

QUESTIONS FROM DWS INVESTMENT GMBH
BHP Group Ltd
ANNUAL MEETING OF SHAREHOLDERS
November 01. 2023
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BHP GROUP LTD
ANNUAL SHAREHOLDERS' MEETING
NOVEMBER 01.2023
QUESTIONS FROM DWS INVESTMENT GMBH

Dear Mr. MacKenzie,
Dear Mr. Henry,
Dear Members of the Board,

DWS Investment GmbH, also acting on behalf of funds of DWS Investment S.A. (incl. SICAVs and PLCs) and certain institutional mandates of DWS International GmbH, all according to delegation agreements (hereafter DWS), is one of the largest asset managers in Europe, ahead of your 2023 Annual Shareholders' Meeting, we would like to share our questions with you. As a responsible investor in BHP Group Ltd. (BHP), it is part of our fiduciary duty at DWS to express our expectations on sustainability in the best interest of our clients. Our commitment to responsible environmental and social practices as well as sound governance (ESG) is not only a crucial element of our responsibilities but also forms an integral part of our investment process.

Ahead of your 2023 annual general meeting of shareholders (AGM), we would like to share our questions with you. We would greatly appreciate your answers in written form. Please note that we will also share our questions on our website (www.dws.com) on the day of your AGM. Thank you for your consideration.

Executive Remuneration

Executive pay is one of the most important aspects of good corporate governance as it is one of the signals for a well-operated and supervised business. We expect boards to ensure full transparency of all compensation components, and that there are clear and plausible key performance indicators.

Furthermore, the structure of the incentives should encourage the achievement of corporate financial, social, and environmental objectives, and the amount ultimately granted is in line with performance. In addition, the remuneration system should align the interests of shareholders and management.

QUESTION 1: We recognize that you have integrated the sustainability performance objectives in the executive managers' remuneration. However, targets and thresholds remain partially disclosed. When can we expect further transparency and details related to these metrics?

QUESTION 2: Moreover, BHP proposes in FY24 to increase chair and director fees significantly which are already well above Australian market cap peers although the financial performance is declining. How do you justify the increase?

Climate Change

Climate change is one of the greatest environmental challenges. Therefore, corporations and investors, as owners and lenders, have a key role to play towards emission reductions in the mutual goal of coping with the impacts of global warming. In this regard, we are a supporter of the Climate Action 100+ and the Net Zero Asset Managers initiatives with the aim to enhance the governance of climate change risks and opportunities, curb emissions and strengthen climate-related financial disclosures. Our active ownership approach revolves around carefully monitoring our investees and engaging with them with the aim of improving their financial and non-financial performance, building a sound understanding of their business and a constructive dialogue on their sustainable development.

BHP reportedly failed to mitigate its climate change impacts in several countries, including the Philippines.

We appreciate the progress in providing more transparency into climate related data, especially in the near-term and mid-term for the scope 1-3. However, we are interested in more ambitious actions and interim milestones beyond 2030 to reach Net Zero targets by 2050, especially for the scope 3.

QUESTION 3: Seeing as steel making comprises the largest contributor to your scope 3 emissions, can you disclose your GHG exposure according to the client category (Tier 1 to 3 etc.) to demonstrate your improvement in detail?

Biodiversity

Biodiversity is of great concern to DWS and plays a critical role in carbon sequestration, water filtration and agricultural yields. The mining industry, exploiting lands and seas, is significantly exposed to biodiversity risks.

QUESTION 4: We appreciate that BHP begins to assess the impact of the biodiversity initiative with TNFD. Can BHP provide a road map for recovery of used lands such as Mariana, Minas Gerais, Brazil and others?

Human Rights, Health and Safety

DWS evaluates sectors and industries particularly exposed to social harm for additional due diligence. This includes indigenous peoples and labor rights infringements. DWS expects investee companies to assess, manage the communication with local communities and reduce health and safety risks to prevent workplace injuries, illnesses, and fatalities.

We noticed that international NGOs and local media have highlighted that the mining industry continues to reduce indigenous access to water and is affecting their health and cultural practices.

We acknowledge that BHP provides local programs for indigenous people. Unfortunately, BHP reportedly failed to respect indigenous rights in Colombia, Australia, and the United States.

QUESTION 5: Can we expect a global program to integrate indigenous people into the corporation?

To conclude, we would like to thank all members of the Board and all BHP Group Ltd. employees cordially on their commitment and dedication over the past year.

A special thank you in advance for your answers.