Resolution 1 - Special resolution to amend our company’s constitution

Shareholders request that the following new clause 8.11 be inserted into our company’s constitution:

Member resolutions at general meeting

The shareholders in general meeting may by ordinary resolution express an opinion, ask for information, or make a request, about the way in which a power of the company partially or exclusively vested in the directors has been or should be exercised. However, such a resolution must relate to an issue of material relevance to the company or the company's business as identified by the company, and cannot either advocate action which would violate any law or relate to any personal claim or grievance. Such a resolution is advisory only and does not bind the directors or the company.

Resolution 2 - Ordinary resolution on Informed Consent relating to our company's proposed Fracking activities in the Beetaloo Sub-Basin

Our company intends to undertake hydraulic fracturing (**Fracking**) activities for the purposes of hydrocarbon exploration on land subject to petroleum exploration permits (**Permits**) held by our company in the Beetaloo Sub-Basin, located in the Northern Territory. In view of the substantial length of time which has passed since the Permits were obtained by our company's predecessor(s), Sweetpea Pty Ltd and/or Falcon Oil & Gas Ltd, and the developments in scientific and community understandings of Fracking since that time:-

Shareholders request that the Board commission a review of the process undertaken by its predecessor(s), in order to confirm that Informed Consent was given by Aboriginal native title holders on whose lands our company intends to undertake Fracking (**Review**).

The Review should:

1. Be limited to the processes undertaken to obtain the affected native title holders' consent to the grant of the Permits;
2. Examine the activities, disclosed to native title holders, for which consent was given to the grant of the Permits;
3. Consider human rights standards applicable to our company including the principle of Informed Consent;
4. Examine any relevant due diligence undertaken by our company when acquiring its interest in the Permits; and
5. Analyse the risks to our company arising from a possible historical failure to obtain the Informed Consent of affected native title holders.

Shareholders request that the Review be summarised in a report to be made available on the company website by 30 June 2020 (**Report**). The Report should be prepared at reasonable cost and omit confidential information.

Resolution 3 - Ordinary resolution on public health risks of coal operations

Shareholders request that, by 30 June 2020, the board prepare and disclose an assessment of the capital and operating expenditure required to install and maintain pollution controls at the Eraring coal-fired power station, sufficient to mitigate public health risks associated with non-carbon air pollution from that facility.

The assessment should be prepared at reasonable expense and omit proprietary information.

Resolution 4 - Ordinary resolution on Paris Goals and targets

Shareholders request the Board disclose, in annual reporting from 2020:

1. Details of how our company's capital expenditure, including each material investment in the acquisition or development of oil and gas reserves, is aligned with articles 2.1(a) and 4.1 of the Paris Agreement[1] (**Paris Goals**);
2. Short, medium and long-term targets for reductions in our company's Scope 1, 2 and 3 emissions (**Targets**) that are aligned with the Paris Goals ; and
3. details of how the company's remuneration policy will incentivise progress against the Targets.

[1] Article 2.1(a) of The Paris Agreement states the goal of "Holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change."
Article 4.1 of The Paris Agreement: In order to achieve the long-term temperature goal set out in Article 2, Parties aim to reach global peaking of greenhouse gas emissions as soon as possible, recognizing that peaking will take longer for developing country Parties, and to undertake rapid reductions thereafter in accordance with best available science, so as to achieve a balance between anthropogenic emissions by sources and removals by sinks of greenhouse gases in the second half of this century, on the basis of equity, and in the context of sustainable development and efforts to eradicate poverty.

Resolution 5 - Ordinary resolution on lobbying

1. Shareholders request that our company prepare and disclose annually, beginning in 2020, an analysis (**Analysis**) of climate and energy policy lobbying, advertising and advocacy (**Activities**), undertaken over the reporting year by industry associations of which our company is a member (**Industry Associations**). The Analysis should identify Activities and evaluate whether or not they are "positively in line with the Paris Agreement"[2].
2. Shareholders recommend that our company suspend memberships of Industry Associations that undertake Activities to influence policy in Australia, where:
   a. a dominant function of that Industry Association is to undertake Activities relating to climate, energy and/or emissions policy; and
   b. the Analysis does not demonstrate a record of "lobbying positively in line with the Paris Agreement".

[2] "Lobbying positively in line with the Paris Agreement" is Principle 1 of the Investor Principles on Lobbying, set out in IIGCC's *European Investor Expectations on Corporate Lobbying on Climate Change*, October 2018. https://www.iigcc.org/download/investor-expectations-on-corporate-lobbying/?wpdmdl=1830&refresh=5d52233df01791565664061.

Supporting statement to resolution 1 (573 words including footnotes)

Shareholder resolutions are a healthy part of corporate democracy in many jurisdictions other than Australia. As a shareholder, the Australasian Centre for Corporate Responsibility (ACCR) favours policies and practices that protect and enhance the value of our investments.

The Constitution of our company is not conducive to the right of shareholders to place ordinary resolutions on the agenda of the annual general meeting (AGM). In our view, this is contrary to the long-term interests of our company, our company's Board, and all shareholders in our company.

Australian legislation and its interpretation in case law means that Australian shareholders are unable to directly propose ordinary resolutions for consideration at Australian companies' AGMs. In Australia, the *Corporations Act 2001* provides that 100 shareholders or those with at least 5% of the votes that may be cast at an AGM with the right to propose a resolution[3]. However, section 198A specifically provides that management powers in a company reside with the Board[4].

Case law in Australia has determined that these provisions, together with the common law, mean that shareholders cannot by resolution either direct that the company take a course of action, or express an opinion as to how a power vested by the company's constitution in the directors should be exercised[5].

Australian shareholders wishing to have a resolution considered at an AGM have dealt with this limitation by proposing two part resolutions, with the first being a 'special resolution,' such as this one, that amends the company's constitution to allow ordinary resolutions to be placed on the agenda at a company's AGM. Such a resolution requires 75% support to be effective, and as no resolution of this kind has ever been supported by management or any institutional investors, none have succeeded.

It is open to our company's Board to simply permit the filing of ordinary resolutions, without the need for a special resolution. We would welcome this, in this instance. Permitting the raising of advisory resolutions by ordinary resolution at a company's AGM is global best practice, and this right is enjoyed by shareholders in any listed company in the UK, US, Canada or New Zealand.

We note that the drafting of this resolution limits the scope of permissible advisory resolutions to those related to "an issue of material relevance to the company or the company's business as identified by the company" and that recruiting 100 individual shareholders in a company to support a resolution is by no means an easy or straightforward task. Both of these factors act as powerful barriers to the actualisation of any concern that such a mechanism could 'open the floodgates' to a large number of frivolous resolutions.

ACCR urges shareholders to vote for this proposal.

---

[3] sections 249D and 249N of the *Corporations Act 2001* (Cth).

[4] S198A provides that "[t]he business of a company is to be managed by or under the direction of the directors", and that "[t]he directors may exercise all the powers of the company except any powers that this Act or the company's constitution (if any) requires the company to exercise in general meeting."

[5] National Roads & Motorists' Association v Parker (1986) 6 NSWLR 517; ACCR v CBA [2015] FCA 785). Parker turned on whether the resolution would be legally effective, with ACCR v CBA [2016] FCAFC 80 following this precedent on the basis that expressing an opinion would be legally ineffective as it would usurp the power vested in the directors to manage the corporation.

Supporting statement to resolution 2 (991 words including footnotes)

Background

We commend our company's statement that "[its] activities will be guided by" the United Nations' Guiding Principles on Business and Human Rights (UNGPs) as well as the UN Declaration on the Rights of Indigenous Peoples (UNDRIP)[6]. Our company has also committed to "more thoughtfully and meaningfully work with Aboriginal and Torres Strait Islander peoples"[7] through its Reconciliation Action Plan. We are concerned however that these commitments are not borne out in relation to our company's proposed hydraulic fracturing (**Fracking**) activities on Aboriginal land in the Northern Territory, exposing our company to risk.

Shareholders witnessed affected native title holders expressing their concerns directly to our Chairman at last year's AGM. Since that time, Aboriginal communities in the Beetaloo Basin region have declared their country to be "Fracking Free"[8]. That is to say, the concerns expressed have not been substantively addressed since last year's AGM.

This resolution is intended to assist our company by establishing a clear process, and to constrain parameters for inquiry, so that limited disclosures, pertinent to the examination of risk, can be made to be made to shareholders.

Consent for Fracking in the Beetaloo Sub-Basin

A recent review of publicly available information about consent processes in place in the Northern Territory[9], including the findings of the Hawke[10] and Pepper[11] inquiries, raises the concerning prospect that some if not all petroleum exploration permits in the NT that enable Fracking have been issued in the absence of free, prior and informed consent (**FPIC**). FPIC is central to the UNDRIP and is recognised in international law. Non-establishment of FPIC or any of its elements poses significant risks to our company, and warrants a cautious and diligent approach.

Our company did not itself negotiate consent agreements with affected native title claimants/holders for the grant of the Permits that it now holds in the Beetaloo Sub-Basin (**Agreements**). Rather, our company acquired its interest in the Permits, most likely negotiated in the early 2000s, and granted around 2005, from either or both of Sweetpea Pty Ltd and Falcon Oil & Gas Ltd.

The circumstances in which Sweetpea/Falcon obtained the Agreements carry risks that should have been the subject of careful due diligence before our company acquired its interest in the Permits (granted pursuant to the Agreements). In particular, confirmation of the existence under the Agreements of informed consent for the Fracking activities now proposed by our company should have been, and should now be, a matter of the highest importance to our company. This is because the validity of our company's interest may depend on

---

[6] https://www.originenergy.com.au/content/dam/origin/about/investors-media/human-rights-policy.pdf.
[7] https://www.originenergy.com.au/content/dam/origin/about/community/docs/reconciliation-action-plan.pdf.
[8] https://www.sbs.com.au/nitv/article/2019/06/21/remote-community-declares-their-country-frack-free-zone.
[9] Jumbunna Institute for Indigenous Education and Research, *Hydraulic Fracturing and Free, Prior and Informed Consent (FPIC) in the Northern Territory: A Literature Review* (2018).
[10] Report of the Independent Inquiry into Hydraulic Fracturing in the Northern Territory, 2014 see https://frackinginquiry.nt.gov.au/__data/assets/pdf_file/0008/387764/report-inquiry-into-hydraulic-fracturing-nt.pdf.
[11] Scientific Inquiry into Hydraulic Fracturing of Onshore Unconventional Reservoirs in the Northern Territory, 2018, see https://frackinginquiry.nt.gov.au/.

whether affected native title claimants/holders gave their informed consent to the grant of Permits in which our company has acquired an interest. If any of the Agreements are void for want of informed consent, they may be void from the outset, along with any Permit granted pursuant to them.

A number of observations may be made about the environment and time period in which the Agreements were likely negotiated:

1. Fracking was a practice relatively unknown to most Australians in the early 2000s.
2. It was also relatively unknown in the early 2000s that Fracking could be permitted under a petroleum exploration permit.
3. It is far from clear that an adequate degree of information, consultation and advice was afforded to affected native title holders about Fracking before they were asked to sign Agreements that purport to provide their consent to the grant of petroleum exploration permits to Sweetpea/Falcon at that time.
4. Even assuming that the best and most informative of consultation and advice processes was afforded to affected native title claimants/holders at that time (which remains in doubt), the state of available scientific knowledge in the early 2000s about the impacts and risks of Fracking could not have enabled affected native title claimants/holders to understand adequately the risks involved in the Fracking activities to which they purported to give their consent.
5. Many of the senior native title holders of the Beetaloo Basin have little formal education, and speak English as a second language. In these circumstances the burden of ensuring informed consent is far greater.

Recent Evidence of Concern and Objection Among Affected Native Title Holders and Claimants

Our company's assertion in its 2019 exploration program Environmental Management Plan (2019 EMP) to the effect that it has received no objections from native title holders affected by its 2019 Fracking plans[12] is not supported by the available evidence.

Submissions on behalf of affected native title holders to the Northern Territory Government in response to the 2019 EMP include:

- ➢ Detailed and plausible complaints[13] that our company has failed to comply with its duty under Northern Territory law to consult many native title holders with interests in the relevant area as determined by the Federal Court of Australia;
- ➢ A summary of concerns that would have been conveyed to our company if it had consulted the affected native title holders, including about:
    - Potential risks to the vital subterranean waters;
    - the inadequacy of current environmental studies; and
    - Our company's alleged failure to abide by the recommendations of the Pepper Review, particularly in relation to the proposed storage of waste Fracking water in open pits (as opposed to closed containers, as required by the Pepper review recommendations) in channel country where risks of flooding and danger to wildlife are high.[14]

Conclusion

ACCR urges shareholders to vote in favour of this proposal, in order to protect our company's economic interests, given the significant capital expenditure planned on Fracking activities in the Beetaloo Sub-Basin.

---

[12] 2019 EMP, Section 5-Stakeholder Engagement.
[13] Original Power, Submission to NTG in response to 2019 EMP, 29 May 2019.
[14] ibid.

Supporting statement to resolution 3 (793 words including footnotes)

Our company owns and operates the Eraring coal-fired power station in NSW. The burning of coal to generate electricity is a major contributor to climate change, and it produces air pollution and coal ash, both of which are harmful to public health.

Public health impacts from air pollution include heart disease, stroke, asthma attacks, low birth weight of babies, lung cancer and type 2 diabetes[15]. Air pollution from NSW's five coal-fired power stations is estimated to lead to 279 early deaths every year for people aged 30 to 99[16]. It is estimated that operating Eraring until its planned closure dates in 2032 will cause an additional 1,219 deaths, 1,058 babies to have low birth weight, and 1,579 additional cases of new onset diabetes in NSW[17]. These estimates are based only on $PM_{2.5}$ pollution, so there are likely to be broader health impacts from other emissions.

Unlike other OECD countries, Australia does not impose limits on stack emissions (the amount of pollution that is allowed to leave the power station stack) at a national level. Emissions limits vary for each state and each power station. Typically, each state-based Environmental Protection Authority (EPA) sets emissions limits on each power station within the terms of their licences.

While our company may comply with the emissions limits in its licences, on almost all measures, the licence limits imposed on Eraring are far less stringent than limits applied in China, the European Union and the United States[18]:

Power station / Jurisdiction	**Sulfur dioxide (SO2)**	**Oxides of nitrogen (NOx)**	**Mercury**	**Particles**
Eraring (NSW)	1716 mg/m^3	1100 mg/m^3	200 $\mu g/m^3$	50 mg/m^3
United States	1517 mg/m^3	875 mg/m^3	1.5 $\mu g/m^3$ (black coal) 14 $\mu g/m^3$ (brown coal)	125 mg/m^3
European Union	400 mg/m^3	200 mg/m^3	30 $\mu g/m^3$ (Germany only)	50 mg/m^3 (black coal) 100 mg/m^3 (brown coal)
China	200mg/m^3	200 mg/m^3 (400 mg/m^3 for provinces with high sulfur coal)	30 $\mu g/m^3$	30 mg/m^3

Note: mg = milligrams, µg = micrograms

[15] Ewald, B., The health burden of fine particle pollution from electricity generation in NSW, November 2018.
[16] ibid.
[17] ibid.
[18] Environmental Justice Australia, Toxic and Terminal, August 2017.

In other jurisdictions, power station operators must install modern pollution controls in order to comply with the stricter licence limits. These include:

- Flue Gas Desulfurisation (FGD), which reduces SO2 emissions by as much as 99%;
- Selective Catalytic Reduction (SCR) which reduces NOx emissions by 95%; and
- activated carbon injection to reduce emissions of mercury by about 90%.

While our company reports annual aggregate air pollution statistics, it has not disclosed any assessment of the risk of public health impacts, nor has it disclosed a financial assessment of the capital and operating expenditure required to retrofit and maintain Eraring with modern pollution controls.

It is imperative that our company take measures to reduce the impacts on public health from Eraring, which is scheduled to close in 2032. Our company's failure to address air pollution between now and the announced closure date exposes our company to as yet undetermined but potentially serious legal, regulatory and reputational risks.

Legal and regulatory risk
In Europe, various legal actions have been taken against national governments for failing to address air pollution, including Italy, Poland and the United Kingdom[19]. In China, civil society organisations have filed a number of lawsuits against companies responsible for air pollution[20]. Our company faces the credible threat of litigation if it fails to adequately address air pollution.

As the public health impacts of air pollution are more widely understood and demonstrated in research, it is likely that state-based EPAs will come under increasing pressure to strengthen air pollution standards on existing licences for coal-fired power stations. Our company is therefore vulnerable to abrupt regulatory change requiring unplanned expenditure, rather than via planned, orderly upgrades and scheduled maintenance.

Reputational risk
Our company has more than 1.1 million individual customers, and it has identified that one of its four key stakeholders are "communities"[21]. Two of our company's five values are to "care about our impact" and "being accountable"[22]. Those communities most affected by air pollution from coal-fired power stations expect our company to minimise harm. It is in the interests of shareholders that our company take appropriate steps to protect its social licence.

It is likely that the capital and operating expenditure required to retrofit and maintain adequate pollution controls at Eraring will have a material impact on our company's financial position. In order to better assess our company's short to medium term profitability, shareholders must be informed about the costs required to protect public health and protect our company's social licence to operate.

ACCR urges shareholders to vote for this proposal.

---

[19] https://www.clientearth.org/air-pollution/.
[20] https://www.newsecuritybeat.org/2018/08/people-vs-pollution-empowering-ngos-combat-pollution-environmental-law/.
[21] https://www.originenergy.com.au/about/who-we-are/our-purpose.html.
[22] ibid.

Supporting statement to resolution 4 (979 words including footnotes)

As a shareholder, the Australasian Centre for Corporate Responsibility (ACCR) encourages companies to accelerate their transition to a low carbon economy in line with the Paris Agreement, in order to protect shareholders and society from the worst impacts of climate change.

Our company "unequivocally supports the Paris Climate Accord and other measures to reduce carbon emissions, including Australia's emissions reduction target of a 26-28 per cent decrease on 2005 levels by 2030 as a minimum"[23]. Our company also advocates for net zero emissions within the electricity sector by 2050[24]. We commend these statements, however, we are concerned that our company's growth strategy and emissions performance are not aligned with a pathway consistent with the Paris Agreement. This proposal sets out three practical ways in which our company should demonstrate progress to shareholders: reporting on capital expenditure alignment, targets and executive remuneration.

Capital expenditure and growth
The IPCC's Special Report on Global Warming of 1.5°C projects that in the absence of, or with only a limited use of fossil fuels with carbon capture and storage (CCS), the share of primary energy provided by gas must decline by 20-25% by 2030, and by 53-74% by 2050 (relative to 2010)[25]. Contrary to those projections, our company is planning to explore and develop a 6.6 trillion cubic feet (TCF) reserve in the Beetaloo Basin before 2030, which will require material capital expenditure. There is a clear gulf between our company's plans and the recommendations of the IPCC, given the absence of commercially viable carbon capture and storage.

It is incumbent upon our company to demonstrate to shareholders how our company's capital expenditure, including each material investment in the acquisition or development of oil and gas reserves, is aligned with the Paris Climate Agreement's goal.

Targets and performance
In 2017, our company committed to the following targets:

- Scope 1 and Scope 2: halve emissions by 2032, from a 2017 base year (17,309kt CO_2-e);
- Scope 3: reduce emissions by 25% by 2032 (26,201kt CO_2-e)[26], excluding emissions from the Australia Pacific LNG (APLNG) joint venture.

Despite these targets, our company's Scope 1+2 emissions increased by 4% in FY2018, due to higher output at Eraring and increased production at APLNG[27]. In all likelihood, our company's Scope 1+2 emissions in FY2019 will be well above the FY2017 baseline once again. The cumulative impact of our company producing emissions ~5% higher than the FY2017 baseline every year until 2032 would equate to operating Eraring for an entire year. Continuously producing emissions higher than the baseline calls into doubt our company's Science Based Target.

Our company currently has no intention of reducing its emissions by 2030, the key milestone upon which Nationally Determined Commitments (NDCs) within the Paris Agreement depend. There is also an expectation that Australia's existing commitment will be ratcheted up before 2030. Despite our company's explicit support

[23] Origin Energy Ltd, 2017 Sustainability Report.
[24] ibid.
[25] https://www.ipcc.ch/sr15/.
[26] Origin Energy Ltd, 2018 Sustainability Report.
[27] ibid.

for Australia's current target of a 26-28% reduction by 2030 (on 2005 levels), our company will make little, if any, contribution to the achievement of that target.

Our company's Scope 3 target explicitly excludes exported emissions from the APLNG joint venture. Our company claims that APLNG "makes an important contribution to lowering the carbon intensity of energy consumption in Asia,"[28] although this kind of emissions accounting is not recognised by the Intergovernmental Panel on Climate Change (IPCC). This is a fundamental misreading of the Paris Agreement, which depends on public policy and corporate action at national level to reduce emissions in each country. Furthermore, the CSIRO could not conclude that Australian LNG exports are actually reducing emissions in Asia, as it did not have data sufficient to "know the proportion of [energy produced by] gas used to displace what [energy] would have been produced from coal"[29].

It is imperative that our company takes responsibility for the entirety of its Scope 3 emissions, instead of making speculative or uncertain assessments about 'avoided' or 'displaced' emissions. Recently:

- Royal Dutch Shell Plc committed to set emissions reduction targets inclusive of its value chain (Scope 3)[30];
- the board of BP Plc has supported a resolution very similar to this resolution[31], and BP has set separate targets regarding its methane intensity[32], which our company has not done;
- BHP Group announced that it would "set public goals to address scope 3 emissions"[33];
- All three companies have committed to incentivise emissions reduction in executive remuneration.

Our company risks becoming a laggard on emissions reduction both in its home market and compared to its international peers if it fails to match these companies' ambition.

Remuneration

Twenty per cent (20%) of the CEO scorecard for FY2018, used to determine short-term incentives (STI), is made up of "People, culture and HSE measures"[34]. These measures are mixed, and include "engagement and culture metrics, total recordable injury frequency rate, significant incidents, process safety and environmental reportable incidents"[35]. Emissions reduction targets are not explicitly included in the executive remuneration structure. Shareholder interests would be served by clearer incentivisation of emissions reduction in our company's remuneration structure.

The IPCC 1.5°C report recommends that in order to reach net zero carbon emissions by 2050, gas must play a diminishing role in primary energy supply[36]. Failing to limit global warming to 1.5°C will seriously impact the functioning of our financial systems and society at large. Companies which do not put in place appropriate

---

[28] ibid.

[29] Schandl et al, Final Report for Final Report for GISERA Project G2 - Whole of Life Greenhouse Gas Emissions Assessment of a Coal Seam Gas to Liquefied Natural Gas Project in the Surat Basin, Queensland, Australia, 2019.

[30] https://www.shell.com/media/news-and-media-releases/2018/joint-statement-between-institutional-investors-on-behalf-of-climate-action-and-shell.html.

[31] https://www.bp.com/en/global/corporate/news-and-insights/press-releases/bp-to-support-investor-groups-call-for-greater-reporting-around-paris-goals.html.

[32] https://www.bp.com/en/global/corporate/sustainability/climate-change/tackling-methane.html.

[33] https://www.bhp.com/media-and-insights/reports-and-presentations/2019/07/evolving-our-approach-to-climate-change.

[34] Origin Energy Ltd, Annual Report 2018.

[35] ibid.

[36] https://www.ipcc.ch/sr15/.

plans will likely face rapid and terminal loss of social license and value. We urge our company to set and publish short, medium and long-term targets aligned with the Paris Agreement.

ACCR urges shareholders to vote for this proposal.

Supporting statement to resolution 5 (940 words including footnotes)

Lobbying by industry associations against public policy designed to meet the goals of the Paris Agreement is of increasing interest and concern to institutional investors in Australia and worldwide.

At our company's 2018 annual general meeting (AGM), 46.32% of shareholders supported a resolution that requested our company conduct a review of the advocacy undertaken by its industry associations in respect to climate change and energy policy, and make that review available to shareholders within six months of the AGM. To date, our company has not satisfied key elements of that request.

This resolution is intended to assist our company by identifying those elements, establishing a clear process, and constraining the parameters for inquiry, so that limited disclosures, pertinent to the examination of risk, can be made to be made to shareholders.

The Institutional Investor Group on Climate Change (IIGCC) *Investor Principles on Lobbying* call on companies to ensure that their industry associations "lobby positively in line with the Paris Agreement"[37]. This call is reinforced in the wording of the resolution.

Background
In April this year, our company published a list of its industry associations on its website, noting how much it spends on those memberships ($1.4 million in FY2019), and its policy on industry association memberships[38]. While this information is useful, our company has failed to address the heart of the issue — that several of its industry associations continue to advocate for climate and energy policies that are not in our company's best interests.

In recent years, a growing number of Australian companies have either reviewed or committed to review the advocacy by their industry associations on climate and energy policy, including BHP Group, BlueScope Steel, Rio Tinto, Telstra and Westpac. Several foreign companies have also done the same, including Anglo American, Glencore and Royal Dutch Shell.

In 2015, our company joined the 'We Mean Business' coalition, committing to "undertake responsible corporate engagement in climate policy"[39]. Despite this commitment, several of our company's industry associations continue to conduct advocacy counter to the Paris Agreement's goals.

Lobbying counter to our company's interests
We support our company's commitment to net zero emissions within the electricity sector by 2050. However, the activities of industry associations which our company is a member of stand directly in conflict with the prospect of this goal being achieved, and with our company's long term financial and strategic interests.

Two issues of particular concern are:

---

[37] IIGCC, European Investor Expectations on Corporate Lobbying on Climate Change, October 2018. https://www.iigcc.org/download/investor-expectations-on-corporate-lobbying/?wpdmdl=1830&refresh=5d52233df01791565664061
[38] https://www.originenergy.com.au/about/investors-media/governance/industry_association_memberships.html.
[39] ibid.

- support for the use Kyoto carryover credits, which would reduce Australia's 2030 emissions target (pursuant to Australia's Nationally Determined Commitment (NDC)) from 26-28% to 15-16%[40], and
- support for investment in new or existing coal-fired power stations, and the promotion of Australia's continued or even expanded reliance on coal for energy.

Since our company's 2018 AGM, several of its industry associations have advocated for positions which are clearly inconsistent with our company's positions on climate change and energy policy. For example:

1. Australian Petroleum Production and Exploration Association (APPEA), on whose board our company retains a position, has:

- claimed that not using Kyoto carryover credits would increase the cost of meeting emissions targets, "possibly significantly"[41];
- criticised state-based policies to reduce emissions[42];
- repeatedly called for the removal of bans on onshore gas development in NSW and Victoria[43];
- called for LNG plants to be exempt from public disclosure of their emissions[44];
- opposed a WA Environment Protection Authority (EPA) recommendation that would require new emissions intensive projects to offset their emissions[45];
- said that there is no "need in any way, shape or form" for governments to regulate emissions from LNG exports[46].

2. Business Council of Australia, on whose Energy and Climate Change committee our company retains a position, has:

- claimed that banning the use of Kyoto carryover credits would be a "huge additional impost on the economy"[47];
- repeatedly overstated the cost of action on climate change throughout the 2019 Federal Election[48];
- called for investment in existing coal-fired power stations[49];
- advocated for the scrapping of "green schemes"[50], i.e. renewable energy targets;
- supported the removal of bans on onshore gas development in NSW and Victoria[51].

3. Queensland Resources Council, on whose board APLNG retains a position, has:

---

[40] https://www.afr.com/policy/energy-and-climate/explained-why-kyoto-carryover-credits-are-so-important-20190402-p519ws.
[41] https://www.afr.com/politics/federal/lng-steel-cement-to-be-hit-by-labor-s-carbon-plan-20190401-p519kr.
[42] https://www.afr.com/business/energy/we-are-blessed-with-gas-wealth-but-we-play-politics-with-it-20190703-p523pd.
[43] https://www.appea.com.au/media_release/increased-gas-supply-the-real-solution-to-meet-demand/.
[44] APPEA, Submission to the Review of the National Greenhouse and Energy Reporting Legislation, September 2018.
[45] https://www.appea.com.au/media_release/wa-epa-guidelines-put-investment-at-risk/.
[46] https://www.theaustralian.com.au/business/mining-energy/rivals-baulk-at-bhp-carbon-plan/news-story/83afe8670070a450b1a4732ebc6703ab.
[47] https://www.smh.com.au/business/the-economy/let-s-be-sensible-minerals-council-warns-against-labor-s-12-8b-kyoto-ban-20190409-p51ci9.html.
[48] ibid.
[49] https://www.bca.com.au/business_council_releases_a_plan_for_a_stronger_australia.
[50] ibid.
[51] ibid.

- called for a new high efficiency, low emissions (HELE) coal-fired power station to be built on the east coast[52];
- campaigned for the development of new thermal coal mines in Queensland's Galilee Basin[53];
- demanded that candidates running in the 2019 Federal election make an equivocal commitment to the future of the coal industry[54];
- organised "Start Adani" protests in the lead up to the 2019 Federal Election[55].

Our company is also a member of the Australian Energy Council, which supports the removal of bans on onshore gas development[56], and Gas Energy Australia, which has called for gas to displace electricity in households[57].

Much of the advocacy by our company's industry associations has led to adverse outcomes that are not in our company's long-term interests. These include an absence of policies to adequately reduce emissions across the economy[58], policy uncertainty in the electricity sector[59], and the government's "big stick" legislation[60], which would force divestment of coal-fired power stations in order to prolong their operation.

Few, if any, of our company's industry associations can fairly claim that they "lobby positively in line with with the Paris Agreement". As demonstrated above, several have effectively delayed the transition to a low carbon economy. This constitutes risk for our company.

ACCR urges shareholders to vote for this proposal.

---

52 https://www.theaustralian.com.au/business/mining-energy/coalfired-power-plants-energy-bosses-refute-shortens-view/news-story/c480fc66c3ef922132e03b828d71204d.

53 https://www.couriermail.com.au/news/regional/explained-future-of-nine-major-new-mines/news-story/b85314d9523a9ca1d2ef8d1b66904dc3.

54 https://www.qrc.org.au/media-releases/resource-sector-commitment-key-to-who-gets-in-seats-like-flynn-qrc/.

55 https://www.abc.net.au/news/2019-05-21/adani-mine-should-go-ahead-election-shows-rockhampton-mayor-says/11133948.

56 https://www.theaustralian.com.au/business/mining-energy/australian-energy-council-attacks-basis-for-gas-reservation/news-story/93de30e1d8957cd4d83b803816181775.

57 http://www.cleanercheaperfuels.com/2019-federal-election-statement/.

58 https://www.climatecouncil.org.au/resources/f-for-fail-australias-climate-report-card/.

59 https://www.abc.net.au/radionational/programs/backgroundbriefing/energy-policy-inaction-sparks-business-uncertainty/10766582.

60 https://www.afr.com/politics/the-morrison-governments-big-stick-energy-bill-explained-20181206-h18sz1.