

Copper moves to front and centre

Company/ASX Code	BHP Group Limited/BHP
AGM time and date	10:00 am AEDT on Thursday, 22 October 2026
Location	Sydney Showground, Exhibition Hall 5, 1 Showground Road, Sydney Olympic Park
Registry	Computershare
Type of meeting	Live and webcast, not hybrid
Monitor	Mike Robey and Duncan Seddon
Pre-AGM Meeting	Yes with Chair Ross McEwan, Stefanie Wilkinson General Counsel

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

1. How we intend to vote

No.	Resolution description	
2-11	Election and re-election of Board endorsed Directors	For
12	Election of Stephen Mayne as a director.	Against
13	Adoption of the remuneration report	For
14	Approval of equity grants to the CEO	For
15	Approval of renewal of potential leaving entitlements	For

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

- BHP had a bumper year in 2026, in large part due to the price of one of its core metals, namely copper. In the short term at least, this has vindicated their pivot to this metal in recent years. See the financial table for summary details.
- There is concern over the significant write-down (\$US2.3b) of the Jansen Potash project in Canada, which is in development phase. This project cost has blown out from an estimated US\$4.9b to US\$6.9b and first production of stage 2 has drifted by two years to FY2031. The slightly better news is that stage 1 remains on track for first production mid CY2027
- BHP holds in-person AGMs, which are not hybrid and are without the chance for online questions in real time. In addition, these are accompanied by Fort Knox security screening, and separation of voters from observers (who must stay in an ante-room to the main auditorium).

See [ASA Voting guidelines](#) and [Investment Glossary](#) for definitions.

3. Matters Considered

Financial performance

(As at FYE)	2026	2025	2024	2023	2022
NPAT (US\$m)	9,833	9,019	7,897	12,912	30,900
UPAT (US\$m)	13,204	10,157	13,660	13,420	20,245
Share price (AUD\$)	59.4	36.75	42.68	44.99	41.25
Dividend (AUD\$)	2.42	1.90	2.35	3.92	10.18
Simple TSR ¹ (%)	61.6	-10.00	0.00	19.70	6.80
Underlying EPS (US\$)	2.60	2.00	2.70	2.65	4.21
CEO total remuneration, actual (US\$m)	10.251	9.055	8.466		

¹Simple TSR is calculated by dividing (change in share price plus dividend paid during the year, excluding franking, by the share price at the start of the year.

Governance and culture

BHP is well governed with comprehensive processes and board visibility for all significant governance categories. Staff engagement appears to be good with 87% of employees responding to a six-monthly survey, 83% of which were favourable.

There is a current industrial relations dispute for BHP in Australia, triggered by Federal Government industrial relations reform, which has been taken up by an alliance of mining related unions with a catchcry of “unionise the Pilbara”. The workers at BHP have until now largely been outside the influence of the union. BHP managed to get 58% of the workforce in one mining area (1800 workers at mining area C and South Flank) to agree to a 16% pay rise over 4 years, against the express union recommendation. There is however an ongoing standoff at the world’s largest shipping bulk iron ore terminal at Port Hedland, where a similar offer was rejected. Expect more volatility in this area.

Key events

For the first time, copper provided more than half of BHP’s Underlying EBITDA, accounting for 54% of the Group total and pushing iron ore off the top position. Given that the demand for copper, driven by electrification of just about everything, is forecast to exceed supply for many years, the future looks encouraging for the world’s biggest copper miner, although higher commodity prices will drive further recycling and substitution, particularly by aluminium and optic fibre in some applications. Even then, BHP only has about 7% of the global copper production, so is no price maker.

Another fortunate revenue kicker for BHP is that in some of its major copper deposits, gold, silver and uranium are byproducts, all of which are enjoying historically high prices. In fact, BHP is Australia's largest uranium miner.

The English High Court has found BHP liable under Brazilian law for the 2015 Fundão dam failure. The UK group action seeks substantial damages, with future trials to determine the assessment of damages. BHP, Vale and Samarco entered into a US\$32 billion agreement with Brazilian public authorities and public defenders in 2024 covering remediation and compensation in Brazil. BHP says compensation already provided and releases given by claimants should reduce the size and value of claims in the UK action.

Key board or senior management changes

The CEO of the past 6.5 years, Mike Henry, retired on 30 June 2026, handing the baton to the 26-year veteran of BHP, Brandon Craig, who has senior management experience in all the minerals of the BHP portfolio and brings this encyclopaedic knowledge to the top role.

Mark Vassella, who started out his working as a BP cadet returns after 8 years as CEO of Bluescope Steel has been appointed to the board, as part of a board renewal process of rotating out directors with 9 years tenure.

Sustainability/ESG

BHP provides one of the more comprehensive and readable sustainability reports among ASX-listed companies. The 54-page report forms part of the Annual Report and provides extensive sustainability data and commentary, broken out by region, commodity and country of operation.

BHP also has a separate board committee on sustainability, which meets 5 times a year.

Some key takeaways are:

1. Indigenous employment overall 9.8%, split 9.3% Australia, 20.2% Canada, and 11.7% Chile
2. GHG operational emissions reduction 33% in 2026
3. Gender composition, women comprise 40% of board positions, 50% of the executive leadership team and 39% of people leaders.
4. Proof of concept of fully electric mining vehicles
5. Some progress on dealing with the reduction of scope 3 emissions, but given that their significant customers are huge emitters, this has been through collaboration and some joint projects, but the largest emissions derive from blast furnace production of steel, which has no short-term scalable replacement. Some progress has been made in shipping emissions reduction. One interesting business risk identified is a faster than expected decarbonisation of steelmaking, which would affect their metallurgical coal business, so there is some scope for optimism here for zero carbon activists.

ASA focus issues (not discussed above or under remuneration report or re-election of directors)

Cyber security is particularly challenging for BHP, as they are in partnerships with multiple other entities in their global footprint. They claim to have had attacks but of little material consequence and have a VP Technology Cybersecurity & Architecture who is responsible

for overseeing the performance of cybersecurity risk. As with all matters about cyber resilience, time will tell if their processes and control across their supply chain is robust.

BHP uses AI in much of their business, but they are beneficiaries of the global adoption of AI, in that the data centres required for this use a lot of copper. They have a well-established Business Operating System (BOS) which they acknowledge could further improve productivity by the application of AI, but there is little published on what has already been achieved.

BHP has an externally audited and assessed board skills table, with well thought through skills. What is missing is any attribution of skill level to individual directors, as the table only plots the number of directors with a high level in each skill. We have raised this as an area of improvement with the new chair, since for retail shareholders voting for directors, which in BHP is a yearly requirement, it would be much more useful if we were provided with greater granularity.

BHP doesn't hold a hybrid AGM, which is unfair to the large number of shareholders not able to attend in person. All questions must be submitted in advance of the start of the meeting giving little opportunity to respond to the content of the meeting. While BHP may have reasons for wanting to manage disruption at its AGMs, ASA believes this should not come at the expense of genuine real-time participation by shareholders.

Resolution 2-11 Election/Re-election of directors, (all for)

BHP requires all sitting directors to stand for re-election every year. All of those sitting for election have suitable ability and appear not to be over-boarded. They also comply with minimum shareholding requirements, which even though somewhat less stringent than our guidelines are evidence of a need to have skin in the game.

There are two new directors up for appointment, the new CEO Mr Brandon Craig, whom we support, and Mr Mark Vassella, mentioned above, who comes with an excellent background in steelmaking.

Resolution 12 Election of Stephen Mayne as Director (against)

Mr Mayne has stood for election to highlight the fact that BHP does not hold a true hybrid AGM. We agree entirely with Mr Mayne on this point, but we believe that standing for election is unnecessary.

Resolution 13 Adoption of the remuneration report (for)

BHP has a remuneration structure, which in part is conventional, having fixed, short term and long-term components, called respectively Fixed, Cash deferred Program (CDP) and Long-Term Incentive Program (LTIP). There are two unusual aspects of this structure:

1. The CDP extends for 5 years, with a third paid in cash in year 1 and deferred rights in years 2 and 5 for the other two thirds.
2. The LTIP is 5-year based with performance shares assessed on relative Total Shareholder Return (rTSR) and the method in point 3. The rTSR has two test groups, a global metals and mining one for 67% of the award, and a world index for the remaining 33%. Vesting occurs separately at 25% in each test group at the 50th percentile reaching maximum 100% at the 80th percentile.

3. Both the deferred shares in the CDP and the performance rights in the LTIP are assessed against a suite of business performance measures including safety, financial and corporate governance measures. This same suite (but not the rTSR) is used to assess the issue of the CDP deferred shares as well.

This is a complicated structure but linked to shareholders, to their decarbonisation, emissions targets and to safety targets. The quanta are given in the remuneration table in Appendix 1 below. One additional unusual aspect is that the notionally shorter-term CDP component actually offers a maximum opportunity of almost double the LTIP component, although as explained, this also extends out for 5 years and is assessed against a performance suite of measures.

Resolution 14 Grant of equity rights to the Chief Executive Officer (for)

This resolution covers both the deferred shares in the CDP scheme as well as the performance rights in the LTIP. Quanta are calculated using the share price average of BHP over the prior whole year. Whilst also unusual, this does remove some of the volatility associated with taking a weighted average price over the last week of the financial year, so we support it.

Resolution 15 Renewal of approval of potential leaving entitlements (for)

This resolution comes around every three years and covers off how the board can flexibly treat departing employees in concordance with local laws, market practice and company policy, wherever they work in the global operations. It was last on the AGM agenda in 2023 and we support it again this time.

ASA Disclaimer

This document has been prepared by the Australian Shareholders Association Limited ABN 40 000 625 669 ("ASA"). It is not a disclosure document, it does not constitute investment or legal advice and it does not take into account any person's particular investment objectives. The statements and information contained in this document are not intended to represent recommendations of a particular course of action to any particular person. Readers should obtain their own independent investment and legal advice in relation to the matters contemplated by this document. To the fullest extent permitted by law, neither ASA nor any of its officers, directors, employees, contractors, agents or related bodies corporate:

- makes any representations, warranties or guarantees (express or implied) as to the accuracy, reliability, completeness or fitness for purpose of any statements or information contained in this document; or*
- shall have any liability (whether in contract, by reason of negligence or negligent misstatement or otherwise) for any statements or information contained in, or omissions from this document; nor for any person's acts or omissions undertaken or made in reliance of any such statements, information or omissions.*

This document may contain forward looking statements. Such statements are predictions only and are subject to uncertainties. Given these uncertainties, readers are cautioned not to place reliance on any such statements. Any such statements speak only to the date of issue of this document and ASA disclaims any obligation to disseminate any updates or revisions to any such statements to reflect changed expectations or circumstances.

Appendix 1

Remuneration framework detail

CEO rem. Framework for FY27	Target* US\$m	% of Total	Max. Opportunity US\$m	% of Total
Fixed Remuneration	2.09	20%	2.09	16.42%
CDP - Cash	1.52	14.55%	2.28	17.91%
CDP Equity yr 2	1.52	14.55%	2.28	17.91%
CDP Equity Y5	1.52	14.55%	2.28	17.91%
LTI	3.80	36.36%	3.80	29.85%
Total	10.45	100.0%	12.73	100%

The amounts in the table above are the amounts that are envisaged in the design of the remuneration plan. *Target remuneration is sometimes called budgeted remuneration and is what the company expects to award the CEO in an ordinary year, with deferred amounts subject to hurdles in subsequent years before vesting. Some remuneration framework set a maximum opportunity amount, but not all.