ACCR

LATEST INSIGHTS INTO BHP'S OPERATIONAL DECARBONISATION PATHWAY

Investor Briefing

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CATALYSING CHANGE
FOR A SECURE FUTURE

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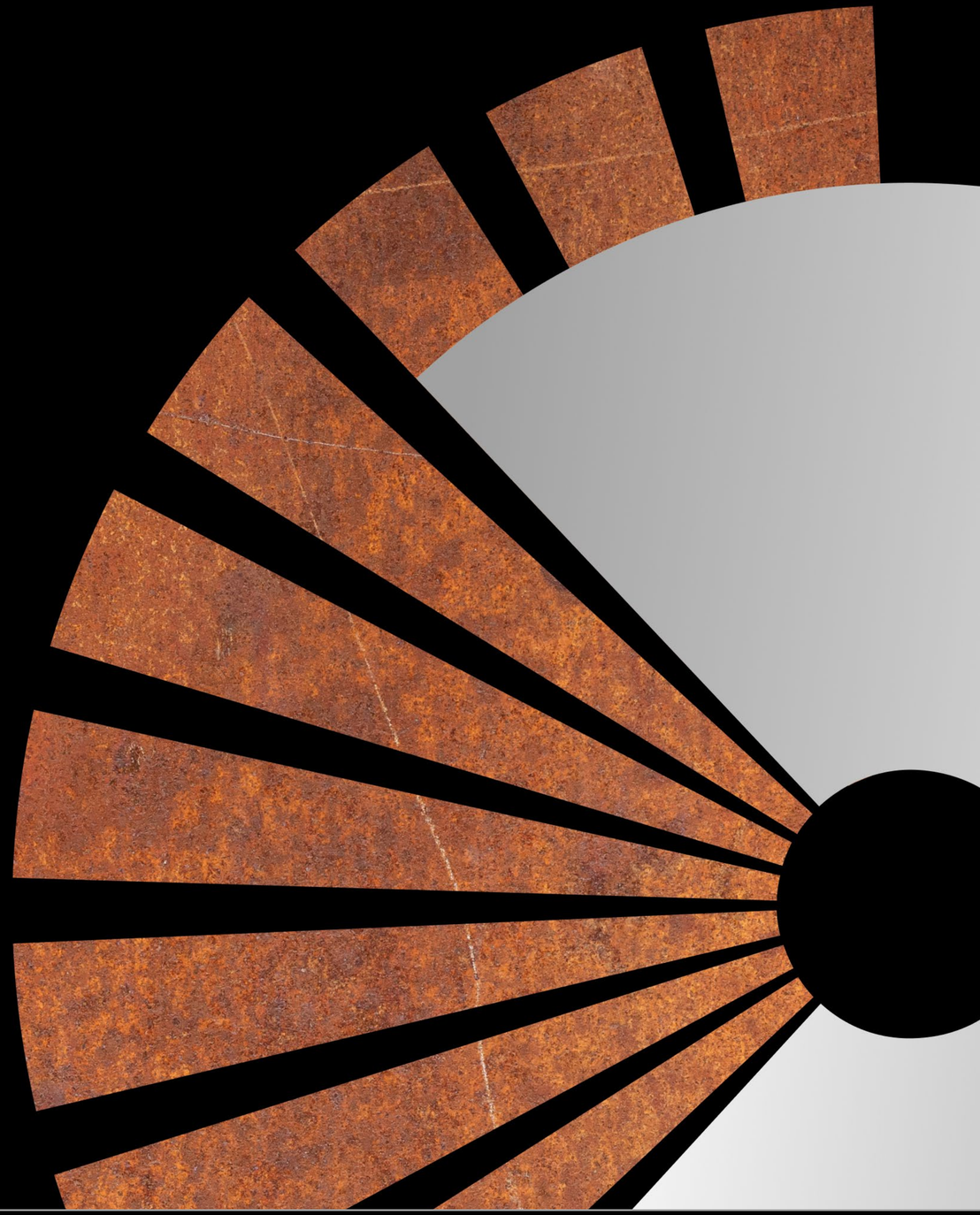
KEY INSIGHTS

- BHP has deferred much of the investment required to decarbonise its operations this decade, reducing investor visibility over a credible pathway to net zero by 2050.
- BHP's actions no longer appear consistent with its ambition to "lead the evolution of [the mining] industry".[1] This change in ambition reflects more than technology delays. It has delayed, curtailed or stopped several of its key decarbonisation projects,[2,3] and deferred 87.5% of planned operational decarbonisation spend this decade.[3]
- While BHP has met its modest 2030 operational target largely through renewable power agreements in Chile, only 4% of emissions reductions made have been from Australian operations and there is heavy lifting ahead.
- With no interim targets between 2030 and 2050, BHP lacks a clear accountability framework to guide capital allocation and track delivery towards its 2050 net zero commitment.
- Diesel displacement remains a major decarbonisation challenge. As Australian policy evolves, and rebates for diesel use face increasing scrutiny, BHP may be caught flat-footed if it is not prepared for changing transition economics and policy settings.
- Preparing for transition now – through investing in enabling infrastructure, building workforce capability and preserving optionality to electrify as technologies mature – is critical to reducing cumulative emissions and managing future costs.
- Investors can help drive improvements by encouraging BHP to provide greater transparency about its decarbonisation plans, to adopt a medium-term operational emissions target and to increase accountability for delivery against that target.

1. Mike Henry, BHP, Climate Change Report, 2020, p. 2, https://www.bhp.com/-/media/documents/investors/annual-reports/2020/200910_bhpclimatechangereport2020.pdf.
2. Christopher Knaus and Adam Morton, The Guardian, World's biggest miner BHP backtracks on climate action with key projects put on ice, leaked documents reveal, 25 May 2026, https://www.theguardian.com/world/2026/may/25/bhp-files-leak-mining-company-climate-action; ABC Four Corners, The BHP Files, Video, 25 May 2026, https://www.abc.net.au/news/2026-05-25/the-bhp-files/106720178.
3. BHP, Annual Report, 2025, p. 42, https://www.bhp.com/-/media/documents/investors/annual-reports/2025/250819_bhpannualreport2025.pdf.

AMBITION DEFERRED

01.



BHP HAS DEFERRED DIESEL DISPLACEMENT PLANS, AND SHIFTED 87.5% OF PLANNED DECARBONISATION SPEND

2024 Climate Transition Action Plan (CTAP)

> Our WAIO [Western Australia Iron Ore] asset will likely be our first operated asset to progressively roll-out electric haul trucks and excavators towards the **end of the 2020s**. [1]

BHP 2024 CTAP (**emphasis** added)

Planned operational decarbonisation spend to FY2030

up to US$4bn

2025 Annual Report

> A **delay in <u>all</u> projects** for materials movement and their associated GHG emissions abatement... we now expect to adopt diesel displacement technologies at scale in our operations **post FY2030**. [2]

BHP 2025 Annual Report (**emphasis** added)

Operational decarbonisation spend to FY2030

~US$ 0.5bn (87.5% spend deferred)

1. BHP, Climate Transition Action Plan, 2024, p. 15, https://www.bhp.com/-/media/documents/investors/annual-reports/2024/240827_bhpclimatetransitionactionplan2024.pdf.
2. BHP, Annual Report, 2025, p. 41, https://www.bhp.com/-/media/documents/investors/annual-reports/2025/250819_bhpannualreport2025.pdf.

BHP HAS WALKED BACK ITS ELECTRIFICATION PLANS

- There are delays to WAIO electric haul truck and locomotive pathways,[1] previously expected to be deployed from 2028.[2]
- There are delays to trolley assist deployment at Escondida and Spence,[1] previously expected to begin in 2029.[2]
- There are delays to renewable electricity investments linked to fleet electrification and inland power demand.[1, 3]
- A board-approved 50MW solar and 20MW battery project at Jimblebar has reportedly been shelved shortly after approval.[3]
- Planned ~500MW renewable generation and storage projects for WAIO have reportedly been delayed, with no capital funding allocated until at least 2031.[3]
- BHP has purchased new mechanical drive diesel haul trucks[3] and invested in additional gas-fired power generation capacity[4] at WAIO.
- Battery-electric haul truck trials and pilot projects continue,[5] but investors have limited visibility on timing and pathways to deployment.

1. BHP, Annual Report, 2025, p. 41, https://www.bhp.com/-/media/documents/investors/annual-reports/2025/250819_bhpannualreport2025.pdf.
2. BHP, Climate Transition Action Plan, 2024, p. 12, https://www.bhp.com/-/media/documents/investors/annual-reports/2024/240827_bhpclimatetransitionactionplan2024.pdf.
3. The Guardian, Revealed: the internal BHP memo that slammed the brakes on the world's biggest miner's climate push, 25 May 2026, https://www.theguardian.com/world/ng-interactive/2026/may/25/bhp-files-internal-memo-revealed.
4. EPA WA, Yarnima Power Station Stage 4 (Gas Reciprocating Engines), 17 January 2025, https://www.epa.wa.gov.au/proposals/yarnima-power-station-stage-4-gas-reciprocating-engines.
5. BHP, BHP, Rio Tinto and Caterpillar launch battery-electric haul truck trial in the Pilbara, 23 June 2026, https://www.bhp.com/news/media-centre/releases/2026/06/bhp-rio-tinto-and-caterpillar-launch-battery-electric-haul-truck-trial-in-the-pilbara.

WHAT IS REQUIRED TO DECARBONISE BHP'S OPERATIONS FROM 2030-2050?

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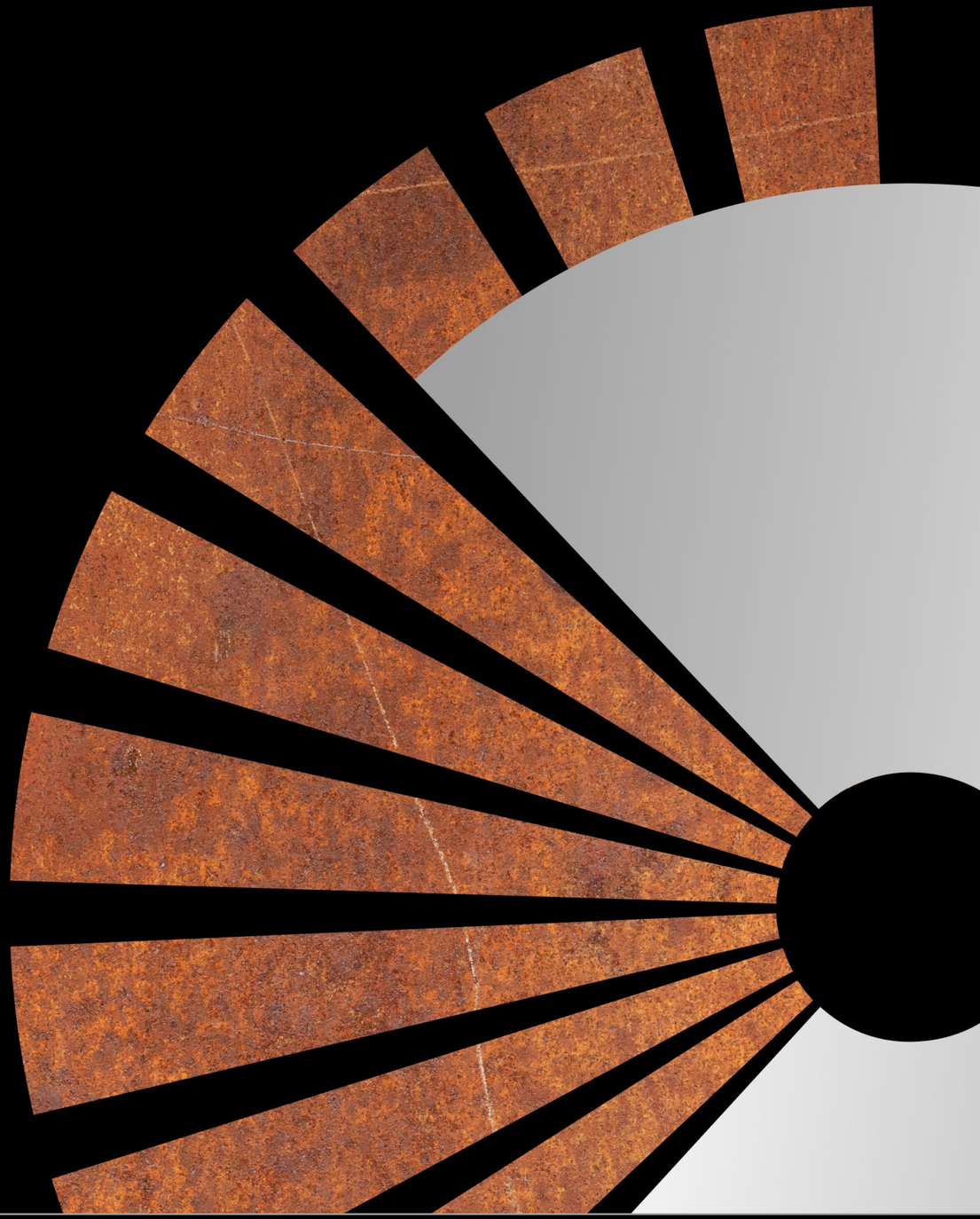


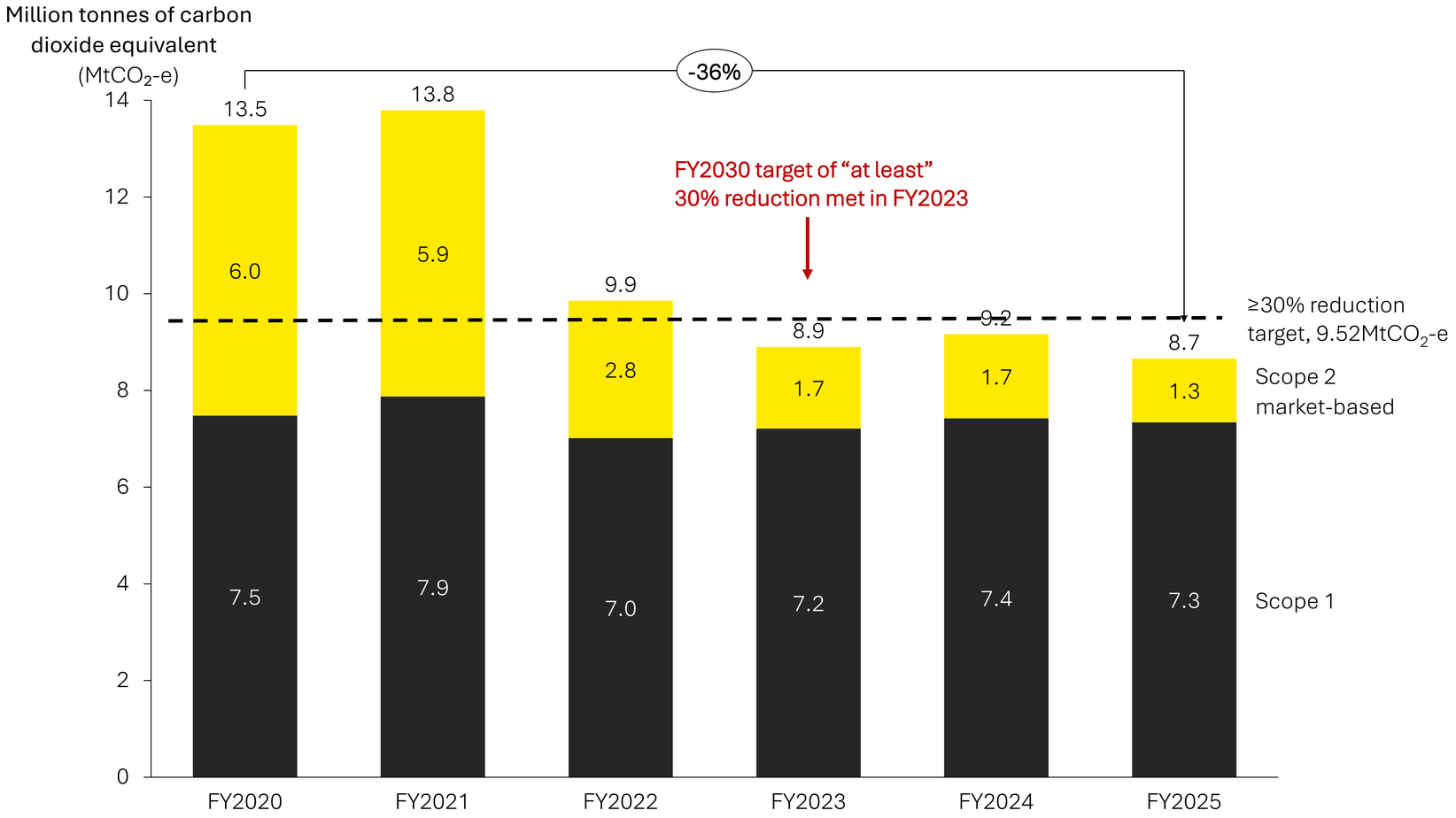
THE MISSING MIDDLE: INVESTMENT IS NEEDED NOW TO DECARBONISE OPERATIONS TOWARD 2050

- While BHP has achieved its FY2030 operational emissions target early, most emissions reduction to date has been driven through scope 2, contractual measures – primarily renewable electricity procurement in Chile.[1]
- Capital allocation decisions made in the 2020s are fundamental to future transition costs.
- Diesel displacement via fleet electrification is the big task ahead. Fleet electrification is not a switch that can be flipped in the 2030s. To deploy electric fleets at the pace required next decade, BHP will need to make strategic enabling investments today.
- BHP has attributed decarbonisation delays to "low technology readiness".[2] However, in any technology scenario, the company should be acting now to maintain optionality to progressively electrify its fleet.
- While BHP has disclosed that major diesel displacement projects have been deferred, it has not disclosed the expected impact of those deferrals on emissions outcomes, cumulative emissions or future transition costs.
- Without an interim 2035 or 2040 target linked to a cumulative emissions budget, investors have limited visibility on whether today's decisions are consistent with a credible pathway to net zero.

1. See: Figure 10, appendix slide 26.
2. BHP, Annual Report, 2025, p. 41, https://www.bhp.com/-/media/documents/investors/annual-reports/2025/250819_bhpannualreport2025.pdf.

HAVING MET ITS 2030 TARGET EARLY, BHP HAS NO CLEAR MEDIUM-TERM OPERATIONAL DECARBONISATION IMPERATIVE

Figure 1: BHP scope 1 vs scope 2 emissions (continuing operations)



Source: ACCR Analysis, BHP 2025 ESG Databook.

BHP has met its FY2030 operational target, mostly through scope 2 electricity decarbonisation.

While scope 2 emissions declined by 78% between FY2020 and FY2025, scope 1 emissions declined by only 3%.

With no targets set between 2030 and 2050, there is no clear imperative to decarbonise in the medium-term, and BHP's Capital Allocation Framework risks deprioritising decarbonisation investments needed to maintain a credible pathway to net zero.

DIESEL DISPLACEMENT IS CENTRAL TO BHP'S OPERATIONAL DECARBONISATION

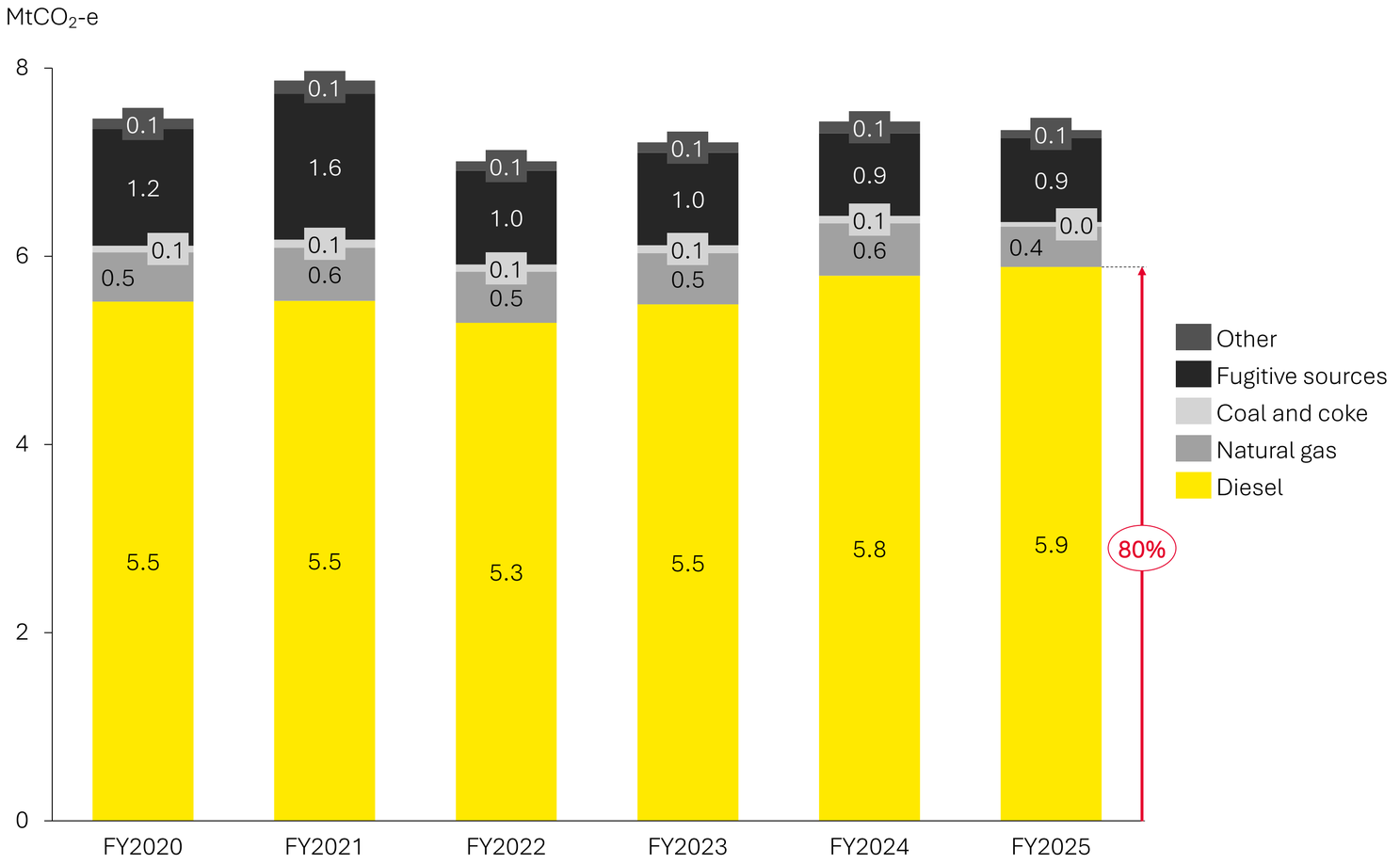
Diesel combustion represents 80% of BHP's scope 1 emissions.

Future emissions reductions will require large-scale diesel displacement across mining operations.

Diesel emissions increased 7% from 5.5MtCO_2-e in FY2020 to 5.9MtCO_2-e in FY2025.

Other scope 1 emission sources, including fugitive emissions, natural gas and coal and coke, have not decreased over this period.

Figure 2: BHP scope 1 emissions by source (FY2020-FY2025, continuing operations)



Source: ACCR analysis, BHP 2025 ESG Databook.

NEAR-TERM FLEET REPLACEMENT DECISIONS COULD DETERMINE FUTURE DECARBONISATION OPTIONALITY

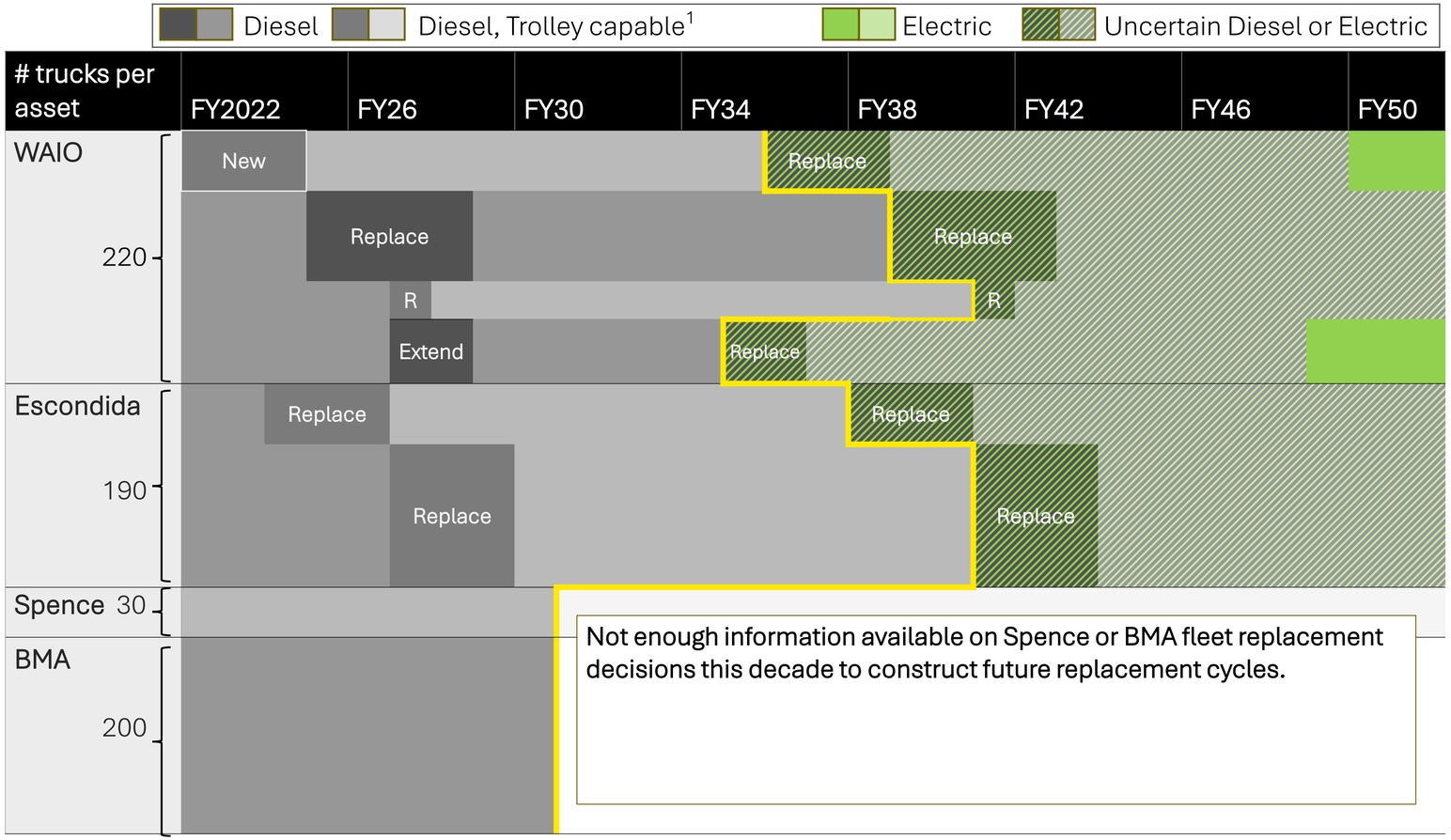
BHP's operational emissions will remain high with continued reliance on diesel.

While BHP has provided limited disclosures on its fleet replacement plan – including life-extension decisions and deployment sequencing – ACCR analysis shows that fleet decisions made this decade could influence the next major fleet replacement cycles in the late 2030s to early 2040s.

This could also impact future emissions outcomes, as haul truck fleets are typically replaced over 14-year investment cycles.

Preserving optionality through selecting fleets with diesel-electric drive and investing in enabling infrastructure for fully electric haul trucks would help reduce the risk of emissions lock-in.

Figure 3: Indicative fleet replacement timeline; ACCR's best estimates based on disclosures



Source: ACCR analysis of BHP company disclosures and publicly available information.

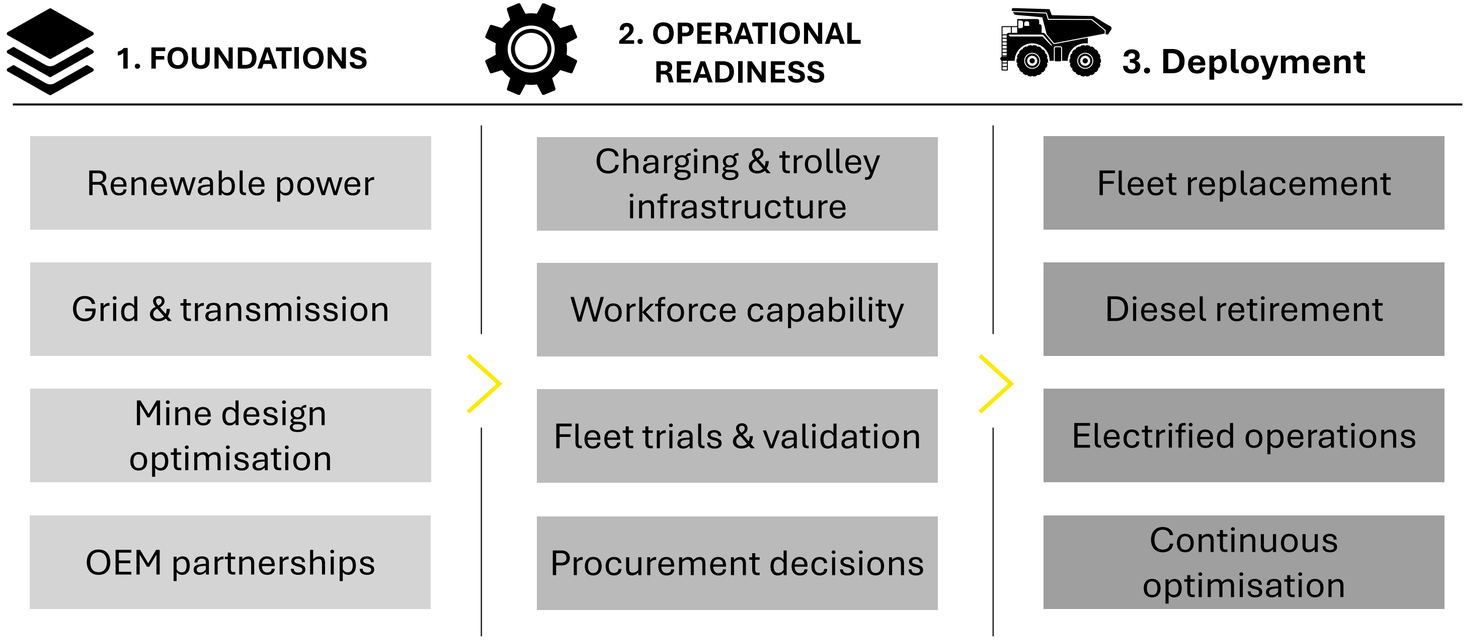
1. BHP has stated that it does not plan to use trolley as an interim solution at WAIO.

FOUNDATIONAL INVESTMENTS NEED TO BE MADE FOR FLEET ELECTRIFICATION

> The renewable energy sources will need to be built and, as lead times are long, we need to act now.
>
> Anna Wiley, then Vice President Planning and Technical – BHP WAIO update presentation, 2022[1]

Electrifying BHP's mining fleet will require an evolution of its power systems, mine planning, infrastructure, workforce capability and fleet procurement.[2]

Many enabling investments are needed years before haul trucks can be deployed at scale. However, BHP has provided limited evidence that these investments are being made at the pace required for deployment in the 2030s.



1. BHP, Western Australia Iron Ore Update, 3 October 2022, https://www.bhp.com/-/media/documents/media/reports-and-presentations/2022/221003_waiospeeches.pdf.
2. For detailed comparison of peer diesel displacement strategies, see appendix slide 27.

PREPARING FOR THE 2030S REQUIRES ACTION IN THE 2020S

WHAT WE WOULD EXPECT TO SEE TODAY (if deployment is on track for 2030s)

Renewable energy pathway
- Renewable generation, storage and transmission projects progressing
- Clear strategy for powering future electric fleets

Fleet and technology pathway
- Fleet replacement and procurement roadmap disclosed
- Technology partnerships progressing beyond early-stage trials
- Investment in enabling and interim technologies aligned with a long-term fleet electrification pathway

Enabling infrastructure and organisational readiness
- Preparation for power delivery to vehicles and other enabling infrastructure
- Mine design optimisation, workforce capability and implementation planning progressing

Capital allocation
- Capital deployed in enabling infrastructure and interim decarbonisation technology
- Material investment timing aligned with stated implementation pathway

Governance and accountability
- Interim milestones between 2030 and 2050
- Clear management accountability for delivery in short-term and long-term incentives

WHAT INVESTORS CURRENTLY SEE

Renewable energy pathway
- Jimblebar solar project shelved and broader WAIO renewable investment deferred
- Limited visibility on renewable generation, storage and transmission required to support future electrification

Fleet and technology pathway
- Technology validation limited to small-scale trials
- Limited visibility on fleet replacement schedules, procurement strategy and deployment sequencing
- No commitment to avoid purchasing mechanical-drive trucks

Enabling infrastructure and organisational readiness
- Few details on deployment plans for charging, trolley-assist and other enabling infrastructure
- Limited disclosure on mine design optimisation, workforce readiness and implementation planning

Capital allocation
- Operational decarbonisation expenditure significantly reduced
- No clear capital allocation pathway supporting large-scale deployment
- With no targets set between 2030 and 2050, BHP's Capital Allocation Framework risks deprioritising decarbonisation investments needed to maintain a credible pathway to net zero

Governance and accountability
- No medium-term operational emissions target between 2030 and 2050
- Limited disclosure on implementation accountability and delivery oversight

CONSEQUENCES OF DELAYED DECARBONISATION

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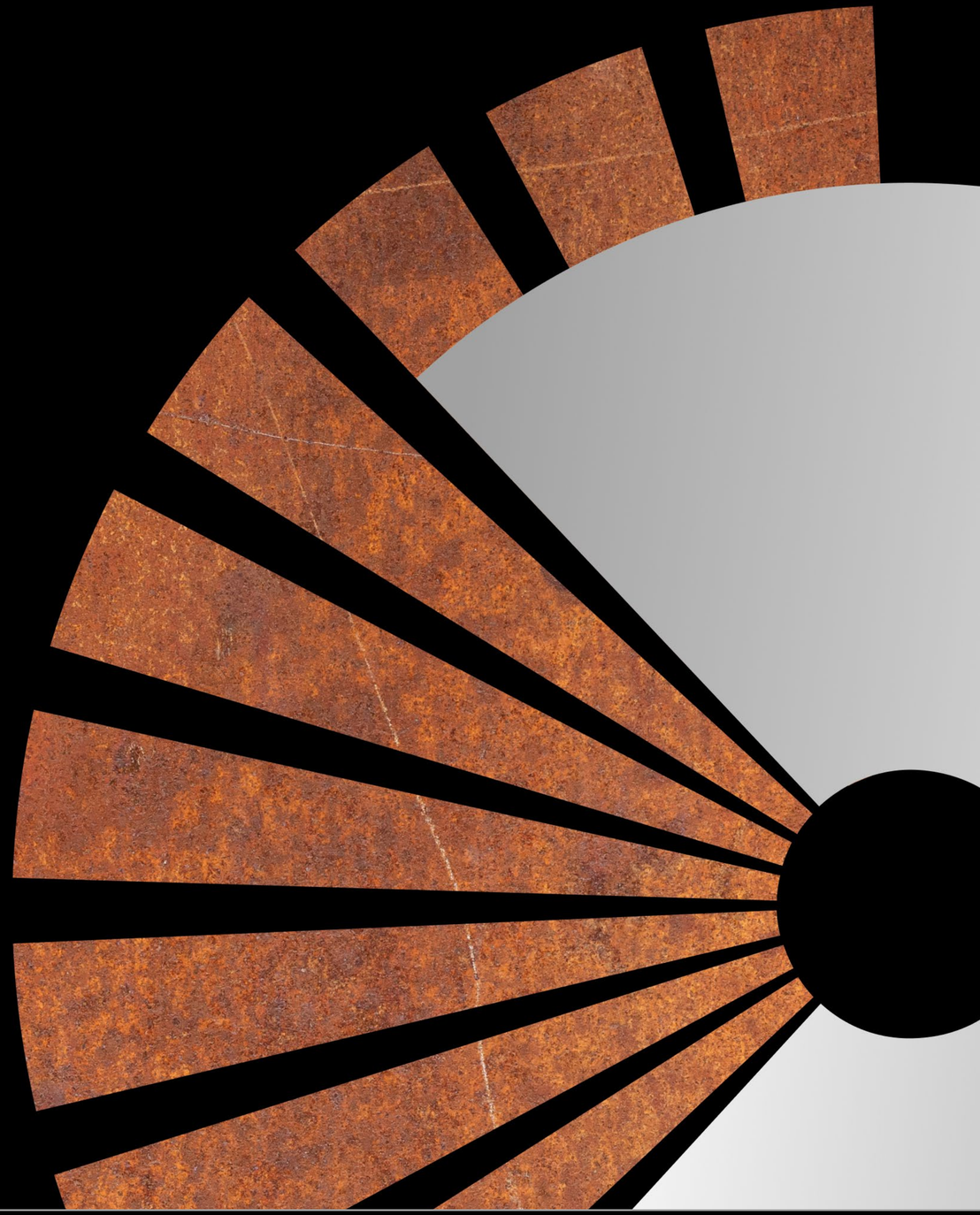
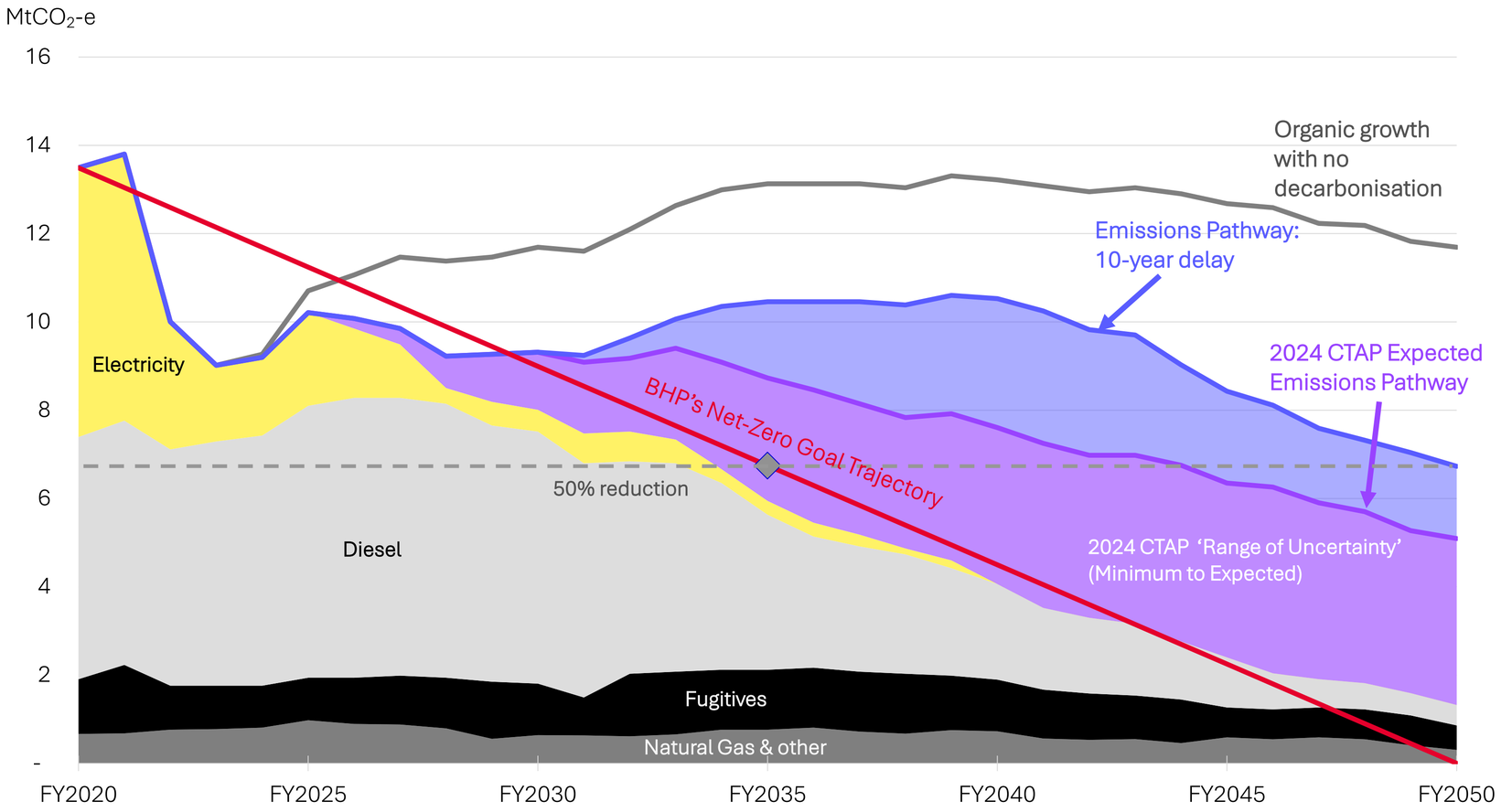


BHP'S DECARBONISATION CHALLENGE HAS GROWN SINCE ITS 2024 CTAP

Figure 4: BHP's net zero trajectory – delaying deployment increases operational emissions



Sources: ACCR analysis, BHP company disclosures.

ACCR modelled a sensitivity scenario where major diesel abatement pathways are delayed by 10 years relative to the 2024 CTAP pathway.[1]

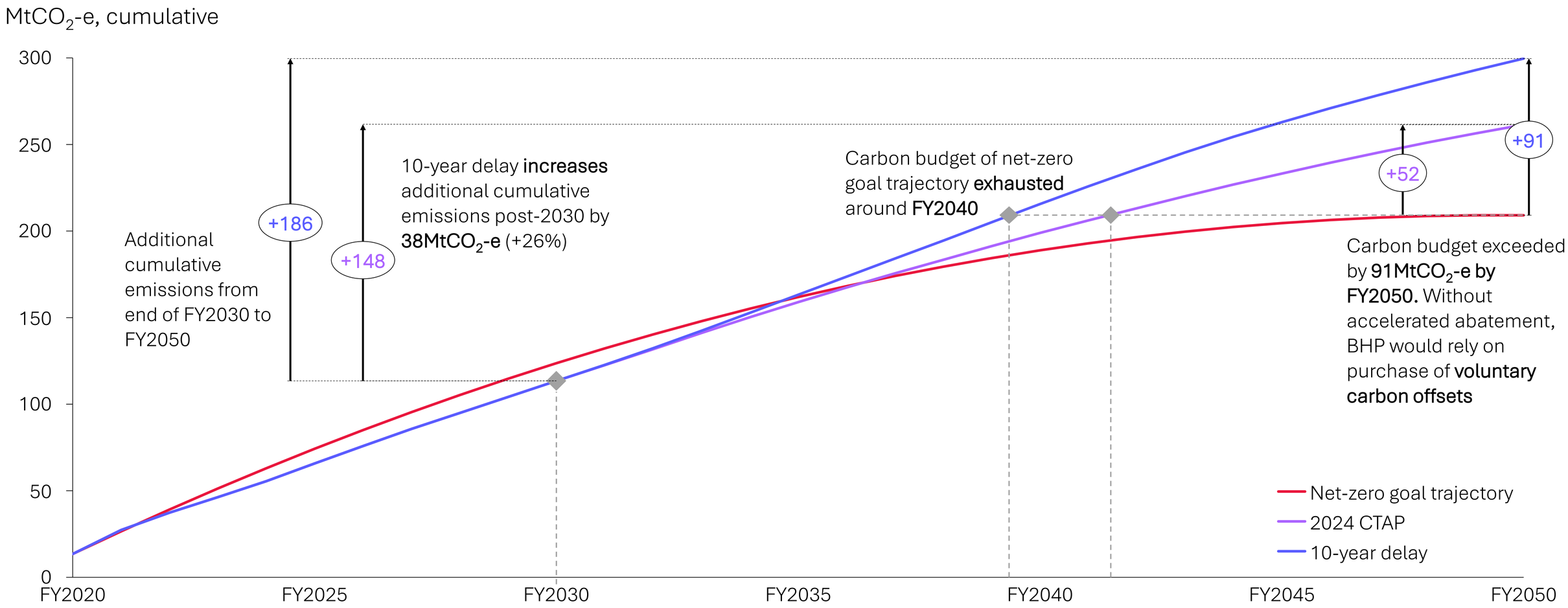
Under this scenario:

- Cumulative operational emissions increase materially.
- Approximately 50% of emissions may not be fully abated by 2050.
- Greater emissions reductions will need to occur later and at a faster pace, increasing transition risk.

1. Delay scenario is ACCR analysis based on deferring annual abatement % achieved, as per BHP 2024 Climate Transition Action Plan Figure 1.2, from FY31: https://www.bhp.com/-/media/documents/investors/annual-reports/2024/240827_bhpclimatetransitionactionplan2024.pdf; underpins ACCR analysis presented on slides 16 to 18.
N.B: Intended to demonstrate the cumulative impact of delayed deployment, not forecast BHP's expected emissions trajectory.

A 10-YEAR DELAY INCREASES CUMULATIVE CO2 EMISSIONS BY 38 MILLION TONNES BY 2050, CREATING A STEEPER TRANSITION TASK

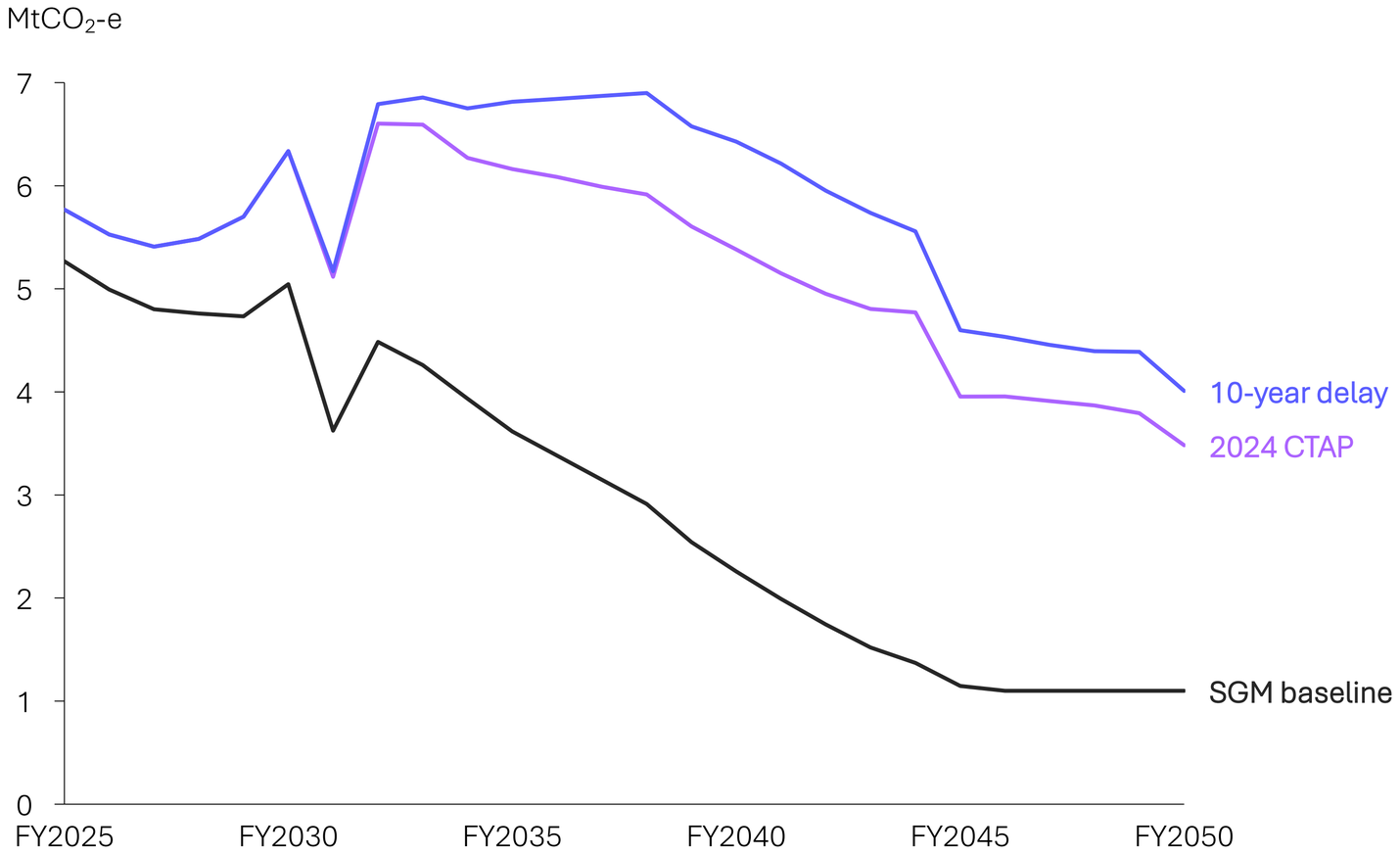
Figure 5: Cumulative operational emissions derived from the emissions pathways shown in Figure 4



Sources: ACCR analysis, BHP company disclosures.

DELAYING DECARBONISATION MAKES A SIGNIFICANT SAFEGUARD MECHANISM COMPLIANCE CHALLENGE EVEN GREATER

Figure 6: Emissions above the SGM baseline[1] – BHP 2024 CTAP[2] vs ACCR 10-year delay scenario



Sources: ACCR analysis, BHP company disclosures.

Even under BHP's 2024 CTAP pathway, operational emissions remain well above the Safeguard Mechanism (SGM) baseline for much of the period to FY2050.

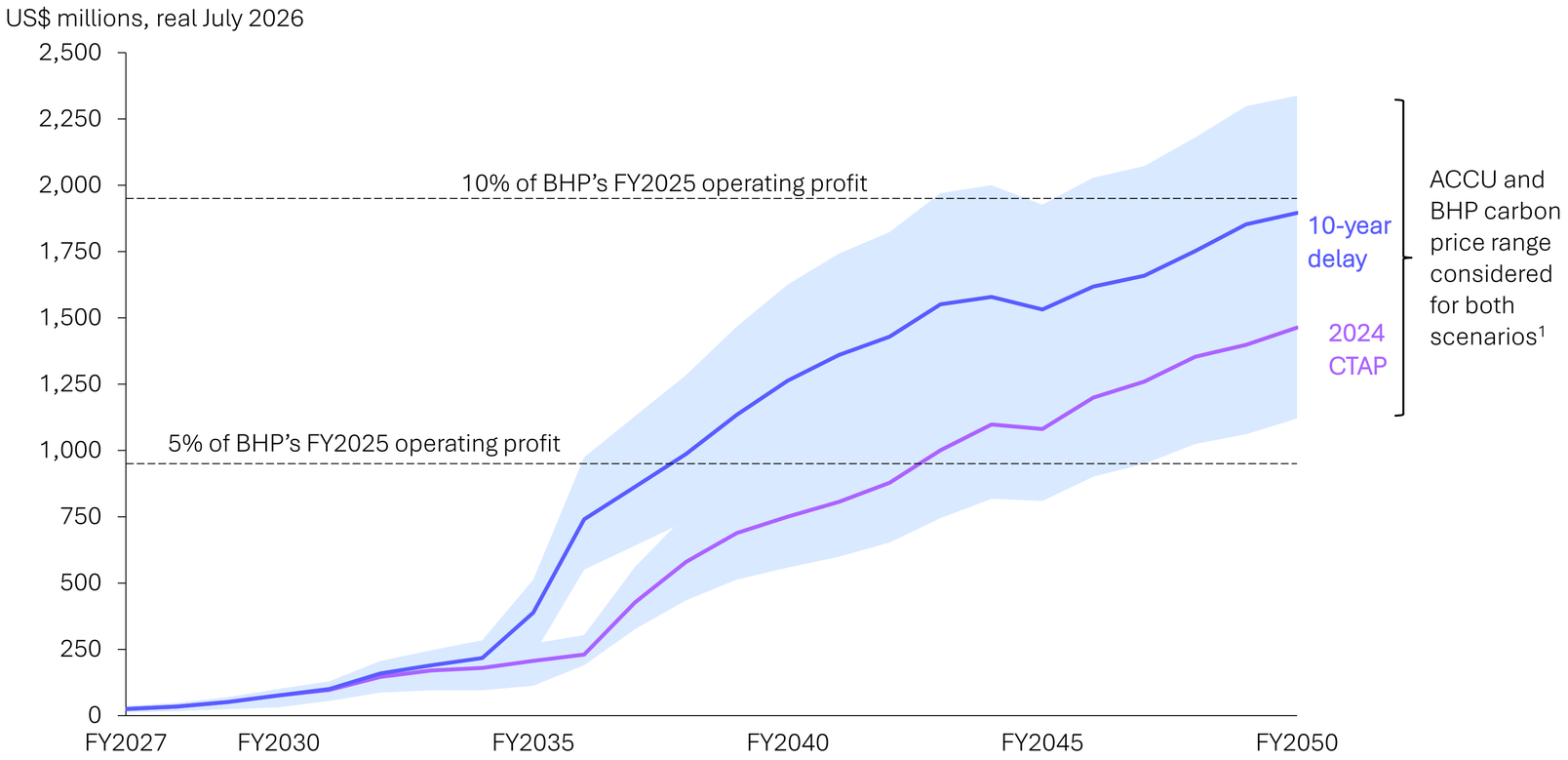
Deferring major diesel displacement would increase emissions further above the baseline, widening the compliance gap throughout the 2030s and 2040s.

Delaying operational decarbonisation increases the volume of emissions that must be managed through future onsite abatement or SGM Credits (ACCUs), increasing exposure to carbon compliance costs over time.

1. Current SGM design applied FY2025-30. FY2031 onwards assumes decline rate of 3.29% p.a; min. baseline of 100,000 tCO2-e; facilities remain eligible for up to five years following closure or continued temporary suspension. Existing facility emissions intensity values assumed for future sustaining and growth tonnes.
2. Australian operational emissions covered under SGM. Assumes Nickel WA remains in suspension and Saraji restarts H2 FY2029.

THE 2024 CTAP ALREADY IMPLIES SIGNIFICANT FUTURE CARBON COSTS – DELAYS INCREASE THEM BY A FURTHER 48%

Figure 7: Estimated compliance SGM credits and Group voluntary carbon costs, 100% operated



1. Range reflects lower and upper bound carbon price assumptions:
   ACCU prices of FY30: US$24-78 /$tCO_2$-e, FY50: US$93-195 /tCO_2-e and BHP internal carbon prices of FY30: US$30-88 /$tCO_2$-e, FY50: US$176-263 /tCO_2-e (real July 2026).
2. ACCR analysis applying carbon pricing to emissions above SGM baseline (slide 17) and voluntary carbon liability from slides 15 and 16.

N.B: Does not include compliance costs outside of Australia. Assumes voluntary offsets are purchased and retired annually once cumulative emissions exceed net-zero trajectory carbon budget.

The longer emissions remain unabated, the greater BHP's exposure to voluntary and compliance carbon credit markets will be.

ACCR analysis estimates that BHP's 2024 CTAP pathway could cost US$11.2-19.3 billion in Australian compliance and Group voluntary carbon credit expenditure by 2050 for emissions covered by the SGM and to meet corporate targets.[2]

However, if the company delays abatement by 10 years, carbon costs increase 48% to US$16.6-28.5 billion.

Delaying abatement increases reliance on carbon markets and associated integrity, availability and pricing risks (see appendix slide 29).

DELAYED ELECTRIFICATION MAY INCREASE EXPOSURE TO TRANSITION POLICY RISK

According to reporting by ABC Four Corners and The Guardian in May 2026, an internal BHP document stated that BHP's "financial value" would be put at risk if there were "material changes in diesel prices" and described "carbon prices" as impacting its financial value.[1]

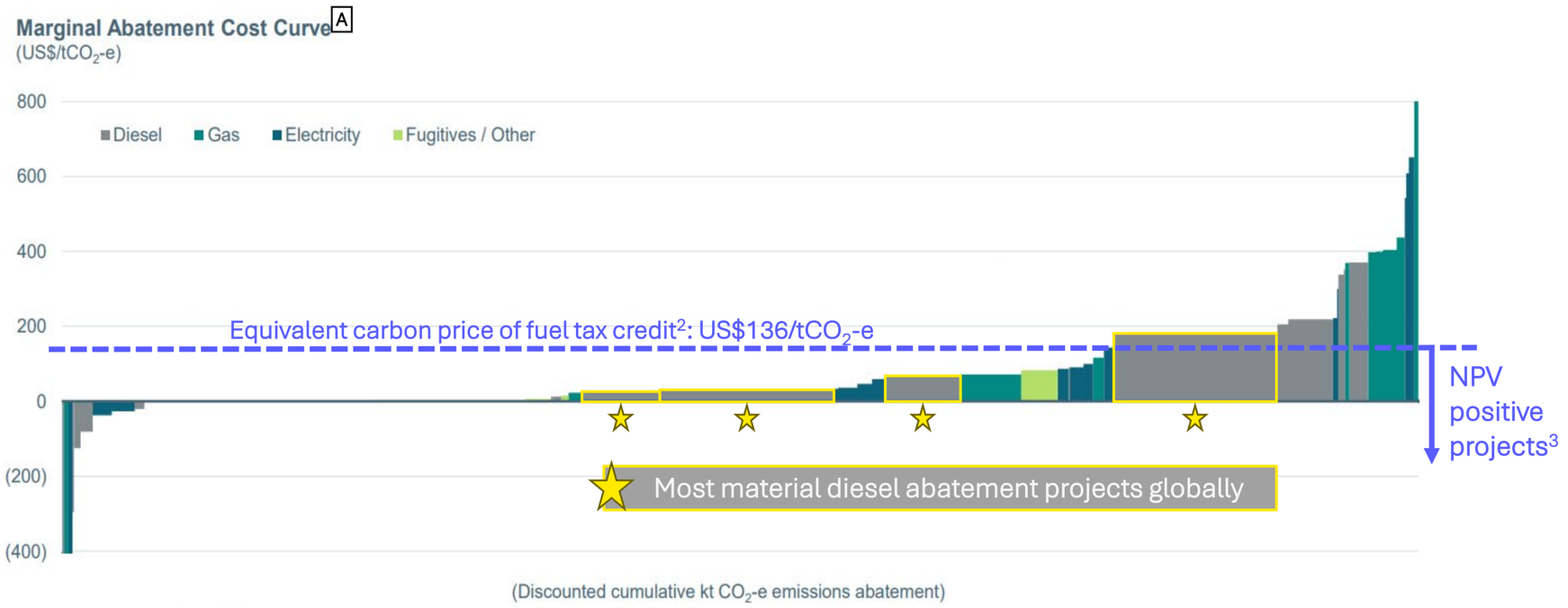
BHP received ~A$622m in fuel tax credits in FY2025, according to Climate Energy Finance.[2]

Delayed electrification may increase exposure to external market and policy factors, such as Australia's diesel fuel tax policy,[3] carbon markets, SGM policy and other local and international climate policy settings.

1. ABC News, BHP has pledged to hit net zero emissions by 2050. Inside the mining giant there are doubts, 26 May 2026, https://www.abc.net.au/news/2026-05-26/bhp-net-zero-emissions-pledge-four-corners-leaked-documents/106720042.
2. Climate Energy Finance, Transition Tax Incentive: Reforming Fuel Tax Credits into a Decarbonisation Tailwind, 20 August 2025, https://climateenergyfinance.org/wp-content/uploads/2025/08/CEF_Transition-Tax-Incentive-Report-FINAL_20August2025.pdf
3. See: Dan Jervis-Bardy, Christopher Knaus and Adam Morton, The Guardian, Rein in fossil fuel tax concessions, Labor MP says after the BHP revelations, 27 May 2026, https://www.theguardian.com/australia-news/2026/may/27/rein-in-fossil-fuel-tax-concessions-labor-mp-says-bhp-revelations-jerome-laxale.

DIESEL TAX CREDITS MATERIALLY IMPACT THE BUSINESS CASE FOR DECARBONISATION

Figure 8: BHP's Marginal Abatement Cost Curve of planned abatement projects from 2025 to 2050



A Marginal Abatement Cost (MAC) Curve includes projects with planned investment FY24-FY50. MAC Curve reflects discounted present cost of capital investment and operating cost savings (excluding carbon price benefits) and discounted emission tonnes for the life of the assets. Reflective of carbon price needed for abatement portfolio to be cost neutral. Note that outliers with immaterial emissions impact have been removed from the chart.

The Fuel Tax Credit has a material impact on the financial attractiveness of diesel abatement projects.

Most of BHP's diesel abatement projects become Net Present Value (NPV) positive with the removal of the Fuel Tax Credit (inclusive of associated renewables and before accounting for any carbon price benefits).

Supported by compliance carbon costs (e.g. Safeguard), the four largest diesel abatement projects would be NPV neutral to positive.

This would likely include WAIO fleet, WAIO rail and BMA fleet electrification projects.[4]

Sources: Image of BHP's marginal abatement cost curve[1] with ACCR analysis overlays (blue FTC annotations, diesel projects yellow outline and stars, original footnote number changed from "1" to "A")

1. BHP, Operational Decarbonisation Investor Presentation, 2023, p. 28, https://www.bhp.com/-/media/documents/media/reports-and-presentations/2023/230621_operationaldecarbonisationinvestorbriefing.pdf.
2. Based on fuel tax = A$0.526 / L diesel, AUD/USD = 0.70, emissions factor = 2.71 kg CO2e / L diesel.
3. Assumes marginal abatement cost represents constant carbon price for projects to be NPV neutral. FTC equivalent price comparable as both are tax-deductible operating costs.
4. Based on current diesel consumption. Escondida (Chile) fleet assumed to be one of the four projects and is not impacted by the Fuel Tax Credit.

OPERATIONAL DECARBONISATION DELAYS SIT ALONGSIDE OTHER MATERIAL TRANSITION CHALLENGES

In addition to diesel displacement delays, methane, scope 3 and steel transition risks are likely to compound the long-term challenges associated with delayed operational decarbonisation.

Metallurgical coal and methane exposure

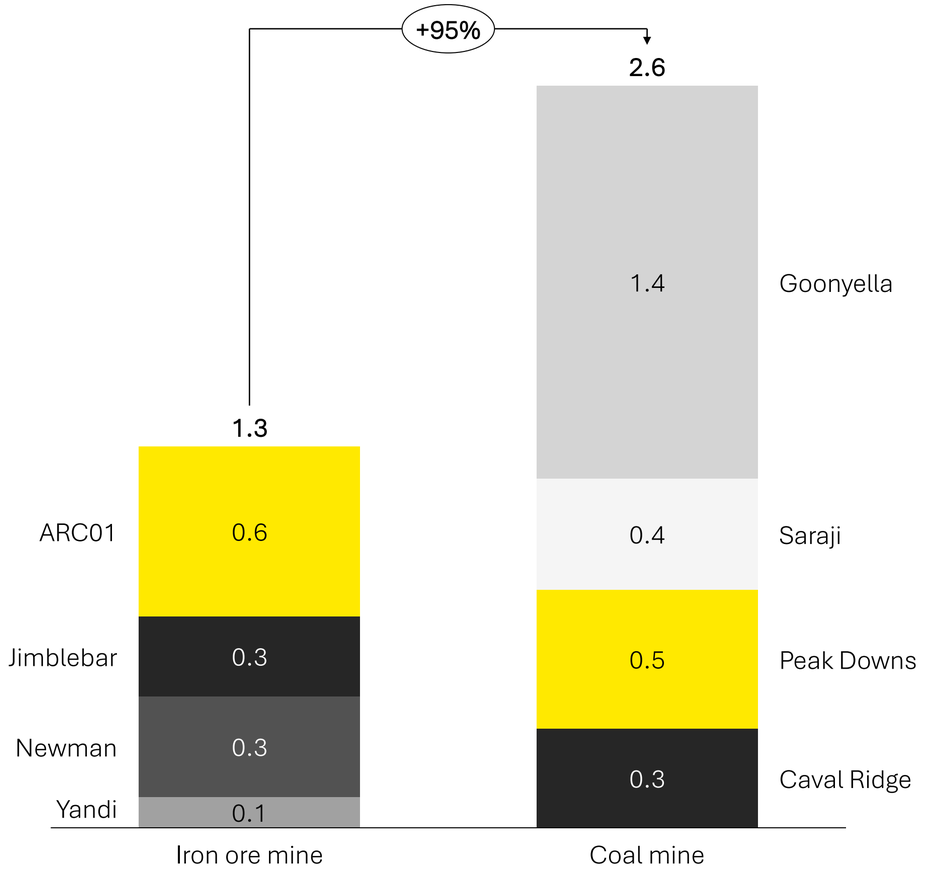
- Queensland coal mine emissions materially exceed emissions from BHP's major WA iron ore operations
- Fugitive methane emissions are facing increasing scrutiny, including by regulators.
- Accepted methods for reporting methane are being reviewed as measurement becomes more accurate, and compliance risk may increase

Steel decarbonisation and long-term iron ore competitiveness

- There is still limited visibility on how BHP plans to achieve its net zero scope 3 goal by 2050, noting scope 3 emissions (mostly from iron ore processing) account for 97% of its total emissions footprint[1,2]
- Some lower-emissions steel pathways favour higher-grade iron ores
- There is limited information on how BHP's iron ore portfolio is positioned for long-term structural shifts in steelmaking

1. ACCR, Analysis: BHP's 2024 Climate Transition Action Plan, September 2024, https://www.accr.org.au/research/analysis-bhps-2024-climate-transition-action-plan/.
2. BHP, Annual Report, 2025, p. 42, https://www.bhp.com/-/media/documents/investors/annual-reports/2025/250819_bhpannualreport2025.pdf.

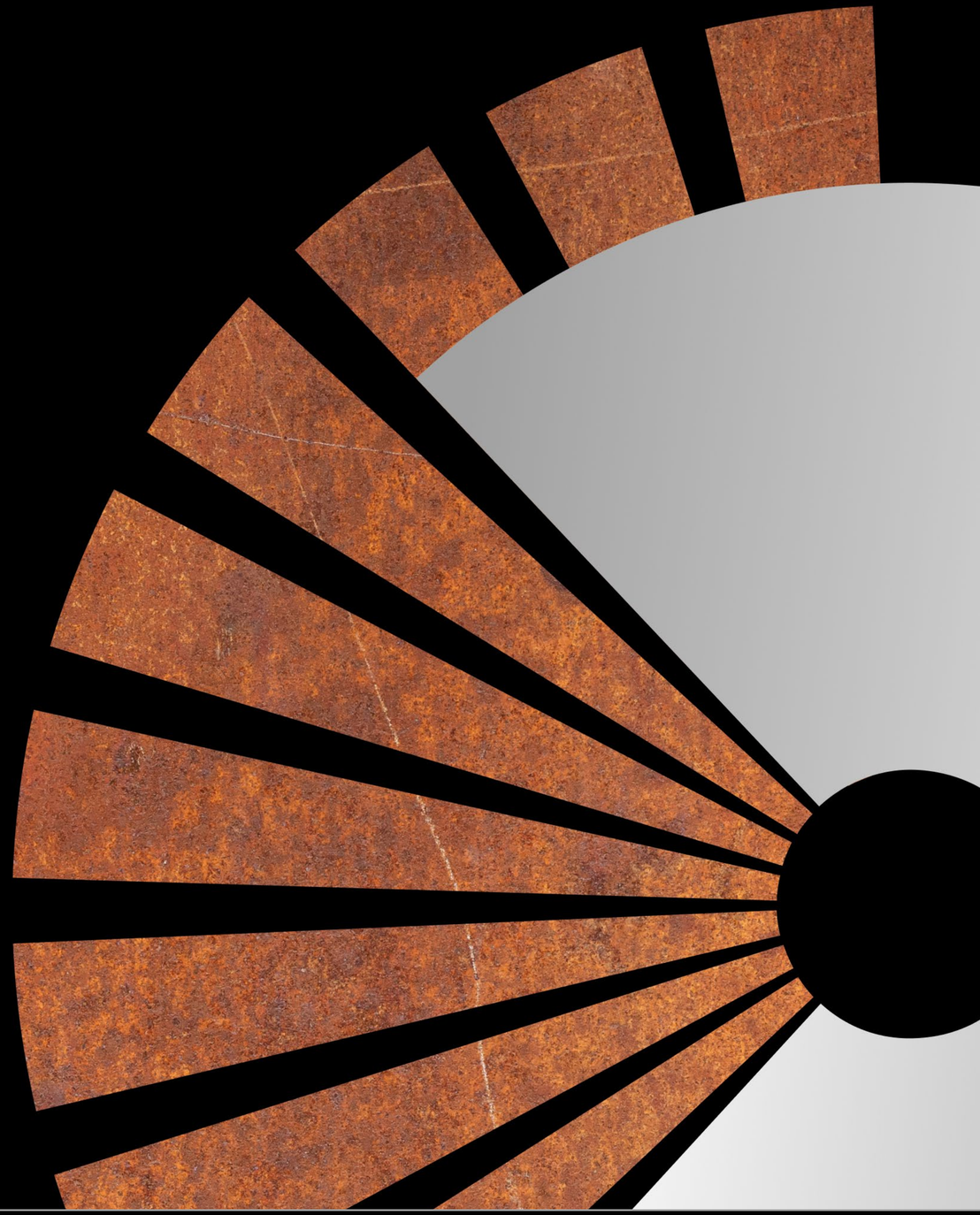
Figure 9: BHP coal mine emissions in 2024-25 exceed WAIO mine emissions, CER data ($MtCO_2$-e)



Sources: Climate Energy Regulator: 2024-25 baselines and emissions data.
N.B: excludes rail and onsite power generation; percent change is calculated using unrounded values.

WHAT INVESTORS REQUIRE

04.



BHP'S GOVERNANCE AND INCENTIVE FRAMEWORKS NEED BETTER ALIGNMENT WITH A 2050 NET ZERO PATHWAY

Current frameworks reward delivery against the 2030 target on an annual basis but provide limited accountability for decisions that determine emissions outcomes in the 2030s and 2040s.

WHAT BHP HAS TODAY

Operational emissions targets

- >30% reduction in operational GHG emissions by FY2030 from FY2020 (baseline and performance data adjusted)
- BHP states it remains on track to meet this target

Executive incentives - cash and deferred (CDP) plan[1]

- CDP weight: Safety & Sustainability (25%), Financial (50%), Group & personal (25%)
- Climate performance accounts for ~2.5% of target CDP (10% of Safety & Sustainability), with operational decarbonisation one of the climate measures assessed in FY25 alongside adaptation
- Regional climate performance accounts for ~1.25% of CDP for Executives with regional accountabilities

Incentive measures and timeframes

- CDP climate measures are set and assessed annually
- Portion of CDP subject to five-year review
- Outcomes reflect past performance and factors outside of executive control, not decisions needed to bend the long-term emissions trajectory

WHY THIS IS NOT ENOUGH

Target effectively achieved

- The FY2030 target is on track to be met well before 2030, largely due to scope 2 decarbonisation, PPAs and portfolio changes – not structural abatement
- No disclosed interim milestones, carbon budget or clear executive accountability for delivering the pathway from 2030 to net zero

Climate weighting comparably low

- At just ~2.5% of CDP, executives do not have a strong incentive to achieve climate outcomes, compared to other performance metrics

Climate measures are broad and prioritise past performance

- Annual incentives reward current performance and past decisions
- Executives are not incentivised by long-term outcomes as the emissions impact of actions today won't be seen in annual metrics for years to come

1. BHP, Annual Report, 2025, pp. 104,112, https://www.bhp.com/-/media/documents/investors/annual-reports/2025/250819_bhpannualreport2025.pdf.

INVESTOR ENGAGEMENT CAN DRIVE MEASURABLE IMPROVEMENTS TO BHP'S DECARBONISATION PATHWAY

Investors can seek measurable outcomes, clearer accountability and greater visibility into how BHP intends to deliver operational decarbonisation beyond FY2030. Four priority asks for investor engagement could be:

1. CONSIDER A MEDIUM-TERM OPERATIONAL EMISSIONS TARGET

- Establish a 2035 or 2040 operational emissions target, supported by a cumulative operational emissions budget, to enable stronger accountability in capital allocation decisions.

2. IMPROVE IMPLEMENTATION TRANSPARENCY

- Disclose fleet replacement pathways, deployment timelines and implementation milestones.
- Improve transparency on enabling infrastructure, renewable energy investments and operational readiness.

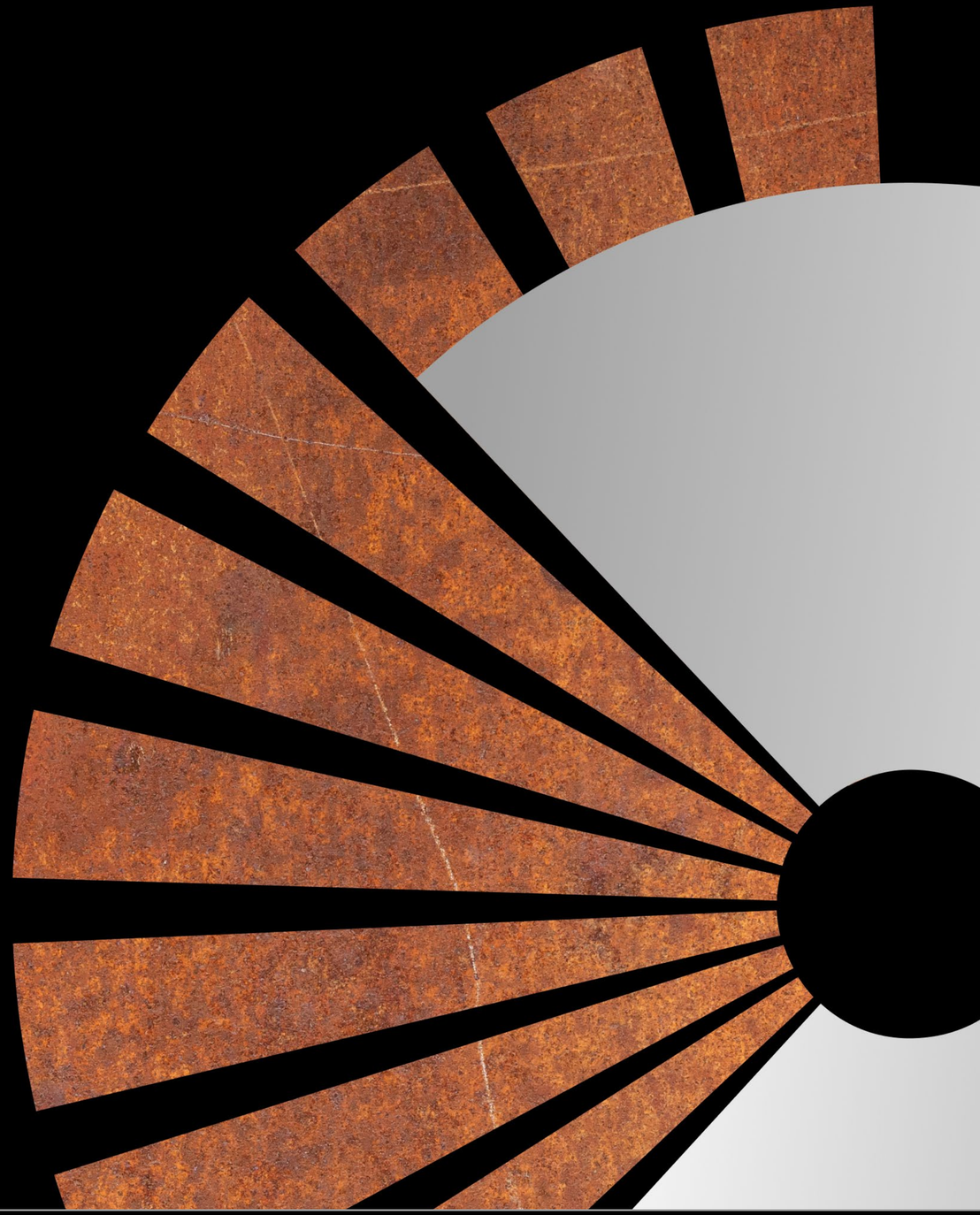
3. STRENGTHEN GOVERNANCE & FISCAL ACCOUNTABILITY

- Align executive incentives and capital allocation frameworks with post-2030 decarbonisation objectives.
- Improve accountability for decisions that affect emissions outcomes in the 2030s and 2040s.

4. IMPROVE DISCLOSURE OF TRANSITION RISKS, CAPITAL NEEDS & FINANCIAL IMPACTS

- Provide greater transparency on the capital required and timing of investment needed to deliver operational decarbonisation.
- Improve disclosure of how key transition assumptions – including technology readiness, methane measurement and policy developments – could influence operational emissions pathways, capital requirements and financial performance.

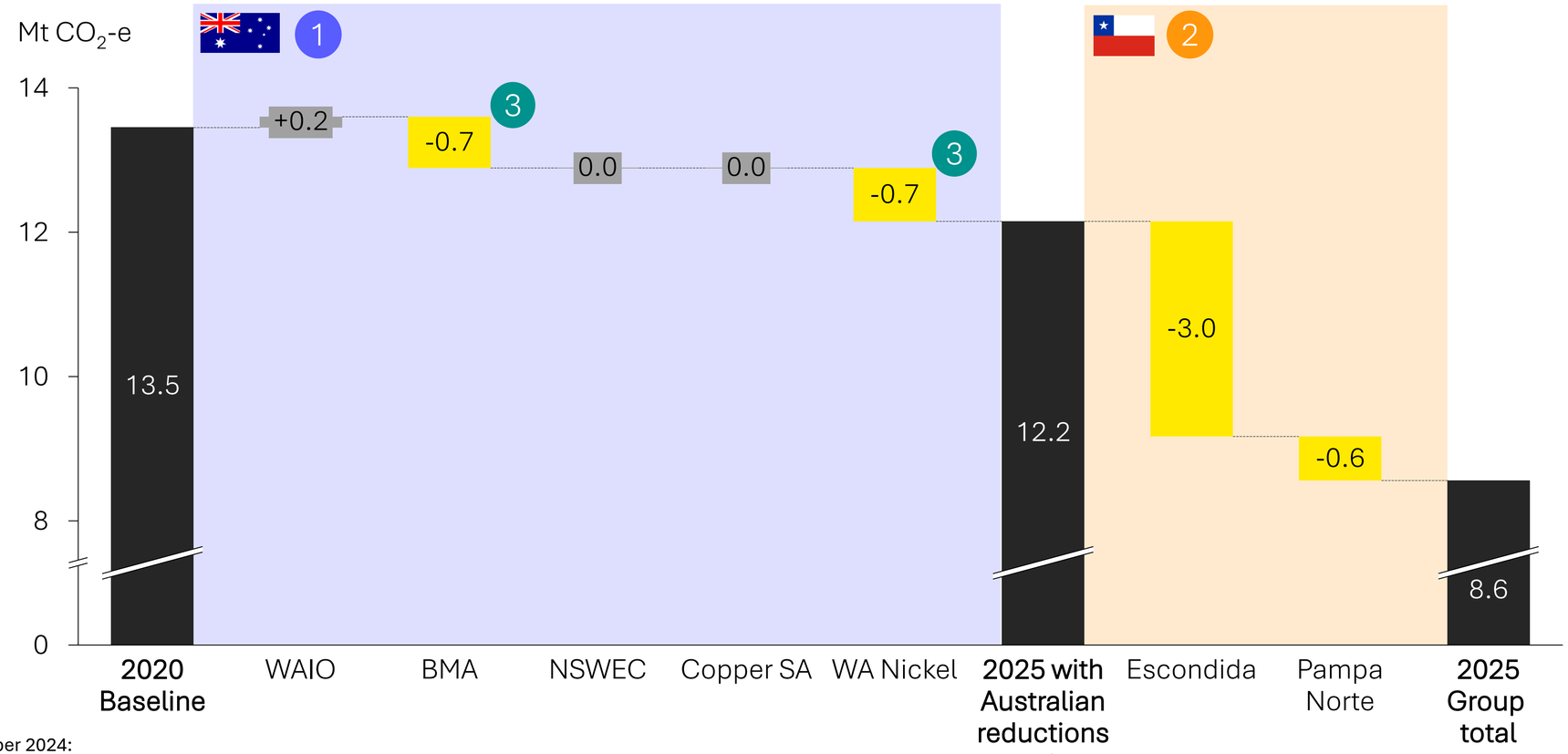
APPENDIX



SINCE 2020, ONLY 4% OF BHP'S OPERATIONAL EMISSIONS REDUCTIONS HAVE COME FROM AUSTRALIAN OPERATIONS

1. Only 4% of BHP's operational emissions reductions between FY2020 and FY2025 came from Australian operations.[1]
2. Renewable power purchase agreements (PPAs) in Chile drove the largest share of global operational emissions reductions.
3. Suspension of WA Nickel operations and PPAs signed at BMA also reduced emissions.

Figure 10: BHP scope 1 and scope 2 Emissions FY2025 vs FY2020 (continuing operations)



Source: ACCR analysis, BHP ESG Standards and Databook 2025.

1. Excluding WA Nickel, which had operations temporarily shutdown in October 2024: BHP, Western Australia Nickel to temporarily suspend operations, 11 July 2024, https://www.bhp.com/news/media-centre/releases/2024/07/western-australia-nickel-to-temporarily-suspend-operations. The closure is expected to last until at least early 2027. N.B: Totals may not align with all reported figures due to rounding.

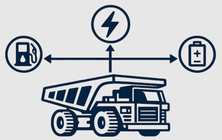
SNAPSHOT: HOW MAJOR MINERS ARE PREPARING TO ELECTRIFY FLEET

Industry and government analyses identify zero-emission haul trucks as the long-term pathway for decarbonising mining haulage.[28, 29] Long-term preparedness depends on the ambition, capital allocation, fleet transition planning and enabling investments supporting fleet electrification.

	Fortescue	Vale	Rio Tinto	BHP
Operational emissions targets	**"Real Zero" by 2030 target**; no offsets, full operational decarbonisation[1]	**33% emissions reduction by 2030**[10]	**50% reduction target by 2030**;[16] large-scale fleet electrification deferred beyond 2030	**≥30% operational emissions reduction by 2030**;[23] key diesel-abatement and electrification pathways and enabling investment delayed into the 2030s
Capital commitment	**US$6.2bn** decarbonisation program[2] with additional **US$680m** approved in 2026[3]	Up to **US$2.6bn** announced for decarbonisation initiatives; **US$1.7bn** already spent between 2020 and 2025[11]	Decarbonisation spend cut **from US$7.5bn to US$1-2bn** through to 2030[17]	Operational decarbonisation spend revised from **up to US$4bn to ~0.5bn** through to FY2030[24]
Fleet transition strategy	Binding agreements for 360 autonomous battery-electric haul trucks from Liebherr[4] and 150-200 XCMG BEVs; [5] first 6MW fast charger commissioned;[6] ~100 electric ancillary machines[7] and 55 electric excavators ordered[4]	Deployment of Boonray 70t BEVs at PT Vale Indonesia;[12] XCMG BEV trials;[13] Caterpillar 793 XE trial planned;[14] no large-scale battery electric fleet procurement announced	Joint trial of two Cat 793 XE battery-electric trucks with BHP; [18] Komatsu BEV trial planned;[18] large-scale Pilbara deployment deferred beyond 2030;[19] no large-scale battery electric fleet procurement announced	Joint trial of two Caterpillar 793 XE trucks with Rio at Jimblebar;[19] existing diesel fleets refurbished and life-extended;[25] >US$500m committed to new diesel trucks previously earmarked for life extension to preserve BEV optionality in the early 2030s;[25] delivery of two Wabtec battery electric locomotives and trialled Liebherr electric excavators;[26] no large-scale battery electric fleet procurement announced
Deployment timelines (2025 2030 2035)	First deliveries 2026; full electric fleet transition by 2030[8]	BEV pathway advancing beyond demonstration this decade; no firm large-scale BEV deployment timeline	Pilbara fleet electrification and deployment deferred to 2030s; no firm large-scale BEV deployment timeline	Pilbara fleet electrification and deployment delayed to 2030s; no firm large-scale BEV deployment timeline
Enabling mining infrastructure	Pilbara energy system build underway, including 1.2GW solar, 600MW wind, 4-5GWh battery storage and a 620km transmission network to support fleet electrification[9]	Achieved 100% renewable electricity in 2023; operates a 2.6GW renewable portfolio and targets 100% renewable electricity globally by 2030[15]	Targeting 1GW with 600-700 MW to replace most gas by 2030; [20] near-term will rely on third-party-funded renewables and long-term PPAs;[17] Gudai-Darri solar (34MW) operational;[21] Karratha Solar (80MW) under development to support Pilbara operations[22]	No articulated renewable pathway for WAIO electrification; YEC MoU exploring future WAIO energy supply;[27] Jimblebar solar project shelved and major WAIO investment appears deferred[24,25]

1. Fortescue, 2026. 2. Fortescue, 2022. 3. Fortescue, 2026. 4. Fortescue, 2024. 5. Fortescue, 2025. 6. Fortescue, 2026. 7. Fortescue, 2024. 8. The Driven, 2026. 9. Fortescue, 2026 10. Vale, 2026. 11. Reuters, 2026. 12. Geomechanics, 2026. 13. International Mining, 2023. 14. Vale, 2024. 15. International Mining, 2024. 16. Rio Tinto, 2026. 17. Rio Tinto, 2025. 18. Rio Tinto, 2024. 19. Rio Tinto, 2024. 20. Rio Tinto, 2024. 21. Rio Tinto, 2024. 22. Rio Tinto, 2024. 23. BHP, 2026. 24. BHP, 2025. 25. The Guardian, 2026 26. BHP, 2026 27. BHP, 2026. 28. ICMM, 2023. 29.DCCEEW, 2022.

MANY DIESEL DISPLACEMENT TECHNOLOGIES ARE NOW VIABLE AT-SCALE

Technology	Status (2026)	Evidence & examples	Implication for deployment
 **Trolley assist**	**Commercial**	• Widely used in mining globally • Collahausi reports up to 98% diesel reduction on uphill hauls[1] • ABB and Siemens systems operating at multiple sites	Allows trucks to pull electricity directly from overhead powerlines, acting like a tram or electric train; main constraint is infrastructure (overhead lines, substations, road design)
 **Renewable power systems**	**Commercial**	• Utility-scale solar, wind and battery projects are commercially mature • Fortescue's Pilbara Energy Connect project is already connecting solar/ storage to Pilbara operations[2]	Pilbara fleet electrification requires ~5GW or more[17] of generation, storage and transmission. Deployment requires coordinating investment across mines, networks and government. Long lead times mean decisions and investments are required well before fleet deployment
 **Power-agnostic trucks and staged electrification**	**Commercial**	• Komatsu PA 930E 'power agnostic' platform (diesel trolley, battery-capable) has been commissioned at Boliden Aitik (Sweden)[3] • Liebherr T 264 'energy agnostic' format can be run on diesel, battery-electric, or hydrogen fuel cells[4] • Caterpillar's 794 AC diesel-electric platform supports a staged electrification pathway, with trolley-assist available today[5]	Allows companies to procure now and electrify later without full truck replacement. Critical for reducing technology lock-in and preserve optionality while electrification technologies mature
 **Battery-electric haul trucks (<100 t)**	**Commercial**	• XCMG autonomous electric fleet (100 trucks) operating at Yimin mine, China[6] • EACON autonomous haulage system deployed with 120 battery-electric trucks at Zhundong, China[7] • XCMG/BYD battery swap technology completed in <3 mins[8]	Demonstrates that autonomous battery-electric haulage can operate continuously in commercial mining environments. Productivity reportedly exceeds diesel trucks. Remaining challenge relates to scaling
 **Battery-electric haul trucks (≥240 t)**	**Under validation trials/ pre-commercial**	• Caterpillar 793 XE (Early learner trucks): two trucks trialled by BHP/Rio from December 2025[9] • Liebherr T 264 battery-electric trucks entering deployment with Fortescue[10] • Komatsu 930E-5: Rio committed to 2026 trial; no confirmed start[11] • Hitachi EH4000AC: trial with First Quantum complete[12]	Battery-electric haul trucks with a payload of 240 tonnes or more are progressing through real-work validation. Remaining challenges relate to charging, operating range, integration with autonomous systems and deployment at Pilbara scale
 **Dynamic and fast charging**	**Under development/ early trials**	• 3MW, 6MW fast charger in development (FMG Fortescue Zero); also developing ultra fast system[13] • Caterpillar Dynamic Energy Transfer (DET) being trialled[14]	Dynamic charging systems allow haul trucks to receive electricity while operating, reducing battery size requirements and improving operational flexibility. Trolley assist is already commercial, while road-based dynamic charging and MW-scale fast charging infrastructure are progressing through deployment and validation and require earlier investment in enabling infrastructure
 **Hydrogen fuel cells**	**Pilot / R&D**	• Anglo American "nuGen" hydrogen (H_2) haul truck (Komatsu 930E retrofit, South Africa); completed trials with First Mode in 2023[15] • Fortescue/ Liebherr "Europa" (T 264) first drove protype in May 2024[16] • No fleet-scale deployment	Not a near-term pathway for Pilbara decarbonisation. Green H_2 at the cost and volume needed for fleet haulage is not commercially viable at scale

1. International Mining, July 2025.
2. Fortescue, 2026.
3. Komatsu, July 2025.
4. Liebherr, 2026..
5. Caterpillar 2020.
6. International Mining, May 2025.
7. EACON Mining, 2026.
8. Electrek, 2025.
9. BHP, Dec 2025.
10. Fortescue, 2024.
11. Rio Tinto, 2024.
12. International Mining, April 2026
13. Fortescue, 2026.
14. Caterpillar, Sept 2024
15. First Mode, May 2023.
16. Liebherr, May 2024.
17. Climate Energy Finance, 2024.

OFFSETS ARE NOT A SUBSTITUTE FOR EMISSIONS REDUCTIONS

The most credible pathway to net zero is to minimise residual emissions through direct decarbonisation. Delays to fleet electrification increase the risk that a larger share of BHP's abatement task will depend on carbon credits or removals. Real gross emissions reductions should be made first; offsets should only be used for genuinely residual emissions. High-integrity removals are scarce and expensive.

Not like-for-like	Avoidance or nature-based credits do not permanently neutralise fossil CO_2 emissions. ACCR's position is that residual fossil CO_2 should only be counterbalanced by active removal and permanent storage.
Integrity risk	Voluntary carbon markets have unresolved issues including non-additionality, leakage, double counting and unclear real-world emissions impact.
Mitigation deterrence	Cheap credits can delay direct emission reductions, increasing cumulative emissions and future carbon liability.
High-integrity removals are costly and limited	Current carbon direct removal price indicators are materially higher than generic voluntary credits: Sylvera cite biochar around US$177/t, Enhanced rock weathering (ERW) above US$200/t, bioenergy with carbon capture and storage (BECCS) around US$389/ t and direct air capture (DAC) above US$500/t.[1]
Cheap compliance credits may weaken incentives	ACCUs have generally traded around A$30-40/t$CO_2$, allowing facilities to comply without substantial structural decarbonisation. In FY2024, SGM facilities reduced emissions by only 1.9MtCO_2-e, while surrendering 8.4 MtCO_2-e of offsets. Australian government projections indicate offset use exceeds on-site abatement until at least 2035.[2]

Read more: ACCR's June 2025 report, "Injecting Integrity: Aligning the use of offsets in company transition plans with science."

1. Sylvera, Carbon Offset Pricing Trends: What buyers should budget for in 2026, 30 January 2026, https://www.sylvera.com/blog/carbon-offset-price.
2. Naru Research, The Safeguard Mechanisms: the ultimate guide, April 2026, https://naruresearch.com.au/wp-content/uploads/2026/04/Safeguard-Safeguard-guide.pdf.

ABOUT US

ACCR is a multidisciplinary organisation with expertise in shareholder strategy, equities analysis, climate science and legal risk.

Our focus is enabling investors to escalate their engagements with major, heavy-emitting listed companies in their portfolios, as a tool for managing physical climate risk.

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