

2020 - 2021 ANNUAL SUMMARY

LOCAL BUYING PROGRAM
BUILDING OUR FUTURE TOGETHER

BHP

BMA
BHP Mitsubishi Alliance

C-RES
COMMITTED TO RESOURCES FOR THE FUTURE

PROUDLY DELIVERING THE LOCAL BUYING PROGRAM IN PARTNERSHIP

LOCAL BUYING FOUNDATION
AN INITIATIVE OF THE LOCAL BUYING PROGRAM

A message from the C-Res CEO



2021 has certainly been a year of adaptability and opportunity. Drawing from the challenges of 2020, BHP and C-Res have continued to work together to successfully deliver the Local Buying Program and administer the Local Buying Foundation.

As Covid-19 impacted our lives, we remained focussed on delivering a record number of work opportunities to small, local and Indigenous businesses. This has ensured jobs, businesses and families in regional communities kept contributing to the longevity and vibrancy of the towns that are home to BHP's operations.

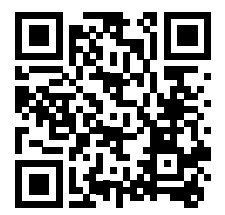
When travel restrictions prevented us from bringing together BHP and our LBP Suppliers, our focus turned to developing a Digital Innovation Team and delivering LBP portal enhancements to improve how we all work together. Key automation features were developed to reduce processing time and ensure we were aligned with BHP's commitment to faster payment terms for small, local and Indigenous businesses.



Along the way we celebrated some significant achievements, with the expansion of the LBP into BHP's Western Australia Petroleum Asset, and successful Local Buying Foundation launches in Western Australia and South Australia. Through collaborative relationships with business and industry groups, we contributed funding to a range of projects and initiatives which provided positive contributions to small businesses and their workforces, as well as local economies and our local communities.

As we farewell the year that was, and acknowledge the incredible achievements and growth which defined FY21, we say thank you for joining us on this rewarding journey and we look forward to seeing what we can achieve together during the next 12 months.

Tracey Cuttriss-Smith
CEO C-Res.



LBP Highlights | Since Inception, 2012

	Actual Spend	\$638,072,518
	Payments to local businesses	105,300
	Work Opportunities created	55,671
	BHP Buyers creating Work Opportunities	3,469
	Approved Suppliers	1,499

About the Local Buying Program

Recognising the challenges experienced by smaller businesses to engage as a supplier to BHP, the Local Buying Program (LBP) makes it simpler and easier for small, local and Indigenous businesses to competitively bid for supply opportunities released by BHP, BHP Mitsubishi Alliance (BMA) and BHP Mitsui Coal (BMC).

The Local Buying Program is delivered in a strategic partnership between BHP and C-Res – a cost neutral entity - across all BHP Minerals Australia Assets and Western Australia Petroleum operations.

\$42,123,927	
Actual Spend	
4,579	465
Payments to local businesses	BHP Buyers creating Work Opportunities
3,227	320
Work Opportunities created	Approved Suppliers

\$6,416,639	
Actual Spend	
536	125
Payments to local businesses	BHP Buyers creating Work Opportunities
495	86
Work Opportunities created	Approved Suppliers

National Highlights | Financial Year 2020 - 2021



\$111,764,709	
Actual Spend	
18,840	853
Payments to local businesses	BHP Buyers creating Work Opportunities
7,803	970
Work Opportunities created	Approved Suppliers

\$11,052,138	
Actual Spend	
1,427	69
Payments to local businesses	BHP Buyers creating Work Opportunities
541	123
Work Opportunities created	Approved Suppliers



BHP Minerals Australia President: Edgar Basto

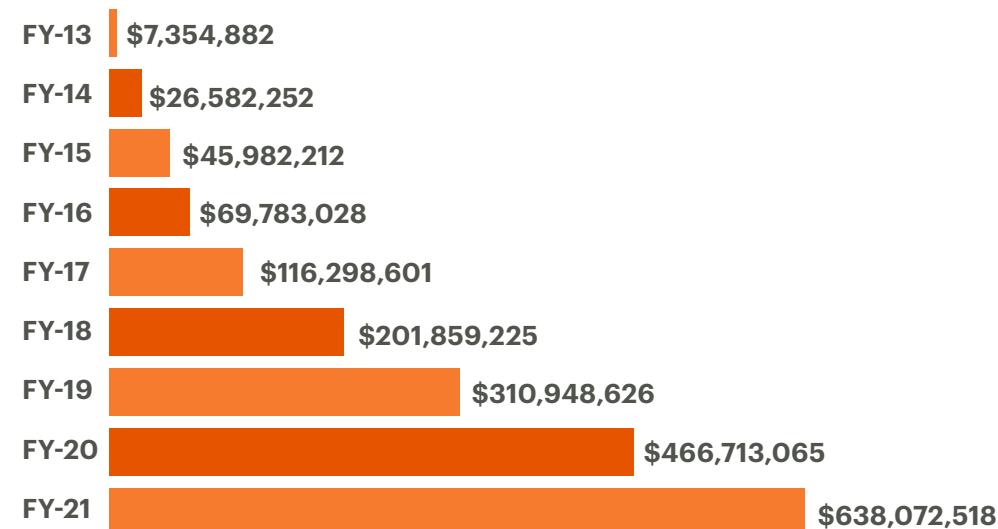
"The Local Buying Program is one way in which we can help regional Australia thrive. By helping bring our operations and local small businesses closer together, we can increase capability across the local supply chain and boost regional economic development in our communities. We remain committed to playing our part in supporting Australia's economic recovery, and programs such as the Local Buying Program form part of that picture".



Local Buying Program Cumulative Work Opportunities



Local Buying Program Cumulative Actual Spend



Traditional Owner and Indigenous Business Highlights

BHP's Local Buying Program prioritises Indigenous procurement by establishing and maintaining partnerships and delivering supply opportunities to deliver economic and social value to the regions in which BHP operate.

Pleasingly, total actual spend with Indigenous businesses increased by 186% to A\$16M in FY21, demonstrating BHP's strong commitment to engaging Traditional Owner and Indigenous suppliers.

As FY21 continued the year-on-year increased spend with Indigenous businesses, the number of Indigenous businesses engaged via the LBP also increased from 98 in FY20 to 138 in FY21. The appointment of our Indigenous Business Development Principal, Sharleen Airs, in September 2020 has proven pivotal to these successes.

Across BHP's Minerals Australia Assets, Indigenous business engagement via the LBP continues to diversify with suppliers sourced to deliver solutions for traffic management, fuel delivery, labour hire, land rehabilitation and shutdown works.

Healing country with rehabilitation work opportunities

Approved Indigenous Businesses engagement for rehabilitation works has steadily increased during the last six months to include a variety of engagements at BMA and BMC sites in Queensland, across South Flank mine site in Western Australia and areas surrounding Mt Aurthur Coal in New South Wales.

The scope of works included in these rehabilitation work opportunities has involved fencing, civil works, fabrication, construction, equipment hire, soil testing and drilling. The work will total \$3M once completed. C-Res identified the project as a potential Indigenous business supply opportunity and worked with BHP to scope the works.

Financial Year 2020 - 2021

Actual Spend

\$16,717,178

Payments to local Indigenous Businesses

1,901

Work Opportunities created

691

Approved Indigenous Businesses

138

Angela Kickett - i24S LBP Supplier, Newman | Western Australia Iron Ore

"The Local Buying Program is such an integral part of growth for small business, and importantly Aboriginal business. The support from C-Res and BHP has allowed us to successfully gain work opportunities and in turn provide employment and contract opportunities to other small businesses in the local area, with a focus on Traditional Owner groups of the region".

A message from the Local Buying Foundation Chairman



Just like that another year has passed, and despite the challenges that were presented we have remained busy and I'm astonished by what was achieved.

Whilst the regional communities within our footprint still experienced the ongoing effects of Covid-19, the Local Buying Foundation continued to work alongside business, industry and economic organisations to ensure they were supported with the rollout of their projects and programs; quite often within a changed environment.

For the better part of the year we were separated by borders. Despite the obvious hurdles, the Foundation managed to launch in two more locations, Western Australia (July 2020) and South Australia (March 2021) – meaning each state's Local Buying Program now injects funds into their corresponding Foundation, building both businesses and business communities in the regions in which BHP operate.

You will see the highlights and results demonstrate that each Foundation continues to grow, and we are looking forward to seeing what FY22 will bring as the LBF Advisory Committees continue to work with key stakeholders to deliver some exciting projects.

Melissa Westcott, **LBF Chairman**.

Our year at a glance



Local Buying Foundation Highlights | Since Inception, 2012



LBF partners with Upper Hunter Chambers for industry promotion and economic development

The Business Support Program was initially approved for Singleton Business Chamber in 2019 and more recently in 2020 approved for Muswellbrook and Scone Chambers. The Chambers have received \$308,720 to employ Business Support Officers in the Upper Hunter to work directly with small, local and Indigenous businesses to increase their capacity and capability.

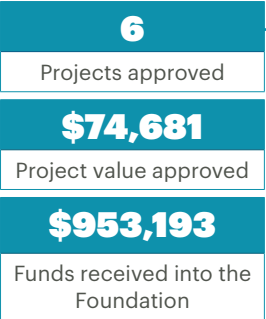
The LBF continues to partner with the Chambers and economic development groups to support many other events and initiatives each year, focussing on building sustainable business communities of the future. Similar roles are also funded in each region within the LBF local footprint in Queensland.



About the Local Buying Foundation

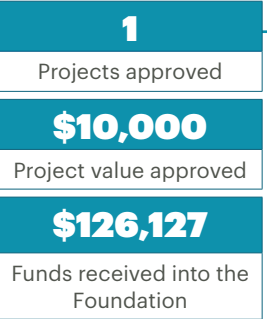
The Local Buying Foundation (LBF) is a critical element of the Local Buying Program.

Due to the successful delivery of the Local Buying Program, over \$9,180,644 nationally has been received through BHP and administered by C-Res to reinvest into projects and initiatives, which build sustainable business communities for the future.

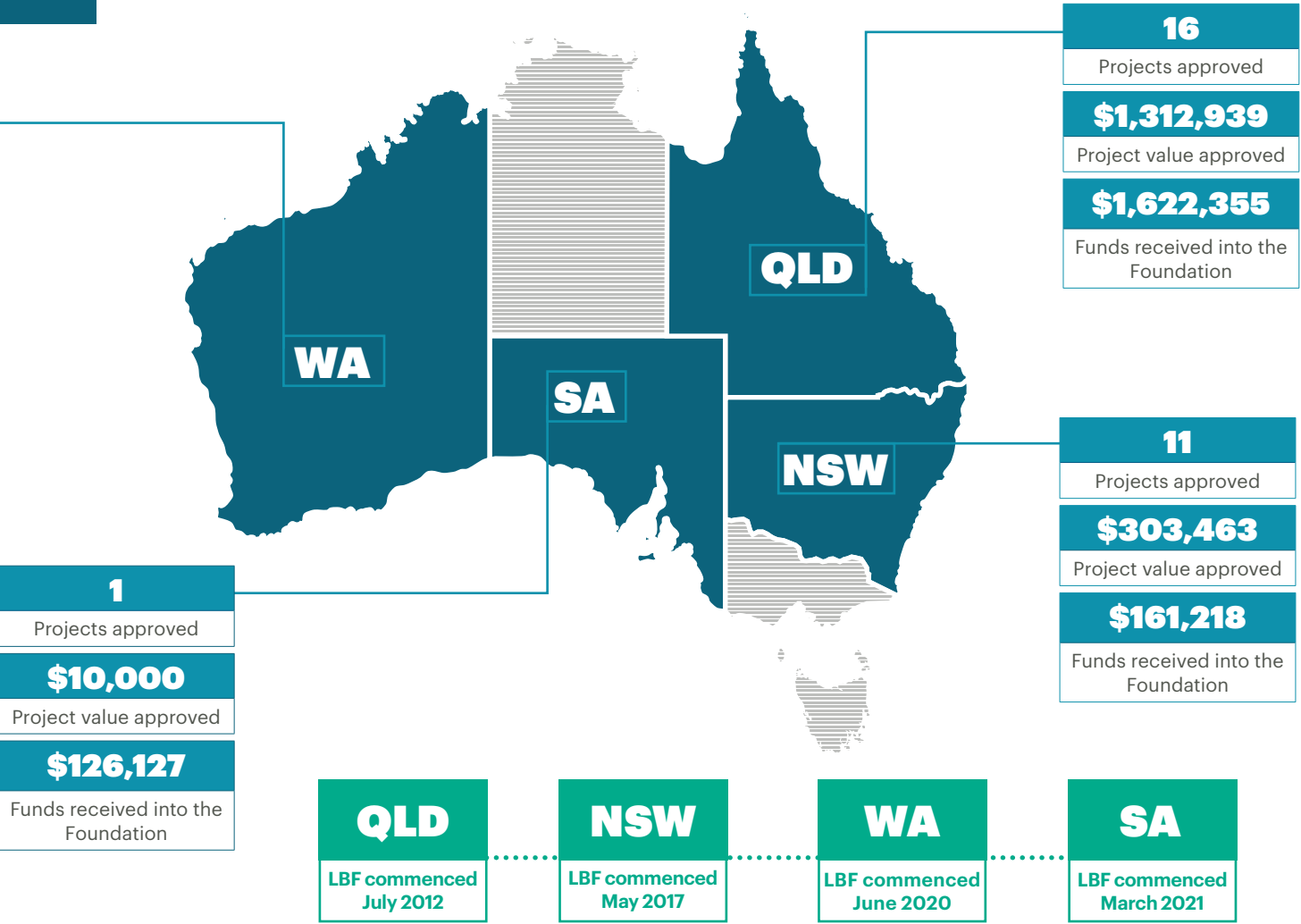
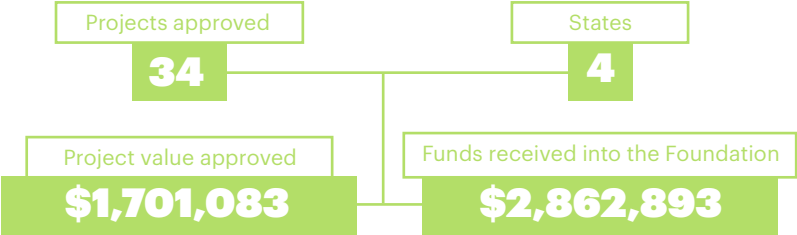


Brooke Gillies - Owner, Ornabellas | Clermont, QLD

"The Isaac Business Support Program is exactly what we needed for assistance to expand our knowledge and competencies, so we can keep up with current industry trends and digital technologies. Without the support of the Foundation to deliver these projects, then small rural business owners, such as myself would be extremely disadvantaged".



National Highlights | Financial Year 2020 - 2021





Flying high as LBF focuses on developing workforces of the future

The Drones for Schools project places a strong focus on developing Australia's future workforce, harnessing the technical and entrepreneurial skills of students in our region. The aim is to equip young people across Central Queensland with a suite of portable skills and a secure pipeline to industry, through the CH VET Network's innovative collaborative training solution - the Drones for Schools project.

To date, the Central Highlands Vocational Education Training Network and their partners have been awarded \$291,552 by the Foundation. 2021 marks the fourth year of this exciting partnership.

This year alone, 109 students across the Isaac and Central Highlands region have enrolled in the Cert III in Aviation (Remote Line of Sight), with 13 students moving into advanced drone training. 9 teachers have completed accreditation in Cert III Aviation with some schools moving towards co-delivery in 2022/2023.

In 2020, the project was named as a State Finalist in the Queensland Training Awards, Premiers Industry Collaboration Award Category for outstanding collaboration providing exemplary skills development between an employer/industry body and a registered training organisation.

Looking Ahead

National Indigenous Business Support Program

During the year, the Local Buying Foundation team have been working closely with BHP to design an Indigenous Businesses Support Program across the LBP footprint. The pilot program in Queensland has been approved, with a view to expand further into other regions covering BHP Minerals Australia Assets.

The EOI has recently been made public. The scope of works include connecting businesses and supporting them during the various stages of their journey; as well as providing mentoring, technical support and governance, facilitating workshops, building capacity for business growth and helping Traditional Owners prepare tenders and grant applications.



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Contact details:

1800 563 663 www.localbuying.com.au info@localbuying.com.au