



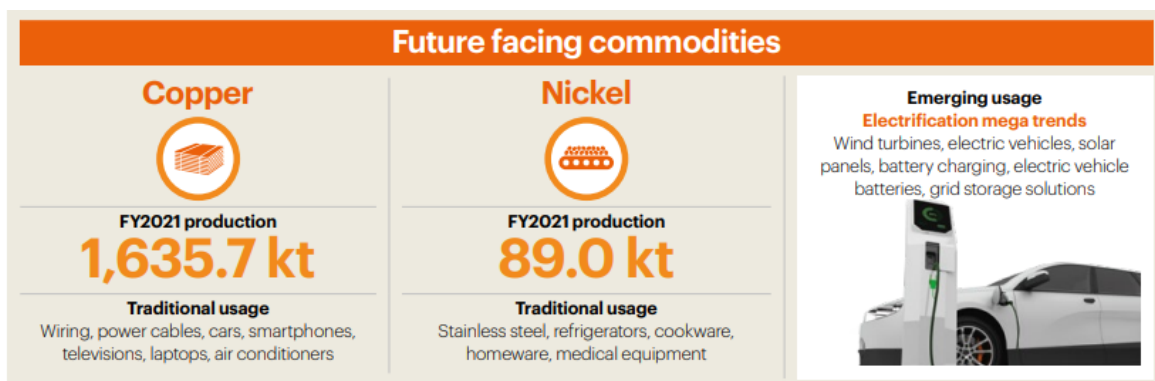
<b>Company</b>	BHP Limited
<b>Code</b>	BHP
<b>Meeting</b>	AGM
<b>Date</b>	11 November 2021
<b>Venue</b>	Virtual using Lumi technology
<b>Monitor</b>	Duncan Seddon, assisted by Mike Robey

<b>Number attendees at meeting</b>	Shareholders - 199; proxy-holders - 4; guests - 283
<b>Number of holdings represented by ASA</b>	1272
<b>Value of proxies</b>	\$211 million
<b>Number of shares represented by ASA</b>	5,656,865 (equivalent to 19th largest shareholder)
<b>Market capitalisation</b>	\$245 billion
<b>Were proxies voted?</b>	Yes, on a poll
<b>Pre AGM Meeting?</b>	Yes, with Chair Ken MacKenzie



## BHP Brings Home the Bacon – Better Results Predicted!

The AGM was conducted virtually on the LUMI platform.

This has been a splendid year for BHP shareholders and the Chair (Ken MacKenzie) and the CEO (Mike Henry) opening speeches, [here](#) and the presentation, [here](#), stated that things will be better and brighter as the Company manages the transition to carbon neutrality. The main theme was that zero emissions and in particular the transition away from fossil fuels to renewables would create a demand for the company's principal products - iron ore, copper, nickel and potash. In future years, these would see increased production from organic growth with the Company intending to continue to phase out its fossil fuel assets. The financial highlights and business scope presented at the AGM or presented in the Annual report are given below:




### Steelmaking commodities

<p><b>Iron ore</b></p>  <p><b>FY2021 production</b> <b>253.5 Mt</b></p> <p><b>Traditional usage</b> Cities, hospitals, schools, houses, bridges, trains, cars, smartphones</p> <p><small>* Metallurgical coal is also known as steelmaking coal.</small></p>	<p><b>Metallurgical coal*</b></p>  <p><b>FY2021 production</b> <b>40.6 Mt</b></p>
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**Emerging usage**  
**Supporting development and clean energy transition**

Wind turbines, carbon capture infrastructure and climate adaption to adjust to current or expected climate change and its effects



### Oil & Gas

<p><b>Petroleum</b></p>  <p><b>FY2021 production</b> <b>102.8 MMboe</b></p> <p><b>Traditional usage</b> Driving, air travel, heating, generating electricity, cleaning products, medical and hygiene products, roads</p>	<p><b>Emerging usage</b> <b>Supporting mobility and modern life</b></p> <p>Low-emissions shipping, technology-related materials, pairing with renewables, and the transportation impacts of the e-commerce revolution</p> 
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## FY21 financial highlights

A strong set of results enables higher shareholder returns

<p><b>Earnings</b></p> <p><b>US\$37.4 bn</b></p> <p>Underlying EBITDA ↑ 69%</p>	<p><b>EBITDA margin</b></p> <p><b>64%</b></p> <p>↑ 11% points</p>	<p><b>Free cash flow</b></p> <p><b>US\$19.4 bn</b></p> <p>↑ 140%</p>
<p><b>Net debt</b></p> <p><b>US\$4.1 bn</b></p> <p>↓ 66%</p>	<p><b>Shareholder returns</b></p> <p><b>200 US cps</b></p> <p>Final dividend determined, payout ratio of 92%</p>	<p><b>ROCE</b></p> <p><b>32.5%</b></p> <p>↑ 15.6% points</p>

Note: All comparisons are against FY20. Net debt excludes vessel lease contracts that are priced with reference to a freight index.

A major issue for shareholders in the next year is the proposed delisting of BHP PLC and the consolidation of the company as an Australian listed entity with its headquarters and board in Australia.

We asked four questions.

We asked about the impairment costs of Mount Arthur Coal which the company is having difficulty selling. Despite the recent increases in the coal price, the Chair said that the operation represented only 1% of the Company's earnings before interest and tax (EBIT) and that there would be no change to the impairment values disclosed in the annual report.

We asked about the heavy reliance of the company's products on the Chinese market. The Chair said that iron ore sales were strong and the Australian mines in general have a major competitive advantage in terms of supply volumes, production costs and quality. China is the world's major buyer of commodity minerals so it was not surprising that a lot of the company's copper output went to China although nickel was so. Coal mainly went to non-Chinese markets.

We asked about the evidence that the company's gender balance program produced positive results. The Chair said that the program had produced fewer injuries, a lower absentee rate and in general, mixed teams were more productive. He supported these with statistics. The CEO in his opening remarks did indicate that there had been some personnel issues in remote site operations which the company was aiming to quickly address.

In the light of the extensive changes to the Board in recent years, we asked about Board tenure and the fact that Malcolm Broomhead had been on the Board for over 12 years. The Chair said that Mr. Broomhead provided continuity for a relatively young board but it was his intention that the nine year limit of the board tenure was maintained after the wind up of the DLC. In answer to another shareholder's question he said it was his intention to keep the practice of all directors standing for election each year.

A question from another shareholder related asked if the recent share price fall was a consequence of the proposed delisting of PLC. The chairman discussed the differential between the PLC and LTD share price which has now almost disappeared.

Most other questions were climate related and concerned the proposed development of the Scarborough gas field 300km offshore Western Australia. The field contains 8 Tcf of gas (1 Tcf will run a 500MW gas fired generator for 30 years). The thrust of the questioning was to the effect that in due to BHP's commitment to the Paris accord the development should not go ahead. The Chair indicated that since the field is 75% owned and operated by Woodside the questions should really be addressed to that company. Both the Chair and CEO proved to be on top of the issues and were able to respond to all questioners with competent answers supported by suitable data.

All resolutions proposed or supported by the board were carried with a large majority, including two shareholder resolutions: one for a "vote on climate", or Climate Transition Action plan which was supported by the board and the second, a vote on industry lobbying, which required taking a firmer stand on those industry lobby groups at odds with BHP's stance on transition to renewables. This is the first time in Australia that such shareholder resolutions were endorsed by a major materials company board. The two resolutions proposed by shareholders and not recommended by the board failed with against votes over 85%.