; energy coal burned by customers rose 9.8%; the operational reduction is electricity contracting plus a reversible suspension with Scope 1 above its baseline; methane rose 27%; decarbonisation capital was under 1% of group capital expenditure against US$4.6 billion of copper growth capital; and the accounts moved to a 2.2°C to 2.5°C planning case while the CY2050 goals were carried forward. This audience has the lowest caveat tolerance, and no caveat placement cures a composite of that size
P3	Consumers & public	Genuine climate action visible versus inaction	partial (workable)	**Workable, and the action is real, physical and in places irreversible.** Chilean mines on 100% renewable electricity since CY2022; the Queensland coal mines reaching it from July 2026; a solar and battery plant commissioned at Port Hedland and a Neoen wind and battery supply started for Copper South Australia; two battery-electric haul trucks and four battery-electric locomotives in trial; an open-cut methane drainage trial started and gas resource drilling completed at Saraji; Mt Arthur closing rather than being sold, which keeps the emissions inside the boundary until they cease; carbon capture pilots completed with two steelmakers; US$186 million committed to steelmaking partnerships. Against it: the Escondida boiler milestone missed, diesel displacement not expected before FY2030, and decarbonisation capital under 1% of the total. Not counted
G1	Regulators	Standards compliance / readiness (AASB S2, Ch 2M, GHG Protocol, PCAF)	Pass	**This is the criterion that moved.** FY2026 is the first mandatory period and it is delivered as statutory climate statements under Division 1 of Part 2M.3 with a directors' declaration; Ernst & Young gives an unqualified opinion that Scope 1 and Scope 2 comply with sections 296A(2), 296C and 296D and an unmodified review conclusion that nothing causes it to believe the Sustainability Report does not comply with the Act and AASB S2. The three reliefs elected are named and located, and comparatives were given voluntarily notwithstanding the comparatives relief. The Scope 3 boundary was aligned to operational control as the standard requires and the residual mix factor adopted as the Scope 2 Guidance requires. First-year reliefs and the phased assurance perimeter are fairness controls and are not scored against the entity
G2	Regulators	Cross-source / audience consistency	Not met	**The regulator-facing limb is clean and the criterion falls on internal consistency within the audited Annual Report.** On the FY2024-25 register, BHP Group Limited at 3.379 $MtCO_2e$ and BM Alliance Coal Operations at 2.586 combine to 5.965, consistent with the Australian portion of disclosed FY2025 Scope 1; the databook and Annual Report reconcile throughout. Against that: the climate gate on 10% of the Chief Executive's short-term award is stated as "equal to or below 9.5Mt" with the outcome described as "marginally (less than 1%) above the scorecard target", resolved against an undisclosed production-adjusted budget, while the same document reports 9.364 to 9.4 $MtCO_2e$, 1.4% below the stated gate; and the Category 10 exclusion list describes a portfolio BHP no longer has. The pay-metric defect is the same class recorded in the prior period