

S&P/ASX Indices Consultation on the Implementation of BHP's Potential Unification – Updated

SYDNEY, DECEMBER 16, 2021: S&P Dow Jones Indices (“S&P DJI”) is conducting a consultation with market participants on the implementation of the potential unification of BHP Group Limited (XASX: BHP) and BHP Group Plc (XLON: BHP) within the S&P/ASX Indices.

BACKGROUND

BHP has proposed unifying its dual-listed company corporate structure into a single entity, BHP Group Limited, incorporated in Australia.¹ Under BHP's proposal, shares in BHP Group Plc (XLON: BHP) would be exchanged for shares in BHP Group Limited (XASX: BHP) on a one-for-one basis.

Should unification occur, the size of the event and its impact on the S&P/ASX Indices and the wider Australian market, including the market's ability to accommodate the significant trading volumes anticipated are expected to be material.

UPDATES

On December 2, 2021, BHP confirmed the timeline for unification. The last day of trading in BHP Group Plc will be January 28, 2022, with trading in the unified BHP Group Limited commencing on January 31, 2022, subject to shareholder, regulatory, and final court approvals.

S&P DJI anticipates above average liquidity on the effective date (close of January 28, 2022) as a result of the unification and the implementation of index-related actions already announced by other global index providers.

Therefore, S&P DJI is seeking feedback on whether to upweight the stock in S&P/ASX Indices at:

1. The full float-adjusted market capitalization (“FMC”) weight all at once, effective prior to the open of trading on January 31, 2022, or
2. In two tranches, with the first tranche added prior to the open of trading on January 31, 2022, and the second tranche added in conjunction with the subsequent rebalancing, effective prior to the open of trading on March 21, 2022.

¹ For additional details on BHP's proposal, please refer to <https://www.bhp.com/about/our-businesses/unified-corporate-structure>.

IMPACT ANALYSIS

The table below shows the projected unified weight of BHP in the S&P/ASX 200 as of October 28, 2021. Based on recent market capitalization figures, BHP will become the largest stock in all S&P/ASX FMC indices in which it is a constituent if unification occurs.

Stock	Weight in S&P/ASX 200		Estimated Funding Trade ²	Days to Trade ³
	Current	Projected Unified		
BHP	5.20%	8.61%	~AUD 10.87 billion	34.16

In addition, proforma weights for the December 2021 rebalancing of the S&P/ASX 200 and S&P/ASX 300 are available [here](#). These weights were calculated using closing prices from December 10, 2021.

QUESTIONS

Please answer the following questions and provide S&P DJI with the reasoning behind your answers:

- 1. Should unification occur, how should it be implemented in the S&P/ASX Indices?**
 - **Upweight BHP all at once, effective prior to the open of trading on January 31, 2022**
 - **Upweight BHP in two tranches, with the first tranche added prior to the open of trading on January 31, 2022, and the second tranche added in conjunction with the subsequent rebalancing, effective prior to the open of trading on March 21, 2022**
- 2. If you chose to upweight BHP in two tranches in question 1 above, how should the weighting be spread across the tranches?**
- 3. Do you have any other comments or feedback regarding the potential implementation of BHP's unification within the S&P/ASX Indices?**

Your participation in this consultation is important as we gather information from various market participants in order to properly evaluate your views and preferences. Please respond to this survey by **December 31, 2021**. After this date, S&P DJI will no longer accept survey responses. Prior to the Index Committee's final review, S&P DJI may request clarifications from respondents as part of that review.

To participate in this consultation, please visit the online survey available [here](#).

For further information about this consultation, please contact S&P Dow Jones Indices at SPDJI_Index_Governance@spglobal.com.

Please be advised that all comments from this consultation will be reviewed and considered before a final decision is made; however, S&P DJI makes no guarantees or is under any obligation to comply with any of the responses. The survey may result in no changes or outcome of any kind. If S&P DJI decides to change the index methodology, an announcement will be posted on our website.

Thank you for taking the time to complete this survey.

For more information about S&P Dow Jones Indices, please visit www.spdji.com.

² The estimated funding trade is calculated using an estimated AUD 319 billion in Australian equity funds benchmarked to S&P/ASX Indices derived from [S&P DJI's ETFs Turn 20 in Australia](#) as of Dec. 31, 2020, multiplied by the approximate upweight of BHP in the S&P/ASX 200 as of Oct. 28, 2021.

³ Estimated using the three-month average volume traded in BHP on the ASX as of Oct. 28, 2021.

CONSULTATION

ABOUT S&P DOW JONES INDICES

S&P Dow Jones Indices is the largest global resource for essential index-based concepts, data and research, and home to iconic financial market indicators, such as the S&P 500[®] and the Dow Jones Industrial Average[®]. More assets are invested in products based on our indices than products based on indices from any other provider in the world. Since Charles Dow invented the first index in 1884, S&P DJI has been innovating and developing indices across the spectrum of asset classes helping to define the way investors measure and trade the markets.

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