

## The big Australian continues to deliver

<b>Company/ASX Code</b>	BHP Group Limited/BHP
<b>AGM time and date</b>	10:00 am AEDT Wednesday, 30 October 2024
<b>Location</b>	Royal International Convention Centre, 600 Gregory Tce., Bowen Hills, Brisbane, Qld.
<b>Registry</b>	Computershare
<b>Type of meeting</b>	Physical, with webcast allowing only observing.
<b>Monitor</b>	Duncan Seddon, Mike Robey
<b>Pre-AGM Meeting</b>	Yes. with Chairman, Ken MacKenzie

Monitor Shareholding: The individual(s) (or their associates) involved in the preparation of this voting intention have a shareholding in this company.

### 1. How we intend to vote

No.	Resolution description	
2	To elect Don Lindsay	For
3	To elect Ross McEwan	For
4	Re-elect Xiaoqun Clever	For
5	Re-elect Gary Goldberg:	For
6	Re-elect Michelle Hinchcliffe	For
7	Re-elect Ken MacKenzie	For
8	Re-elect Christine O'Reilly	For
9	Re-elect Catherine Tanna	For
10	Re-elect Dion Weisler	For
11	Adoption of Remuneration Report	For
12	Grants to CEO	For
13	Approval of the 2024 Climate Transition Action Plan	For

### 2. Summary of Issues and Voting Intentions for AGM/EGM

We consider BHP a well run company and will support all of the resolutions. The main issues facing the company's future performance and governance are:

- Heavy (over) reliance on the Chinese economy to maintain growth and support the company's operations in copper and iron ore.
- Successfully bringing the Jansen potash project to full commercialisation to establish another major division for the company.

### 3. Matters Considered

#### Accounts and reports

Overall, a good year coming off outstanding results in 2022. Revenue (\$55.6 billion) was higher than last year (\$53.7 billion). The return on capital employed for the various company sectors are:

ROCE	2024	2023	2022
COPPER	15%	12%	16%
IRON ORE	66%	67%	91%
COAL	18%	47%	91%
Unallocated (Ni West)	-6%	-4%	0%

These are good financials which are still dominated by iron ore operations. The company expects the return on the high investments in copper is a long game and that the returns will improve in the coming years.

Financial performance: All in US\$ unless otherwise indicated

(As at FYE)	2024	2023	2022	2021	2020
NPAT (\$m)	7,897	12,921	30,900	11,304	7,956
UPAT (\$m)	7,897	12,921	20,245	11,529	7,848
Share price (A\$)	42.68	44.99	41.25	48.06	35.82
Dividend (A\$ cents)	220	392	1018	207	213
Simple TSR (%)	(0.23)	19.7	48.7	42.5	-7.2
EPS (US\$ cents)*	269.5	265.0	421.2	335.9	176.9
CEO total remuneration, actual (\$m)	8.513	13.330	15.308	14.521	6.069

\*underlying

#### Governance and culture

BHP is a well governed company. It is socially progressive and has both diversity targets and processes and plans in place to meet them. It is also the largest employer of first nations people in most of its operating territories. There is an industry-wide issue for the company's diversity objectives in the employment of women in the remote mining sites that BHP operates, namely the long-standing problems of FIFO women and men workers, both employed and contractors in remote mining camps. Its whistleblower procedures generate about 400 complaints annually, which led to 100 workers being dismissed. BHP is to be congratulated for the comprehensive training and development of staff to root out harassment and by being open with its problems, which are widely known but rarely discussed. It has a target gender balance in the overall group by end CY25 (currently 37.1%), from a starting point in 2016 of 17% women.

One bone of contention in this financial year was with the federal government, about an industrial relations change which empowered the unions to negotiate wages for labour hire employees, particularly in the Pilbara. BHP, along with the Business Council of Australia and the Mining Council strongly oppose this new law, stating that this will make Australia even more unproductive and uncompetitive with the rest of the world and drive future investment offshore. Qantas has a similar objection, since it employs cabin crew from around the world at local competitive rates. This law is under a promised one-year review at the time of writing.

### **Key events**

There have been no major events in the year

### **Key board or senior management changes**

Terry Bowen and Ian Cockerill left the board in the past year to be replaced by Ross McEwan (significant banking experience) and Don Lindsay (significant international mining experience).

The executive management team under Mike Henry (CEO) was reorganised in February. The present executive team are:

Chief Operating Officer: Edgar Basto

Chief Financial Officer: Vandita Pant

Chief Commercial Officer: Ragnar Udd

Chief Legal, Governance and External Affairs Officer: Caroline Cox

Chief Development Officer: Catering Raw

Chief Technical Officer: Johan van Jaarsveld

President Americas: Brandon Craig

President Australia: Geraldine Slattery

Chief People Officer: Jad Vodopija

### **Sustainability/ESG**

The BHP Sustainability report is wide-ranging and comprehensive. The report sets out in detail plans for de-carbonisation of the company's activities along the lines of plans discussed in prior reports. The report covers each of the separate divisions of the company with the company linking bonuses to achieved outcomes. It is possibly the most detailed of any such report of an ASX listed company.

## **4. Rationale for Voting Intentions**

### **Resolution 1: Financial Statements and Reports - approve**

### **Resolutions 2 to 10: Election and Re-election of Directors**

At BHP all of the directors stand for election each year. There are two new appointments who will make a good contribution to the Board. We support the election and re-election of all of the candidates. All of the candidates hold an adequate shareholding in the company and thereby aligning their interests with those of retail shareholders. The following table shows their current fees, shareholdings, directorships, year of appointment. They all attended the pertinent board meetings.

Director	Income (fees \$US)	Shares \$	Value US\$m	Shares/	Other Directorships	Qualifications	Appointed year
				income			
Michelle Hinchliffe	280000	10107	0.292	104.20%	Macquarie, Santander	Commercial	2022
Catherine Tanna	267000	10400	0.300	112.44%	Bechtel, McKinsey,	Business (Honorary)	2022
Xiaoqun Clever-Steg	278000	8539	0.246	88.67%	Amadeus, Infineon, Stauman Gp	Computer Science, marketing	2020
Gary Goldberg	383000	18000	0.520	135.67%	Imperial Oil	Mining Engineering	2020
Ken MacKenzie	992000	58446	1.687	170.08%		Engineering	2016
Christine O'Reilly	300000	9420	0.272	90.64%	ANZ, Stockland, Infrastructure Victoria	Business	2020
Dion Weisler	245000	7544	0.218	88.89%	Intel, Thermo-Fischer, Sapia and Co.	Computing Law (Honorary)	2020
Mike Henry	7335000	410001	11.836	161.36%		Chemistry	2020
Ross McEwan	100000	0	-		QinetiQ.Ruminant Biotech	Banking	2024
Don Lindsay	38000	0	-		Manulife, Invictus Games	Mining Engineering	2024

#### **Resolution 11: Adoption of the Remuneration Report - FOR**

BHP's remuneration report is comprehensive and delivers the expectations of the ASA for remuneration reports. Of note is that the company pays its short-term incentives in three equal tranches. A cash component and two equity tranches. One equity tranche is deferred for two years and the other for five years, which is at the longer end of ASX listed companies.

#### **Resolution 12: To Approval of equity grants to the Chief Executive Officer - FOR**

These equity grants fall due because of the remuneration plan which we support.

The CEO did not get the full target reward for HSEC (health, safety, environment, community) metric (a fatality) and was on target for other metrics. This shows that the system is working properly to the benefit of the retail shareholder.

See attached table for more details of the reward structure.

#### **Resolution 13: Approval of 2024 Climate Transition Plan**

The CTAP is a well presented and very comprehensive document. While it raises queries it also endeavours to answer them as completely as possible. It clearly describes the carbon reduction pathways for Scope 1 and 2 emissions, as well as raising awareness of the issues and challenges relating to Scope 3 emissions reduction. It was impressive to read of the amount of partnerships and projects that BHP has embarked upon to address the support of Scope 3 emissions reduction. It does appear that Steelmaking and its challenges is a huge focus and will need to remain so.

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## Appendix 1

### Remuneration framework detail

CEO rem. Framework for 2023	Target US\$m	% of Total	Max. Opportunity US\$m	% of Total
Fixed Remuneration	1.808	26%	1.808	17%
STI - Cash	1.182	17%	1.808	17%
STI - Equity (2y deferred)	1.182	17%	1.808	17%
STI - Equity (5y deferred)	1.182	17%	1.808	17%
LTI	1.599	23%	3.403	32%
Total	6.954	100.0%	10.635	100%

STI is called the CDP plan. The amounts in the table above are the amounts that are envisaged in the design of the remuneration plan. The remuneration does not include pension and benefits.