

BHP responds to shareholder concerns about the Minerals Council of Australia

BHP has [committed to a review](#) of industry associations to which it belongs, in response to a shareholder resolution filed by the Australasian Centre for Corporate Responsibility (ACCR)

The shareholder resolution, to be heard at BHP's Australian AGM in November, also calls for the termination of paid membership of industry bodies like the Minerals Council of Australia that have demonstrated a pattern of advocacy on policy issues at odds with the company's positions over the period 2012 to the present day.

View the resolutions and supporting statements with references on [ACCR's website](#).

"Obviously BHP understands as well as its investors that membership of the MCA comes with profound risks to shareholder value. We are pleased that BHP has acknowledged these risks," said Brynn O'Brien, Executive Director of ACCR.

"The MCA has demonstrated a pattern of vociferous and influential lobbying which has obstructed progress towards restoring stability to Australia's energy markets and taking evidence-based action on climate change. BHP's positions on several key policy issues are at odds with these lobbying activities.

"Over time the MCA's activities have the potential to undermine shareholder value, given BHP's exposure to both climate-related risk and domestic energy policy instability.

"It is a board's responsibility to regularly monitor the attractiveness to shareholders of continued membership of all industry associations, and to exit these associations where shareholder value is at risk.

"Investors are well within their remit to question BHP's willingness to pay multi-million dollar annual membership fees to the MCA. Our resolution seeks transparency from BHP to disclose the amount of shareholder funds spent on memberships of industry bodies," said Ms O'Brien.

Resolution 2 highlights three key national policy areas of material relevance to BHP:

- carbon pricing: BHP has long supported the introduction of a carbon price, while the MCA has obstructed any policy mechanism that would achieve this goal;
- Finkel Review: In June 2017, the MCA sought to undermine adoption of the Finkel Review's recommendations on energy policy. These activities continue to diminish the federal government's ability to resolve the national energy crisis. BHP, in contrast, was broadly supportive of the Finkel recommendations.

- New coal-fired power generation and fossil fuel subsidies: while BHP has stated its support for Australia meeting its Paris Agreement commitments, the MCA has advocated for policy measures inconsistent with this. The MCA spent almost \$2.5m promoting coal-fired power generation in the lead-up to the 2016 federal election.

MEDIA CONTACT

Brynn O'Brien ACCR Executive Director [+61 423 951 316](tel:+61423951316)

Brami Jegan Holdfast Communications [+61 448 276 945](tel:+61448276945)