

BHP GROUP LTD  
ANNUAL SHAREHOLDERS' MEETING  
**NOVEMBER 10.2022**  
QUESTIONS FROM DWS INVESTMENT GMBH

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

As one of the largest asset managers in Europe, ahead of your 2022 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.

Thank you for your consideration and answers in advance. We would highly appreciate if we could receive your answers in written form. Please note that we will also share our questions on our [www.dws.com](http://www.dws.com) website on the day of your AGM.

### **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 are not fully disclosed. When can we expect further transparency and details related to these metrics?**

### **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.

**QUESTION 2: BHP's latest Climate Transition Action Plan launched in September 2021 is a step in the right direction. However, it is still a long way to reach Net Zero targets, partly caused by unsolved regulatory issues in respect of pathways and partly by company's limited ambitions to reach its targets. Although we acknowledge BHP's relative strength of Greenhouse Gas mitigation, and its Carbon emission performance is above peers we see further room for improvements. In particular, the huge amount of the absolute GHG emissions is missing significant use of cleaner sources of energy embedded in a holistic renewable energy strategy. In our view, there is pressing need to accelerate BHP's efforts to reduce its share in global warming and to set ambitious SBTi verified emission targets. How could BHP strengthen its efforts in this regard and when?**

**QUESTION 3: We appreciate the progress in providing more transparency into climate related data, especially in the near term. However, we are interested in more detailed actions and interim milestones beyond 2030 to reach Net Zero targets by 2050. Additionally, we would like to see the introduction of applying the EU Taxonomy to increase transparency regarding your investments in ESG relevant areas. Would you consider including the EU Taxonomy going forward?**

**QUESTION 4: DWS would like to see more efforts from BHP to use cleaner sources of energy and renewables. At least by 2030 BHP should clearly have undertaken large actions and moved towards the full use of renewable energy sources. Would you consider committing to use 100% of renewables by 2030? If not, for which year could you give a commitment for a full use of renewables?**

**QUESTION 5: BHP's earlier engagement in the extraction of coal, oil and petroleum is not compatible with the objective of fighting climate change. DWS appreciates clear moves of BHP in the right direction. However, BHP is missing a comprehensive exit plan for all commodities embedded in a clear timing schedule. How does BHP plan to handle the risks in financial terms and could you quantify impacts against coal that could damage the valuation of diversified mining companies like BHP beyond just an impairment charge on coal assets?**

## **Environment protection**

The worldwide environment protection (water waste etc.) is of great concern to DWS. Accordingly, it is crucial that corporations engage with direct operations, supply chains or other business relationships

BHP reportedly failed to remediate water pollution, to conduct appropriate stakeholder consultation to respect the right to adequate standard of living in Brazil. The company also allegedly failed to assess environmental impacts in Chile and the United States, as well as to prevent pollution in Colombia.

**QUESTION 6: When will BHP provide more disclosure about assessing environmental impacts in Chile and the United States, as well as to prevent pollution in Colombia?**

**QUESTION 7: We understand BHP is divesting from certain assets in controversial regions. However, can we expect BHP's Sustainability Committee and Executives to set clear guidelines, to assess the environment impact on the ongoing projects and to prevent from any disputes in the future?**

## Human right, 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 the international NGOs and local media have been observing that the mining business continues to reduce indigenous access to water and is affecting their health and cultural practices.

We are seeing that BHP provides the local program for the indigenous people. Unfortunately, BHP reportedly failed to respect indigenous rights in Colombia, Australia, and the United States. Furthermore, BHP allegedly failed to respect the right to safe and healthy working conditions in Chile, Colombia, and Peru.

### **QUESTION 8: Can we expect a global policy to advance human rights, including indigenous people?**

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.