

BACKGROUND
**BHP shareholder resolution requests end to
relationship with Minerals Council of Australia**



18 September 2017

For the first time, BHP is under public scrutiny from Australian shareholders because of its continued membership and financial support of the industry body, the Minerals Council of Australia (MCA).

Tensions between the mining giant and the MCA (to which it pays an estimated \$3-4million in annual membership fees, more than a quarter of the industry body's revenue) have escalated in recent times:

- AFR, 'Tensions at MCA over coal-focused Finkel strategy,' 6 August 2017:
<http://www.afr.com/business/tensions-at-mca-over-finkel-strategy-20170806-gxq7xn>

It is understood that a recent council board meeting heard pointed criticism of the [MCA's] response to Finkel's slate of recommendations with BHP Billiton's head of Australian operations, Mike Henry, reportedly taking the lead in delivering rebuke.

- AFR, 'Mining lobby fiddles as community trust hits 'tipping point,' 7 September 2017:
<http://www.afr.com/business/mining-lobby-fiddles-as-community-trust-hits-tipping-point-20170907-gycv0h>

The fault lines between BHP Billiton and the Minerals Council of Australia have been publicly aired in a speech delivered by the Big Thinking Australian's chief external affairs officer, Geoff Healy, at the mining lobby's annual gathering in Canberra.

This resolution, an initiative of ACCR, was prepared in view of the high number of signatories to the UN Principles for Responsible Investment (UNPRI) [statement](#) on *Investor Expectations on Corporate Climate Lobbying* who are also BHP shareholders. This statement, signed by more than 60 investors representing more than US\$4 trillion in assets under management, calls on companies to “ensure that any [policy] engagement conducted on their behalf or with their support is aligned with [investors'] interest in a safe climate, in turn protecting the long term value in our portfolios across all sectors and asset classes.”

There is precedent for large, listed companies leaving the MCA. In 2016 AGL [exited its membership](#) of the MCA, specifically over differences in “positions on climate change and renewable energy.”

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