

ATTACHMENT A
**Resolution and supporting
statement**

Ordinary resolution on lobbying inconsistent with the goals of the Paris Agreement

Shareholders recommend that our company suspend memberships of Industry Associations where:

- a. a major function of the Industry Association is to undertake lobbying, advertising and/or advocacy relating to climate and/or energy policy (**Advocacy**); and
- b. the Industry Association's record of Advocacy in the last three years demonstrates, on balance, inconsistency with the Paris Agreement's goals.¹

Nothing in this resolution should be read as limiting the Board's discretion to take decisions in the best interests of our company.

Supporting statement (637 words excluding footnotes)

The Australasian Centre for Corporate Responsibility (**ACCR**) supports our company's commitment to the goals of the Paris Agreement (**Paris Goals**). However, meeting the Paris Goals requires public policy support. Lobbying by industry associations against public policy designed to meet the Paris Goals is therefore of increasing concern to investors worldwide.² The activities of one of our company's industry associations, the **Business Council of Australia (BCA)**, conflict with the prospect of policy supportive of the Paris Goals being implemented, counter to our company's stated policies and long-term financial and strategic interests.

ACCR acknowledges the commitments our company has made to reduce its own emissions and those of its customers, including but not limited to:

- Source 50% of Australian electricity from renewable sources by 2025³;
- Leading arranger of renewable energy project finance in Australia⁴;
- Provision of \$A55 billion in low carbon financing by 2025⁵.

However, the **BCA** has proven to be one of the most influential industry associations opposing effective climate policy in Australia.

Despite cosmetic support for the Paris Agreement, in the last three years, the **BCA** has:

¹ "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>.

² 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>

³ National Australia Bank, Sustainability Report 2018

⁴ *ibid.*

⁵ *ibid.*

- called for new investment in existing coal-fired power stations⁶;
- supported the use of Kyoto carryover credits which will weaken Australia's 2030 emissions reduction target from 26-28% (by 2030) to approximately 15%⁷;
- during the 2019 Federal election, claimed that the ALP's 45% emissions reduction target would inhibit economic growth⁸;
- stated that more ambitious emissions reduction targets would lead to "deindustrialisation"⁹;
- stated that a 45% emissions reduction target would be "economy wrecking"¹⁰;
- ahead of the 2019 Federal election, told the Liberal party room that it would campaign against the Federal opposition's ambitious climate policies¹¹;
- repeatedly proposed that the Clean Energy Finance Corporation (CEFC) be allowed to consider investment in thermal generation with carbon capture and storage¹²¹³;
- argued for exemptions from climate policy for EITE industries¹⁴;
- argued against any extension of the Renewable Energy Target (RET) and stated that "there was no role for state-based" renewable energy targets¹⁵;
- called for the removal of state-based moratoria on gas development¹⁶;

Despite its claim that it supports a "market-based price signal" on carbon emissions¹⁷, the **BCA** campaigned against Australia's price on carbon in 2012-14¹⁸. In September 2019, **BCA** CEO Jennifer Westacott claimed that an appropriate price for carbon emissions would be A\$10 per tonne¹⁹, despite the International Monetary Fund (IMF) suggesting Australia would require a carbon price of US\$75 per tonne in order to meet the **Paris Goals**²⁰.

⁶ https://www.youtube.com/watch?v=hlj_Ky_mIA [at 9:00]

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<https://www.smh.com.au/business/the-economy/let-s-be-sensible-minerals-council-warns-against-labor-s-12-8b-kyo-to-ban-20190409-p51ci9.html>

⁸ http://www.bca.com.au/further_climate_policy_detail_welcomed

⁹ <https://twitter.com/SkyNewsAust/status/1025867269719519232>

¹⁰ <https://twitter.com/BCAcomau/status/1011414577702031361>

¹¹

<https://www.theguardian.com/australia-news/2018/jun/26/turnbull-quashes-abbotts-bid-to-give-party-room-a-say-on-energy-guarantee>

¹² Business Council of Australia, Submission to Review of Climate Change Policies, May 2017

¹³ Business Council of Australia, Submission to Independent review into the future security of the National Electricity Market, March 2017

¹⁴ Business Council of Australia, Submission to Review of Climate Change Policies, May 2017

¹⁵ Business Council of Australia, Submission to Independent review into the future security of the National Electricity Market, March 2017

¹⁶ *ibid.*

¹⁷ https://www.bca.com.au/the_bca_has_always_supported_responsible_climate_action

¹⁸ <https://www.bca.com.au/time-for-senate-to-repeal-the-carbon-tax>

¹⁹

<https://www.abc.net.au/news/programs/the-business/2019-09-20/extended-interview-with-jennifer-westacott/11534680>

²⁰

<https://www.afr.com/policy/energy-and-climate/a-111-carbon-tax-in-australia-would-still-be-too-low-says-imf-20191010-p52zkk>

In September 2019, the **BCA** received a 'Carbon Policy Footprint' score of -30 from UK-based research group InfluenceMap (on a scale of -100 to +100), ranking it within the 30 most obstructive industry associations in the world on climate policy.

ACCR acknowledges that the **BCA** advocates on a broad range of policies, and that it is unlikely that our company will agree with all of its advocacy. However, the **BCA's** long record of climate policy obstructionism dwarfs our company's efforts to reduce its own carbon footprint and those of its customers. Support for the use of Kyoto carryover credits, for example, equates to a 370 million tonne discount on Australia's 2030 target²¹. This is far greater than any reduction in emissions that our company could ever hope to deliver.

In October 2018, our company committed to "review the advocacy activities" of its industry associations and take into consideration "material misalignments" when deciding to renew its membership²². The **BCA's** advocacy for Kyoto carryover credits must be considered a material misalignment on climate policy. Given the **BCA's** long record of advocacy opposing climate action, it is clear that our company's attempts to exert its influence "inside the tent" have proven ineffective to date.

It is no longer tolerable for our company to spend shareholder funds supporting industry associations that delay the implementation of policies necessary to achieve the **Paris Goals**.

ACCR urges shareholders to vote for this proposal.

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<https://www.afr.com/policy/energy-and-climate/explained-why-kyoto-carryover-credits-are-so-important-20190402-p519ws>

²² <https://news.nab.com.au/the-role-nab-plays-in-the-transition-to-the-low-carbon-economy/>